

NATIONAL

APRIL MORTGAGES UP 40% ON A YEAR AGO

Fixed rates push to new high

2 May 2013

The number of mortgages processed last month was 40% higher than in April 2012 according to AFG, Australia's largest mortgage broker. The monthly AFG Mortgage Index shows that the company processed \$3.2 billion in home loans compared to \$2.2 billion a year ago.

April's \$3.2 billion figure was the company's largest ever volume for one month – following a record-breaking month in March, when the broker arranged \$3.17 billion in home loans. For the past three years, April figures have been lower than in March, but this year's surge bucked the trend.

AFG has 10% of the total mortgage market in Australia (Source: AFG and ABS statistics) and its figures are usually indicative of the ABS report published 6 weeks later.

Mark Hewitt, General Manager of Sales and Operations says: 'With greater certainty that low rates will be with us for some time, we're seeing more confidence in the market than for some time. But recovery, like property price growth, is very patchy. For example, in both NSW and QLD first home buyers comprise only 3.5% of the market – about a quarter of the long term figure. The broker share of the market looks to be growing as borrowers become increasingly aware of the choice that exists, and the benefit of getting professional help to secure the best deal.'

Fixed rate loans, already at an all-time high of 29.6% in March, rose to a new record of 30.7% of all home loan types in April, as more borrowers choose to lock in historically low rates (Table 5).

Non-major lenders managed to claw back some market share, rising from 20.7% in March to 21.1% in April. This figures is, however, still lower than previous months, and a peak of 24.0% in September 2012 (Table 2).

Figures for each state are available at: www.afgonline.com.au: In the news.

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AFG MORTGAGES SOLD

TABLE 1: ALL AUSTRALIA

MONTH	TOTAL NUMBER	TOTAL AMOUNT	AVERAGE SIZE	PROPERTY INVESTORS	FIRST TIME BUYERS	% REFINANCE
Feb 12	7,000	\$2,806 m	\$400k	36.5%	14.9%	36.6%
Mar 12	7,254	\$2,930 m	\$404k	35.5%	15.6%	37.6%
Apr 12	5,937	\$2,275 m	\$383k	35.2%	15.8%	36.2%
May 12	7,635	\$3,005 m	\$393k	37.1%	15.8%	35.8%
June 12	6,690	\$2,635 m	\$393k	37.0%	15.6%	39.1%
July 12	7,027	\$2,732 m	\$388k	35.2%	17.3%	36.9%
Aug 12	7,730	\$3,071 m	\$397k	36.4%	15.9%	35.4%
Sept 12	6,882	\$2,708 m	\$393k	35.5%	13.2%	35.2%
Oct 12	7,719	\$3,103 m	\$402k	35.8%	15.4%	34.8%
Nov 12	7,831	\$3,094 m	\$395k	33.9%	12.9%	34.9%
Dec 12	5,912	\$2,376 m	\$402k	38.0%	12.5%	36.3%
Jan 13	5,893	\$2,261 m	\$383k	36.0%	13.2%	34.1%
Feb 13	7,480	\$2,956 m	\$395k	34.7%	12.9%	34.4%
Mar 13	7,898	\$3,181 m	\$402k	37.1%	12.9%	35.7%
Apr 13	8,005	\$3,200 m	\$399k	35.9%	12.4%	35.6%

MAJOR VS NON MAJOR LENDER MARKET SHARE

TABLE 2: BY BUYER TYPE

MONTH	TOTAL MORTGAGES		REFINANCE		FIRST HOME BUYERS		INVESTORS	
	MAJOR	NON-MAJOR	MAJOR	NON-MAJOR	MAJOR	NON-MAJOR	MAJOR	NON-MAJOR
2012 03	77.1%	22.9%	78.2%	21.8%	70.1%	29.9%	82.7%	17.3%
2012 04	78.4%	21.6%	76.0%	24.0%	71.4%	28.6%	82.8%	17.2%
2012 05	77.4%	22.6%	77.6%	22.4%	67.0%	33.0%	82.6%	17.4%
2012 06	77.2%	22.8%	77.1%	22.9%	73.5%	26.5%	82.4%	17.6%
2012 07	77.6%	22.4%	73.3%	26.7%	75.1%	24.9%	82.0%	18.0%
2012 08	77.8%	22.2%	75.9%	24.1%	74.6%	25.4%	81.8%	18.2%
2012 09	76.0%	24.0%	75.2%	24.8%	74.3%	25.7%	81.3%	18.7%
2012 10	77.1%	22.9%	73.7%	26.3%	71.7%	28.3%	80.9%	19.1%
2012 11	78.4%	21.6%	74.0%	26.0%	74.9%	25.1%	80.8%	19.2%
2012 12	77.4%	22.6%	74.0%	26.0%	77.6%	22.4%	80.7%	19.3%
2013 01	76.5%	23.5%	73.6%	26.4%	75.2%	24.8%	80.5%	19.5%
2013 02	78.1%	21.9%	73.7%	26.3%	78.2%	21.8%	80.1%	19.9%
2013 03	79.3%	20.7%	74.2%	25.8%	77.8%	22.2%	80.5%	19.5%
2013 04	78.9%	21.1%	74.7%	25.4%	75.2%	24.8%	80.4%	19.6%



AVERAGE MORTGAGE SIZE IN DOLLARS
TABLE 3: STATE BY STATE

MONTH	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
2012 02	400,864	471,690	339,361	317,469	409,651	421,297	382,027
2012 03	404,003	476,278	352,485	333,712	397,739	418,589	346,622
2012 04	383,252	438,067	340,197	314,486	384,380	403,784	359,067
2012 05	393,608	471,848	346,883	313,056	379,130	412,752	345,645
2012 06	393,913	470,804	348,646	303,657	381,493	409,099	390,389
2012 07	388,919	441,236	343,672	314,866	399,317	396,215	415,627
2012 08	397,303	476,061	348,579	325,877	385,407	402,290	373,628
2012 09	393,625	454,687	347,953	304,005	380,811	419,076	412,581
2012 10	402,120	478,148	347,026	320,793	396,997	412,952	375,339
2012 11	395,149	473,172	348,444	315,773	379,949	403,944	365,993
2012 12	402,060	471,157	340,237	310,840	392,193	431,685	426,906
2013 01	383,810	443,931	342,836	325,629	376,871	394,396	355,608
2013 02	395,270	453,231	356,581	340,407	379,198	409,385	397,702
2013 03	402,848	477,063	349,322	333,937	385,252	414,583	352,875
2013 04	399,830	479,400	341,419	320,214	388,968	406,558	377,217

LOAN VALUE RATIOS (loan stated as % of property value)
TABLE 4: STATE BY STATE

	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
2012 03	67.6%	67.5%	67.4%	66.2%	69.1%	69.8%	65.6%
2012 04	67.8%	65.4%	66.2%	67.5%	68.1%	69.5%	69.8%
2012 05	67.5%	66.1%	65.8%	66.1%	68.6%	69.3%	68.9%
2012 06	66.9%	67.2%	65.3%	65.3%	68.3%	70.7%	64.6%
2012 07	67.7%	67.3%	68.5%	65.7%	69.7%	70.1%	64.6%
2012 08	68.6%	69.1%	67.8%	69.7%	70.1%	68.2%	66.8%
2012 09	69.0%	68.0%	68.6%	69.2%	69.3%	70.7%	68.6%
2012 10	70.5%	69.3%	70.5%	70.1%	72.4%	73.6%	67.1%
2012 11	69.0%	67.5%	68.3%	72.1%	69.8%	71.6%	64.4%
2012 12	68.5%	66.7%	68.1%	66.9%	69.2%	70.8%	69.1%
2013 01	67.9%	64.9%	69.0%	67.3%	70.9%	70.8%	64.2%
2013 02	68.9%	67.3%	68.3%	68.8%	69.8%	71.2%	68.1%
2013 03	68.8%	66.8%	67.8%	68.3%	70.7%	70.0%	69.4%
2013 04	68.6%	67.3%	68.0%	68.9%	72.0%	70.0%	65.6%



LOAN TYPE

TABLE 5: ALL AUSTRALIA

MONTH	BASIC	EQUITY	FIXED	INTRO	STANDARD
Mar 12	8.8%	6.7%	25.4%	3.6%	55.4%
Apr 12	10.6%	7.4%	21.0%	3.4%	57.5%
May 12	10.3%	8.0%	19.7%	3.1%	58.9%
June 12	10.5%	7.6%	16.5%	2.9%	62.5%
July 12	10.9%	7.5%	16.8%	5.4%	59.3%
Aug 12	9.2%	6.8%	19.9%	5.2%	58.8%
Sept 12	9.0%	6.6%	21.5%	5.7%	57.2%
Oct 12	9.5%	5.9%	20.8%	5.5%	58.2%
Nov 12	8.7%	5.7%	21.6%	4.8%	59.2%
Dec 12	9.1%	6.3%	18.7%	2.6%	63.3%
Jan 13	9.0%	5.6%	16.3%	2.9%	66.0%
Feb 13	8.7%	5.2%	24.1%	4.3%	57.6%
Mar 13	6.1%	5.6%	29.6%	5.0%	53.7%
Apr 13	4.9%	6.2%	30.7%	4.9%	53.2%

DEFINITIONS

1. **Standard Variable:** includes the full range of features available.
2. **Basic Variable:** without some features, lower fees and rates.
3. **Intro:** also known as 'honeymoon' where the borrower is offered a very cheap initial rate (fixed or variable) before the loan reverts to a Standard Variable.
4. **Fixed:** interest rate is fixed for a nominated period before it reverts to a Standard Variable.
5. **Equity:** also known as 'line of credit' allows the borrower to draw out money up to a specified limit. Generally more expensive than Standard Variable loans.

NOTE TO EDITORS

AFG is Australia's largest mortgage broker. Established in 1994, the company now provides more than 20% of brokers nationwide with access to Australia's leading lending institutions, and has a mortgage book in excess of \$65 billion.

