

## NATIONAL

### **MASSIVE SWING BACK FOR JANUARY MORTGAGE FIGURES, BUT BORROWERS PLAY WAIT AND SEE ON RATES**

2 February 2012

Mortgage sales for January were much higher than in the same month last year, when floods in Queensland, and other natural disasters impacted sales, according to AFG, Australia's largest mortgage broker. AFG Mortgage Index shows that overall national mortgage sales increased by 40% this January, compared to last, marking a return to more normal trading levels. Sales in Queensland were up 80.6% and in South Australia 84.5%, with other states showing significant uplifts compared to January 2010 – WA (+ 37.4%), Vic (+25%), NSW (+14.5%).

January also saw WA take over from NSW as the most popular state for First Home Buyers. Almost one in five new mortgages (19.1%) in WA was arranged for First Home Buyers compared to 14.0% in NSW. Through the second half of last year, NSW led the country as the most active First Home Buyers market.

However NSW retains its position as the most popular state for investment, with 40.2% of loans there arranged for investment purposes, compared to 36.8% in Victoria, 34.9% in Queensland, 32.6% in Western Australia and 32.0% in South Australia.

Mark Hewitt, General Manager of Sales and Operations says: 'While markets across the country have recovered from last year's natural disasters, right now we have a strong sense that borrowers are playing wait and see on rates. Will the RBA cut rates, and if so, how much of this will be passed on by lenders? It seems that we are moving to a new paradigm where there is less and less linkage between the cash rate and mortgage rates. An RBA cash rate cut will not automatically translate into improved consumer confidence.'

The AFG Mortgage Index also shows that nearly one in five new borrowers (18.6%) opted for a fixed rate home loan. This figure is close to the high water mark of 20.4% for fixed rate products recorded last October.

Figures for each state are available at: [www.afgonline.com.au](http://www.afgonline.com.au): Corporate - News.

## ENDS

### CONTACT DETAILS

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### AFG MORTGAGES SOLD

TABLE 1: ALL AUSTRALIA

MONTH	TOTAL NUMBER	TOTAL AMOUNT	AVERAGE SIZE	PROPERTY INVESTORS	FIRST TIME BUYERS	% REFINANCE
2010 11	6,619	\$2,511 m	\$379k	35.1%	12.2%	38.5%
2010 12	5,472	\$2,076 m	\$379k	35.5%	11.4%	41.5%
2011 01	3,583	\$1,310 m	\$365k	34.7%	14.1%	36.1%
2011 02	5,365	\$2,053 m	\$382k	33.9%	14.6%	37.0%
2011 03	6,436	\$2,513 m	\$390k	34.7%	13.9%	36.9%
2011 04	5,489	\$2,119 m	\$386k	34.9%	13.9%	36.7%
2011 05	6,483	\$2,517 m	\$388k	36.5%	13.2%	36.8%
2011 06	6,205	\$2,382 m	\$384k	36.2%	12.9%	39.2%
2011 07	5,937	\$2,293 m	\$386k	35.6%	13.6%	39.1%
2011 08	7,198	\$2,764 m	\$384k	36.5%	13.8%	38.2%
2011 09	6,687	\$2,633 m	\$393k	37.7%	15.7%	37.9%
2011 10	6,349	\$2,509 m	\$395k	35.6%	16.4%	37.9%
2011 11	7,492	\$2,970 m	\$396k	38.4%	15.8%	37.8%
2011 12	5,576	\$2,188 m	\$392k	37.8%	15.7%	36.2%
2012 01	4,736	\$1,824 m	\$385k	35.9%	15.8%	37.3%

### 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
2010 12	81.1%	18.9%	78.7%	21.3%	79.0%	20.9%	82.4%	17.6%
2011 01	80.7%	19.3%	77.5%	22.5%	77.1%	22.9%	82.2%	17.8%
2011 02	79.4%	20.6%	74.5%	25.6%	75.0%	24.9%	81.6%	18.4%
2011 03	81.7%	18.3%	79.0%	20.9%	79.7%	20.3%	82.2%	17.8%
2011 04	82.4%	17.6%	80.5%	19.5%	77.3%	22.8%	83.3%	16.7%
2011 05	80.4%	19.6%	78.7%	21.3%	77.1%	22.9%	83.0%	17.0%
2011 06	82.1%	17.9%	78.7%	21.3%	76.2%	23.8%	82.9%	17.0%
2011 07	81.7%	18.3%	79.8%	20.2%	77.6%	22.5%	83.0%	17.0%
2011 08	82.0%	18.0%	80.3%	19.7%	77.8%	22.2%	83.4%	16.6%
2011 09	80.1%	19.9%	78.6%	21.4%	70.7%	29.3%	82.8%	17.2%
2011 10	78.9%	21.1%	78.8%	21.2%	70.8%	29.2%	82.7%	17.3%
2011 11	80.4%	19.6%	78.9%	21.0%	71.3%	28.7%	82.6%	17.4%
2011 12	75.7%	24.3%	71.2%	28.8%	71.7%	28.3%	78.0%	21.9%
2012 01	79.0%	21.0%	78.9%	21.1%	72.6%	27.4%	83.1%	16.9%



## AVERAGE MORTGAGE SIZE IN DOLLARS

TABLE 3 : STATE BY STATE

MONTH	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
2010 11	379,385	434,898	354,220	305,978	359,343	395,325	338,145
2010 12	379,444	432,540	344,485	324,070	370,978	396,047	339,641
2011 01	365,799	416,527	319,554	301,933	349,155	397,102	329,902
2011 02	382,725	451,630	354,012	321,672	346,465	394,922	360,971
2011 03	390,479	467,034	357,177	309,931	360,051	396,572	376,348
2011 04	386,218	453,492	357,453	315,692	363,724	404,714	326,205
2011 05	388,384	453,286	354,886	302,057	379,993	399,372	383,786
2011 06	384,042	455,559	347,506	294,092	362,063	412,557	347,725
2011 07	386,382	456,388	360,034	318,695	388,360	371,500	355,855
2011 08	384,124	452,230	348,880	323,487	382,884	382,598	321,164
2011 09	393,822	461,132	358,846	325,771	383,114	397,917	338,159
2011 10	395,226	447,144	358,142	329,566	396,238	406,019	369,765
2011 11	396,520	449,942	352,252	318,437	400,929	418,360	376,376
2011 12	392,559	450,620	361,439	325,937	376,570	409,917	395,489
2012 01	385,337	437,476	351,966	312,596	389,634	406,222	374,604

## LOAN VALUE RATIOS (loan stated as % of property value)

TABLE 4 : STATE BY STATE

	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
2010 12	65.9%	66.2%	65.1%	65.5%	66.1%	63.6%	68.7%
2011 01	65.4%	66.5%	62.8%	62.2%	67.7%	66.8%	66.2%
2011 02	68.8%	69.2%	66.5%	66.5%	66.5%	65.9%	78.2%
2011 03	65.8%	66.8%	65.2%	67.2%	67.5%	65.0%	63.1%
2011 04	63.9%	65.4%	65.4%	64.9%	65.8%	65.1%	56.8%
2011 05	65.5%	66.2%	66.0%	64.8%	66.0%	63.8%	66.1%
2011 06	64.2%	64.4%	66.0%	63.4%	65.3%	65.2%	61.0%
2011 07	66.3%	68.7%	66.3%	65.0%	65.5%	66.5%	66.0%
2011 08	67.7%	70.1%	67.1%	67.8%	69.9%	65.0%	67.1%
2011 09	66.0%	69.0%	68.9%	64.1%	65.2%	66.4%	62.3%
2011 10	66.7%	70.0%	67.9%	67.8%	65.9%	67.8%	60.5%
2011 11	66.5%	69.7%	66.9%	64.5%	66.6%	67.1%	64.3%
2011 12	67.5%	69.6%	68.4%	67.7%	64.7%	68.7%	66.1%
2012 01	68.9%	67.9%	66.3%	67.6%	70.8%	69.9%	70.9%



## LOAN TYPE

TABLE 5: ALL AUSTRALIA

MONTH	BASIC	EQUITY	FIXED	INTRO	STANDARD
2010 11	15.0%	9.5%	9.0%	7.4%	59.1%
2010 12	13.7%	9.0%	12.6%	8.9%	55.7%
2011 01	14.6%	7.7%	9.0%	11.9%	56.7%
2011 02	14.2%	9.7%	6.6%	13.2%	56.2%
2011 03	11.8%	9.3%	6.6%	15.6%	56.6%
2011 04	10.6%	9.7%	6.4%	14.3%	58.9%
2011 05	11.7%	8.9%	8.4%	12.5%	58.5%
2011 06	10.6%	9.3%	8.2%	11.5%	60.4%
2011 07	13.2%	8.6%	7.9%	8.5%	61.8%
2011 08	11.7%	9.6%	9.4%	6.0%	63.2%
2011 09	9.9%	7.7%	16.6%	4.7%	60.9%
2011 10	8.8%	8.1%	20.4%	3.9%	58.6%
2011 11	8.9%	7.2%	17.2%	3.5%	63.1%
2011 12	9.4%	7.3%	19.2%	3.9%	60.2%
2012 01	10.7%	7.5%	18.6%	3.8%	59.4%

### 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

### 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.

