

## NATIONAL

# HIGHEST FEBRUARY MORTGAGE SALES ON RECORD AS FIXED RATE LOANS PEAK

## Average new home loan reaches \$400k for first time ever

1 March 2012

AFG, Australia's largest mortgage broker, had its highest February sales on record, processing \$2.8 billion of loans. This compares to \$2.0 bn in February 2011 and \$2.2 bn in February 2010.

In a month when lenders decoupled from the RBA cash rate, announcing out of cycle rate rises, more new borrowers than ever before – 23.2% - chose Fixed rate loans. This surpasses the previous high of 20.4% for fixed rate loans recorded in October last year, and compares to a figure of just 6.6% in February 2011.

AFG Mortgage Index also shows that, for the first time ever, the average new home loan in Australia reached \$400k – up from \$385k in January and \$382k in February 2011. Across the nation, NSW had the highest average new home loan - \$471k, followed by WA - \$421k and VIC - \$409k, which has only recently broken through the \$400k barrier.

Mark Hewitt, General Manager of Sales and Operations says: 'The dynamics of the home loan market are changing in a number of ways. The very good news is that the past six months has seen a steady stream of First Home Buyers return, which is vital to the future of property markets. As well as this, increasing competition among major and non major lenders, and the decoupling of lender rate announcements from the RBA is making the mortgage market a more complex place. This is an environment in which brokers thrive, because borrowers know they really need to shop around for the best deal, and increasingly rely on us to do so. Concern about the future of rates is also the reason why record numbers of borrowers are choosing to fix rates.'

Major lenders saw their market share drop somewhat from 79.0% in January to 76.1% in February. Most of this change was because of an increasing trend among First Home Buyers to opt for non-major lenders – up from 27.4% in January to 29.1% in February.

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
Dec 10	5,472	\$2,076 m	\$379k	35.5%	11.4%	41.5%
Jan 11	3,583	\$1,310 m	\$365k	34.7%	14.1%	36.1%
Feb 11	5,365	\$2,053 m	\$382k	33.9%	14.6%	37.0%
Mar 11	6,436	\$2,513 m	\$390k	34.7%	13.9%	36.9%
Apr 11	5,489	\$2,119 m	\$386k	34.9%	13.9%	36.7%
May 11	6,483	\$2,517 m	\$388k	36.5%	13.2%	36.8%
June 11	6,205	\$2,382 m	\$384k	36.2%	12.9%	39.2%
July 11	5,937	\$2,293 m	\$386k	35.6%	13.6%	39.1%
Aug 11	7,198	\$2,764 m	\$384k	36.5%	13.8%	38.2%
Sep 11	6,687	\$2,633 m	\$393k	37.7%	15.7%	37.9%
Oct 11	6,349	\$2,509 m	\$395k	35.6%	16.4%	37.9%
Nov 11	7,492	\$2,970 m	\$396k	38.4%	15.8%	37.8%
Dec 11	5,576	\$2,188 m	\$392k	37.8%	15.7%	36.2%
Jan 12	4,736	\$1,824 m	\$385k	35.9%	15.8%	37.3%
Feb 12	7,000	\$2,806 m	\$400k	36.5%	14.9%	36.6%

## 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
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%
2012 02	76.1%	23.9%	78.7%	21.3%	70.9%	29.1%	82.9%	17.7%



## AVERAGE MORTGAGE SIZE IN DOLLARS

TABLE 3: STATE BY STATE

MONTH	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
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
2012 02	400,864	471,690	339,361	317,469	409,651	421,297	382,027

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

TABLE 4: STATE BY STATE

	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
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%
2012 02	67.7%	66.7%	68.1%	66.4%	68.0%	70.2%	66.7%



## LOAN TYPE

TABLE 5: ALL AUSTRALIA

MONTH	BASIC	EQUITY	FIXED	INTRO	STANDARD
Dec 10	13.7%	9.0%	12.6%	8.9%	55.7%
Jan 11	14.6%	7.7%	9.0%	11.9%	56.7%
Feb 11	14.2%	9.7%	6.6%	13.2%	56.2%
Mar 11	11.8%	9.3%	6.6%	15.6%	56.6%
Apr 11	10.6%	9.7%	6.4%	14.3%	58.9%
May 11	11.7%	8.9%	8.4%	12.5%	58.5%
June 11	10.6%	9.3%	8.2%	11.5%	60.4%
July 11	13.2%	8.6%	7.9%	8.5%	61.8%
Aug 11	11.7%	9.6%	9.4%	6.0%	63.2%
Sep 11	9.9%	7.7%	16.6%	4.7%	60.9%
Oct 11	8.8%	8.1%	20.4%	3.9%	58.6%
Nov 11	8.9%	7.2%	17.2%	3.5%	63.1%
Dec 11	9.4%	7.3%	19.2%	3.9%	60.2%
Jan 12	10.7%	7.5%	18.6%	3.8%	59.4%
Feb 12	9.7%	6.6%	23.2%	3.5%	57.0%

### 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.

