

## NATIONAL

### **BIGGEST MONTH FOR MORTGAGE SALES IN 3 YEARS – MAY FIGURES**

**5 June 2012**

AFG, Australia's largest mortgage broker, processed more home loans in May than in any month since March 2009, according to figures published today. The AFG Mortgage Index shows that the company processed over \$3 billion in loans during May. AFG has approximately 10% of the total mortgage market (Source ABS and AFG statistics).

Leading the country was Western Australia, where home loans processed hit an all time high of \$683 million for the month. This was second only to NSW (\$812m) with VIC (\$641m) and QLD (\$627m) trailing behind.

Mark Hewitt, General Manager Sales and Operations says: 'The automatic assumption would be that we're seeing the effect of the rate cut at the start of May, but that's only part of the story. We're probably also seeing more borrowers turn to brokers to help them get the best deal in an increasingly competitive and complex market. In addition, May is generally a stronger month, after the public and school holidays in April.'

'These figures do not conflict with the softening house price data published late last week. Mortgages are processed before sales are confirmed, so our data is more a snapshot of where we are right now. Reduced property prices and interest rates are bringing more people back into the market, but anecdotally, many potential borrowers are still worried by both the offshore news as well as weakening conditions at home.'

Fixed rate home loans remain near all time highs (19.7%) confirming continued borrower uncertainty.

AFG's Mortgage Index also shows non major lenders deepening their reach into the first home buyers market, where in May they accounted for 33% market share.

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

## ENDS

### CONTACT DETAILS

Mark Hewitt, AFG General Manager Sales & Operations

Mob 0414 801 251 | Tel(08) 9420 7888

David Michie, Mosaic Reputation Management

Tel (08) 9381 4494 | Mob 0411 453 404



## AFG MORTGAGES SOLD

TABLE 1: ALL AUSTRALIA

MONTH	TOTAL NUMBER	TOTAL AMOUNT	AVERAGE SIZE	PROPERTY INVESTORS	FIRST TIME BUYERS	% REFINANCE
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%
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%

## 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 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%
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%



## AVERAGE MORTGAGE SIZE IN DOLLARS

TABLE 3 : STATE BY STATE

MONTH	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
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
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

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

TABLE 4: STATE BY STATE

	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
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%
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%



## LOAN TYPE

TABLE 5: ALL AUSTRALIA

MONTH	BASIC	EQUITY	FIXED	INTRO	STANDARD
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%
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%

### 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.

