

NATIONAL

COLLAPSE IN FIRST HOME BUYING IN NSW AND QLD – LATEST MORTGAGE FIGURES

3 December 2012

Demand for home loans by first home buyers has collapsed in New South Wales and Queensland, according to AFG, Australia's largest mortgage broker. Last month, AFG arranged just 96 home loans worth \$31 million for First Home Buyers in Queensland, compared with 265 mortgages worth \$79 million the month before. This follows a similar trend in New South Wales where in both October and November the company arranged fewer than half the 219 home loans worth \$83 million in September. State Governments in both NSW and QLD have withdrawn \$7,000 first home buyers grants in the past two months.

The proportion of the company's home loans arranged for first home buyers has slumped in Queensland from levels around 15% in the months leading up to the end of the first home buyers grant, to just 5.5%. In New South Wales, first home buyers comprised 13% of new home loans up till September, dropping to 5.7% in October and 5.4% in November.

Mark Hewitt, General Manager of Sales and Operations says: 'This trend is both significant and very concerning for the market going forward. First home buyers are the lifeblood of the property market – when activity stagnates at the entry level, it affects everyone up the property chain. By contrast, both New South Wales and Queensland are enjoying strong support among property investors right now. We could be seeing the transition to a generation of renters unless more is done to help people onto the property ladder.'

New South Wales leads Australia with 41.1% of all loans in the state arranged for property investors. In Queensland this figure is 33.4%. By contrast, WA leads the country in the first home buyers market with 23.6% of all new home loans arranged for them.

Fixed rate mortgages rose as a proportion to 21.6% of all home loans arranged. This is higher than in previous months but still well below the peak of 25.4% reached in March 2012.

Figures for each state are available at: 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
Sept 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%
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%

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 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%
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%



AVERAGE MORTGAGE SIZE IN DOLLARS

TABLE 3: STATE BY STATE

MONTH	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
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
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

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

TABLE 4: STATE BY STATE

	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
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%
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%



LOAN TYPE

TABLE 5: ALL AUSTRALIA

MONTH	BASIC	EQUITY	FIXED	INTRO	STANDARD
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%
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%

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.

