

## NATIONAL

### **FIXED HOME RATES HIT ALL TIME HIGH OF 30% - MARCH FIGURES**

2 April 2013

Nearly one in three new borrowers locked in fixed rates on their loans during March according to AFG, Australia's largest mortgage broker. AFG Mortgage Index, published today, shows that 29.6% of all new home loans was Fixed – a leap from 24.1% in February and 16.3% in January.

This is the highest proportion of Fixed rate loans the company has seen in the 10 years it has been compiling the Mortgage Index.

The company recorded its best sales month ever for March, processing \$3,181 million of home loans, 8.6% higher than in March 2012, and beating its previous record month of March 2009, when it processed \$3,153 million. Growth was largely driven by first home buyers in WA and investors in NSW.

Mark Hewitt, General Manager of Sales and Operations says: 'We have seen an unprecedented surge of borrowers wanting to lock in rates. With many commentators believing the interest rate cycle is at the bottom, borrowers have responded by fixing rates of less than 5% that have been widely on offer. These rates are very low by historic standards and it makes sense to lock them in while they are still available.'

AFG Mortgage Index shows the continuing weakness of first home buying activity in NSW, where only 4% of new borrowers are first home buyers, and QLD – 5.1%. These figures compare with 15.3% for SA, 18.3% for VIC and 22.9% in WA.

Loan to value ratios (LVRs), which are the value of a home loan expressed as a percentage of the value of the property, were 68.8% in March, consistent with the average over the past year. LVRs were highest in states where there is greatest first home buying activity (WA and VIC – both 70%) and lowest in NSW (66.8%) where investors typically leverage equity in existing properties when setting up new loans.

Figures for each state are available at: [www.afgonline.com.au](http://www.afgonline.com.au): In the 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
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%
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%

## 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 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%
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%



**AVERAGE MORTGAGE SIZE IN DOLLARS**
**TABLE 3 : STATE BY STATE**

MONTH	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
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
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

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

**TABLE 4 : STATE BY STATE**

	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
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%
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%



## LOAN TYPE

TABLE 5: ALL AUSTRALIA

MONTH	BASIC	EQUITY	FIXED	INTRO	STANDARD
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%
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%

### 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.

