NATIONAL

ONLY 1 IN 50 NSW BORROWERS A FIRST HOME BUYER –LATEST FIGURES

3 December 2014

The proportion of first home buyers in NSW fell to its lowest ever level last month with fewer than 1 in 50 new borrowers (1.9%) being first home buyers. First home buyers also fell to their lowest ever level in Victoria and South Australia where they comprised just 7.4% and 6.3% of new borrowers respectively. First home buying increased slightly in Queensland to 5.2% from its all-time low of 4.7% last month, and in WA rose from a low of 17.9% in October to 19.1% in November.

By contrast, investment mortgages continue to be in very strong demand comprising 40.7% of all new mortgages processed nationally. On a state by state basis, home loans for investors comprised 50.9% in NSW, 39.8% in VIC, 35.9% in SA, 34.5% in QLD, and 29.8% in WA.

Mark Hewitt, General Manager of Sales and Operations says: 'We've been highlighting the imbalance in the market since the axing of first home buyer grants in several states. Last month was the closest to zero we've recorded for NSW, and first home buying is well below its long term trend of around 12% - 15% everywhere except in WA.'

In WA, first home buyers receive a $10k state government grant if they move into a new build property, or $3k if they buy an established property.

Non-major lenders continue to consolidate their position in home loan markets, with a significant increase in their traditional stronghold, the first home buyer market, where the proportion of loans processed for them increased sharply from 30.9% in October to 35.7% in November. During the course of 2014, non-major lenders have grown their overall market share from 24% to 29%.

Last month AFG processed $4.4 billion in home loan finance, down slightly from a record high of $4.7 billion in October, and 11.5% higher than for November 2014. Figures processed for November were higher by 19.6% on November 2013 figures in NSW, 19.4% in VIC, 18.8% in SA, 5.7% in QLD. WA figures were 5% lower than in November 2013.

More information for each state can be found at www.afgonline.com.au under Media Hub – News and Data.

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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
Sept 13	8,660	$3,624 m	$418k	38.1%	11.3%	31.5%
Oct 13	9,597	$4,057 m	$422k	38.4%	11.1%	34.3%
Nov 13	9,162	$3,994 m	$436k	39.3%	10.3%	33.9%
Dec 13	7,213	$3,054 m	$423k	38.8%	10.2%	35.1%
Jan 14	6,297	$2,585 m	$410k	38.9%	11.8%	33.1%
Feb 14	8,740	$3,759 m	$430k	38.9%	9.9%	33.6%
Mar 14	9,264	$4,048 m	$436k	39.6%	10.7%	33.9%
Apr 14	8,517	$3,674 m	$431k	39.0%	10.1%	34.1%
May 14	9,815	$4,218 m	$429k	40.0%	10.2%	34.7%
June 14	8,745	$3,794 m	$433k	39.2%	10.8%	36.7%
July 14	9,300	$4,122 m	$443k	38.0%	9.8%	36.1%
Aug 14	9,087	$3,959 m	$435k	39.0%	9.5%	35.3%
Sep 14	9,839	$4,365 m	$443k	40.3%	8.4%	36.0%
Oct 14	10,463	$4,755 m	$454k	38.7%	7.2%	34.7%
Nov 14	9,806	$4,455 m	$454k	40.7%	7.3%	33.6%

MAJOR VS NON MAJOR LENDER MARKET SHARE

TABLE 2: BY BUYER TYPE

	TOTAL MORTGAGES		REFINANCE		FIRST HOME BUYERS		INVESTORS	
MONTH	MAJOR	NON-MAJOR	MAJOR	NON-MAJOR	MAJOR	NON-MAJOR	MAJOR	NON-MAJOR
2013 10	74.9%	25.1%	69.6%	30.4%	73.1%	26.9%	76.3%	23.7%
2013 11	72.3%	27.7%	64.4%	35.6%	71.8%	28.2%	74.7%	25.3%
2013 12	73.6%	26.4%	68.3%	31.7%	70.8%	29.2%	75.9%	24.1%
2014 01	76.0%	24.0%	70.0%	30.0%	73.5%	26.5%	80.2%	19.8%
2014 02	73.1%	26.9%	66.7%	33.3%	72.8%	27.2%	75.8%	24.2%
2014 03	74.6%	25.4%	68.2%	31.8%	68.4%	31.6%	76.8%	23.2%
2014 04	75.2%	24.8%	68.9%	31.1%	72.2%	27.8%	76.9%	23.1%
2014 05	74.7%	25.3%	69.2%	30.8%	70.4%	29.6%	77.2%	22.8%
2014 06	74.9%	25.1%	70.3%	29.7%	72.6%	27.4%	76.9%	23.1%
2014 07	74.7%	25.3%	67.9%	32.1%	71.4%	28.6%	77.5%	22.5%
2014 08	73.8%	26.2%	68.0%	32.0%	69.3%	30.7%	76.8%	23.2%
2014 09	73.2%	26.8%	64.9%	35.1%	68.1%	31.9%	75.5%	24.5%
2014 10	71.7%	28.3%	67.5%	32.5%	69.1%	30.9%	73.8%	26.2%
2014 11	70.1%	29.1%	67.3%	32.7%	64.3%	35.7%	75.5%	24.5%

AVERAGE MORTGAGE SIZE IN DOLLARS

TABLE 3: STATE BY STATE

MONTH	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
2013 09	418,550	507,859	357,343	324,148	397,162	421,761	374,346
2013 10	422,758	512,192	355,836	353,916	414,923	410,299	383,306
2013 11	436,002	529,136	360,296	338,946	427,537	436,015	399,299
2013 12	423,510	516,483	358,121	319,007	406,055	437,591	379,182
2014 01	410,543	485,268	350,785	326,646	418,752	416,173	380,723
2014 02	430.194	518,145	357,754	333,958	419,253	430,772	378,874
2014 03	436,983	529,763	372,809	339,568	417,604	435,643	367,476
2014 04	431,484	528,674	364,432	334,894	408,827	439,959	423,630
2014 05	429,794	524,009	369,926	323,841	416,521	423,236	391,383
2014 06	433,960	526,954	373,126	335,919	419,893	424,349	425,155
2014 07	443,244	506,696	373,911	335,791	469,672	434,707	397,685
2014 08	435,782	532,105	365,571	338,525	422,125	428,916	401,888
2014 09	443,729	545,048	359,100	325,999	426,979	450,527	379,036
2014 10	454,516	577,439	367,670	352,569	425,011	437,373	408,427
2014 11	454,414	561,445	368,898	352,269	445,458	440,347	409,732

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

TABLE 4: ALL AUSTRALIA

	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
2013 10	69.1%	66.4%	70.1%	71.1%	70.7%	71.7%	64.6%
2013 11	68.9%	65.5%	69.8%	68.6%	71.0%	70.7%	67.9%
2013 12	67.3%	65.4%	68.7%	70.0%	69.5%	71.3%	59.2%
2014 01	68.0%	64.5%	68.8%	68.9%	72.3%	71.6%	61.6%
2014 02	68.0%	65.6%	69.0%	67.8%	72.0%	71.0%	62.3%
2014 03	68.0%	64.6%	68.0%	70.9%	71.9%	71.3%	61.3%
2014 04	66.7%	64.2%	65.0%	70.3%	72.4%	70.5%	58.1%
2014 05	68.8%	65.7%	68.0%	68.5%	71.4%	70.5%	68.6%
2014 06	66.6%	64.1%	66.7%	68.6%	70.6%	69.8%	59.8%
2014 07	68.2%	63.3%	67.3%	67.3%	71.2%	71.5%	68.4%
2014 08	69.5%	64.3%	67.8%	70.4%	70.9%	71.1%	72.5%
2014 09	66.9%	65.1%	66.3%	67.4%	72.6%	70.3%	60.0%
2014 10	67.9%	65.8%	67.5%	71.7%	72.0%	69.4%	61.1%
2014 11	69.6%	64.9%	67.6%	69.0%	72.3%	72.4%	71.2%

LOAN TYPE

TABLE 5: ALL AUSTRALIA

MONTH	BASIC	EQUITY	FIXED	INTRO	STANDARD
Sept 13	5.9%	4.9%	20.1%	4.7%	64.4%
Oct 13	5.6%	4.7%	20.7%	4.2%	64.8%
Nov 13	5.9%	5.0%	20.8%	4.3%	64.0%
Dec 13	6.1%	5.1%	18.5%	4.8%	65.6%
Jan 14	6.4%	4.6%	17.5%	6.7%	64.8%
Feb 14	6.0%	5.1%	18.3%	5.3%	65.3%
Mar 14	6.1%	5.1%	17.2%	5.6%	66.0%
Apr 14	5.9%	5.3%	17.5%	5.5%	65.9%
May 14	6.9%	5.1%	17.6%	5.3%	65.1%
June 14	6.2%	5.0%	17.2%	5.1%	66.6%
July 14	6.3%	4.8%	16.8%	6.6%	65.5%
Aug 14	6.5%	4.2%	17.8%	6.3%	65.2%
Sept 14	6.2%	4.3%	18.2%	5.9%	65.3%
Oct 14	5.2%	4.1%	18.2%	5.6%	66.9%
Nov 14	5.3%	4.6%	17.1%	4.9%	68.0%

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 broking group and one of the country's largest financial services companies. 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 $97 billion.