

VIC

RECORD FOR THE MONTH OF APRIL DRIVEN BY MELBOURNE & SYDNEY PROPERTY INVESTMENT

6 May 2015

The housing market's strong 2015 performance continued during April with AFG processing total mortgages of \$4,380 million for the month. This compares with \$3,674 million in April 2014 and is a record for the month of April. In keeping with seasonal trends, the figure is somewhat lower than the \$5,236 million recorded for March, because of the Easter holidays, when property markets are typically more subdued.

The result reflected increasing Victoria investor activity, combined with already strong NSW investor activity. AFG processed a higher proportion of home loans for investors in Victoria last month than ever before at 40.9%, up from 36.7% in March 2015, and 36.9% in April 2014. In NSW, the proportion of investor mortgages remained around its all-time high of 52.8% of applications.

Mark Hewitt, General Manager of Sales and Operations says: "Investor activity in both Sydney and Melbourne is now at the highest levels we have recorded in 21 years. Elsewhere it's a different story - for example in Western Australia, where first home buyers comprise a much larger proportion of buyers than elsewhere, property investment cooled somewhat last month."

Queensland property investment rose to 36.7% in April from 33.3% in March, in South Australia there was an increase from 37.7% to 38.2%, and in WA figures softened from 33.6% to 32.8%.

First home buyer figures remained at low levels across all of Australia, except for WA, comprising just 2% of new mortgages in NSW, 6.4% in SA, 7.7% in QLD, 8.9% in VIC and 18% in WA.

The proportion of new borrowers choosing fixed home loans was 13.6%, continuing an overall decline since October 2014 when 18.2% of borrowers chose to fix their rates.

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

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AFG MORTGAGES SOLD
TABLE 1: ALL AUSTRALIA

MONTH	TOTAL NUMBER	TOTAL AMOUNT	AVERAGE SIZE	PROPERTY INVESTORS	FIRST TIME BUYERS	% REFINANCE
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%
Dec 14	8,510	\$3,778 m	\$443k	39.4%	6.9%	37.3%
Jan 15	6,562	\$2,763 m	\$421k	38.5%	8.3%	32.8%
Feb 15	9,799	\$4,368 m	\$445k	39.6%	8.2%	35.0%
Mar 15	11,235	\$5,236 m	\$466k	41.7%	7.4%	34.9%
Apr 15	9,661	\$4,380 m	\$453k	43.1%	7.5%	33.9%

AFG MORTGAGES SOLD
TABLE 2 : VIC

MONTH	TOTAL NUMBER	TOTAL AMOUNT	AVERAGE SIZE	FIRST TIME BUYERS	PROPERTY INVESTORS
Feb 14	2,111	\$885 m	\$419k	10.3%	38.4%
Mar 14	2,242	\$936 m	\$417k	12.2%	36.5%
Apr 14	2,146	\$875 m	\$408k	10.9%	36.9%
May 14	2,399	\$999 m	\$416k	10.7%	40.2%
June 14	2,046	\$859 m	\$419k	11.3%	36.6%
July 14	2,333	\$1,095 m	\$469k	9.6%	34.9%
Aug 14	2,158	\$910 m	\$422k	9.4%	36.9%
Sept 14	2,414	\$1,030 m	\$426k	9.1%	37.2%
Oct 14	2,561	\$1,088 m	\$425k	8.3%	35.9%
Nov 14	2,423	\$1,079 m	\$445k	7.4%	39.8%
Dec 14	2,086	\$915 m	\$438k	6.9%	36.8%
Jan 15	1,603	\$664 m	\$414k	9.6%	39.3%
Feb 15	2,448	\$1,070m	\$437k	9.2%	38.4%
Mar 15	2,790	\$1,225m	\$439k	10.7%	36.7%
Apr 15	2,381	\$1,042m	\$438k	8.9%	40.9%

MAJOR VS NON MAJOR LENDER MARKET SHARE

TABLE 3: BY BUYER TYPE

MONTH	TOTAL MORTGAGES		REFINANCE		FIRST HOME BUYERS		INVESTORS	
	MAJOR	NON-MAJOR	MAJOR	NON-MAJOR	MAJOR	NON-MAJOR	MAJOR	NON-MAJOR
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%	63.0%	37.0%	64.3%	35.7%	75.5%	24.5%
2014 12	67.5%	32.5%	58.6%	41.4%	68.4%	31.6%	73.2%	26.8%
2015 01	74.9%	25.1%	68.6%	31.4%	73.4%	26.6%	78.7%	21.3%
2015 02	73.9%	26.1%	66.4%	33.6%	73.1%	26.9%	77.3%	22.7%
2015 03	72.5%	27.5%	66.2%	33.8%	70.9%	29.1%	76.2%	23.8%
2015 04	74.7%	25.3%	69.2%	30.8%	69.4%	30.6%	77.3%	22.7%

AVERAGE MORTGAGE SIZE IN DOLLARS

TABLE 4: STATE BY STATE

MONTH	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
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
2014 12	443,986	544,281	374,391	349,146	438,934	427,983	374,898
2015 01	421,147	508,347	356,631	327,827	414,585	429,854	346,308
2015 02	445,848	547,256	370,853	336,830	437,473	428,421	396,566
2015 03	466,048	576,992	382,291	349,813	439,090	447,861	437,107
2015 04	453,463	550,749	377,562	337,975	438,013	446,065	400,973

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

TABLE 5 : ALL AUSTRALIA

	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
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%
2014 12	68.2%	65.1%	68.1%	68.0%	71.3%	68.4%	68.5%
2015 01	69.0%	65.5%	68.7%	70.7%	72.0%	71.5%	65.6%
2015 02	67.7%	64.6%	68.7%	66.5%	71.5%	71.7%	63.5%
2015 03	67.8%	64.2%	66.8%	67.4%	72.0%	69.3%	67.3%
2015 04	68.0%	63.4%	67.7%	70.4%	71.4%	70.5%	64.5%

LOAN TYPE

TABLE 6 : ALL AUSTRALIA

MONTH	BASIC	EQUITY	FIXED	INTRO	STANDARD
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%
Dec 14	5.3%	4.5%	14.5%	5.8%	69.8%
Jan 15	6.5%	3.9%	15.4%	7.5%	66.5%
Feb 15	6.6%	3.8%	13.6%	7.9%	68.2%
Mar 15	6.6%	3.7%	14.2%	6.6%	68.8%
Apr 15	6.0%	3.5%	13.6%	6.6%	70.3%

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 \$100 billion.