

11 January 2016

Tale of two seaboards

AFG (ASX: AFG) has today released the AFG Mortgage Index for the final quarter of the calendar year 2016. The data shows year on year growth in lodgement volume for the company of 9.9%.

AFG Chief Operating Officer David Bailey explained the results. “2016 saw the eastern seaboard lead the way with Victoria recording an increase of 23% for the year. After a number of years of lacklustre activity it has been encouraging to see Queensland record 18% growth across the twelve months. Continued growth was also evident in NSW with a 10% increase in lodgements for the year.

“The remainder of the country tells a different story,” said Mr Bailey. “South Australia remained flat across 2016 and the tough time experienced by the WA economy was evident with a 16% drop for the year. The Northern Territory also showed a drop of 18% across the year.

“A recent increase to the First Home Owners Grant and a relaxation in eligibility requirements for Keystart lending is clearly an attempt by the WA state government to help lift the housing market and stimulate the construction sector in that state.

Loan to Value ratio (LVR) remained relatively consistent across the twelve month period at 69%. “The national LVR for the final quarter of 2016 was 0.7% lower than the same period in 2015, which is good news as this means owner equity has improved. Historically the national LVR has been sitting within the 69% range across 2015 and 2016,” said Mr Bailey.

As highlighted in the most recent AFG Competition Index, non-major lenders have been taking market share from the majors. “The major banks dropped market share across all sectors of the market in the final quarter of 2016,” said Mr Bailey.

“Many lenders have been increasing fixed and variable interest rates and have tightened lending to investors. This has encouraged consumers to examine their own situation and we are seeing many pick up the phone to their mortgage broker to determine if their loan is still the most appropriate for their circumstances.

“We expect this trend to continue into the new calendar year as an increasing number of consumers recognise that a mortgage broker is in the unique position of being able to provide a comprehensive view of the alternatives available across lenders and products,” he concluded.

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*** Please note an adjustment to Table 2 & Majors vs Non-Major by State Infographic**

Changes in name for some NAB products resulted in the incorrect classification of some major product lines to the non-major category in the previous version of the September quarter AFG Mortgage Index, issued 7th October 2016. The corrected table and infographic appears below.

CONTACT DETAILS

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TABLE 1 - ALL AUSTRALIA

AFG MORTGAGES LODGED

Fiscal Year	Fiscal Quarter	Lodge #	Lodge Vol	Avg Loan	Inv %	First Home Buyers %	Refinance %	Upgrader %
2013	1	21,572	\$8,416,747,858	\$390,170	36%	15%	34%	28%
2013	2	21,409	\$8,487,498,307	\$396,445	36%	12%	34%	31%
2013	3	21,210	\$8,322,602,170	\$392,390	36%	12%	33%	31%
2013	4	24,446	\$9,799,859,820	\$400,878	37%	11%	33%	30%
2014	1	25,819	\$10,541,737,827	\$408,294	38%	10%	31%	32%
2014	2	25,896	\$10,983,112,498	\$424,124	39%	9%	32%	31%
2014	3	24,232	\$10,303,354,052	\$425,196	39%	9%	32%	31%
2014	4	26,966	\$11,551,289,535	\$428,365	39%	9%	34%	30%
2015	1	28,134	\$12,204,892,149	\$433,813	39%	8%	34%	31%
2015	2	28,664	\$12,890,718,175	\$449,718	39%	7%	36%	30%
2015	3	27,497	\$12,268,066,204	\$446,160	40%	8%	35%	30%
2015	4	31,231	\$14,355,977,655	\$459,671	40%	8%	37%	28%
2016	1	29,920	\$14,074,024,978	\$470,389	33%	9%	36%	34%
2016	2	28,853	\$13,707,580,625	\$475,083	31%	7%	38%	35%
2016	3	27,279	\$12,898,759,815	\$472,846	33%	8%	38%	33%
2016	4	30,371	\$14,493,261,266	\$477,207	34%	7%	39%	32%
2017	1	31,593	\$15,136,246,232	\$479,101	32%	8%	38%	34%
2017	2	30,817	\$15,065,649,900	\$488,875	34%	9%	38%	32%

TABLE 2 - BY BUYER TYPE

MAJOR VS NON MAJOR LENDER MARKET SHARE

Fiscal Year	Fiscal Quarter	Total		Investment		First Home Buyers		Refinance		Upgrader	
		Major	Non-Major	Major	Non-Major	Major	Non-Major	Major	Non-Major	Major	Non-Major
2013	1	77.1%	22.9%	79.4%	20.6%	74.5%	25.5%	72.9%	27.1%	79.5%	20.5%
2013	2	77.6%	22.4%	80.8%	19.2%	74.2%	25.8%	73.6%	26.4%	79.3%	20.7%
2013	3	78.2%	21.8%	80.0%	20.0%	77.1%	22.9%	73.4%	26.6%	80.4%	19.6%
2013	4	77.0%	23.0%	79.3%	20.7%	74.5%	25.5%	72.6%	27.4%	79.3%	20.7%
2014	1	74.1%	25.9%	76.5%	23.5%	72.8%	27.2%	67.3%	32.7%	76.9%	23.1%
2014	2	73.6%	26.4%	75.4%	24.6%	72.2%	27.8%	67.5%	32.5%	76.1%	23.9%
2014	3	74.3%	25.7%	77.1%	22.9%	71.1%	28.9%	68.3%	31.7%	76.7%	23.3%
2014	4	74.8%	25.2%	77.3%	22.7%	71.6%	28.4%	69.3%	30.7%	77.9%	22.1%
2015	1	73.7%	26.3%	76.8%	23.2%	69.7%	30.3%	66.5%	33.5%	77.3%	22.7%
2015	2	69.8%	30.2%	74.2%	25.8%	67.0%	33.0%	62.5%	37.5%	72.6%	27.4%
2015	3	73.4%	26.6%	76.5%	23.5%	72.3%	27.7%	67.1%	32.9%	75.5%	24.5%
2015	4	71.7%	28.3%	74.8%	25.2%	70.7%	29.3%	64.8%	35.2%	75.5%	24.5%
2016	1	73.7%	26.3%	72.7%	27.3%	73.9%	26.1%	68.9%	31.1%	78.1%	21.9%
2016	2	69.9%	30.1%	71.1%	28.9%	70.3%	29.7%	61.2%	38.8%	75.4%	24.6%
2016	3	70.6%	29.4%	72.0%	28.0%	70.0%	30.0%	64.8%	35.2%	74.5%	25.5%
2016	4	70.9%	29.1%	73.9%	26.1%	72.3%	27.7%	66.2%	33.8%	73.4%	26.6%
2017	1	71.2%	28.8%	74.5%	25.5%	76.9%	23.1%	65.5%	34.5%	73.4%	26.6%
2017	2	65.3%	34.7%	68.6%	31.4%	68.3%	31.7%	58.2%	41.8%	69.1%	30.9%

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TABLE 3 - BY STATE/TERRITORY

TOTAL LODGEMENT VOLUME

Fiscal Year	Fiscal Quarter	National	NSW	NT	QLD	SA	VIC	WA
2013	1	\$8,416,747,858	\$2,317,367,446	\$112,863,129	\$1,700,649,487	\$539,250,818	\$1,863,981,141	\$1,882,635,836
2013	2	\$8,487,498,307	\$2,398,852,212	\$110,388,955	\$1,624,079,026	\$538,593,522	\$1,900,825,060	\$1,914,759,532
2013	3	\$8,322,602,170	\$2,280,623,559	\$101,610,181	\$1,596,742,132	\$557,028,090	\$1,773,185,026	\$2,013,413,182
2013	4	\$9,799,859,820	\$2,888,883,235	\$122,968,345	\$1,721,114,526	\$548,935,991	\$2,182,800,665	\$2,335,157,058
2014	1	\$10,541,737,827	\$3,363,320,441	\$139,190,621	\$1,839,152,242	\$585,449,797	\$2,298,574,557	\$2,316,050,170
2014	2	\$10,983,112,498	\$3,471,438,992	\$147,198,387	\$1,928,914,555	\$590,007,574	\$2,476,370,779	\$2,369,182,211
2014	3	\$10,303,354,052	\$3,187,327,100	\$131,039,892	\$1,768,964,730	\$546,204,335	\$2,423,864,521	\$2,245,953,475
2014	4	\$11,551,289,535	\$3,628,819,262	\$149,390,595	\$1,966,877,888	\$619,877,859	\$2,703,386,185	\$2,482,937,746
2015	1	\$12,204,892,149	\$3,982,412,392	\$152,960,284	\$2,059,972,740	\$607,398,884	\$2,915,367,284	\$2,486,780,565
2015	2	\$12,890,718,175	\$4,471,631,946	\$149,649,155	\$2,159,902,640	\$688,245,636	\$3,061,337,599	\$2,359,951,199
2015	3	\$12,268,066,204	\$4,278,499,703	\$148,109,278	\$1,994,086,543	\$644,335,811	\$2,931,871,054	\$2,271,163,815
2015	4	\$14,355,977,655	\$5,330,767,183	\$116,485,391	\$2,266,686,500	\$771,411,097	\$3,390,725,033	\$2,479,902,452
2016	1	\$14,074,024,978	\$5,269,685,625	\$113,864,980	\$2,139,109,596	\$760,286,366	\$3,516,475,649	\$2,274,602,761
2016	2	\$13,707,580,625	\$4,986,070,556	\$116,645,325	\$2,130,846,756	\$772,308,708	\$3,574,584,643	\$2,127,124,638
2016	3	\$12,898,759,815	\$4,693,055,399	\$104,974,788	\$2,138,500,300	\$712,540,474	\$3,365,240,364	\$1,884,448,490
2016	4	\$14,493,261,266	\$5,286,849,136	\$116,619,716	\$2,423,543,614	\$792,496,525	\$3,869,850,002	\$2,003,902,272
2017	1	\$15,136,246,232	\$5,476,418,504	\$105,881,101	\$2,589,198,923	\$800,973,066	\$4,229,206,771	\$1,934,567,868
2017	2	\$15,065,649,900	\$5,473,541,502	\$95,014,924	\$2,521,004,216	\$778,527,968	\$4,402,841,293	\$1,794,719,997

TABLE 4 - BY STATE/TERRITORY

AVERAGE MORTGAGE SIZE IN DOLLARS

Fiscal Year	Fiscal Quarter	National	NSW	NT	QLD	SA	VIC	WA
2013	1	\$390,170	\$454,208	\$393,251	\$344,540	\$315,721	\$382,905	\$403,048
2013	2	\$396,445	\$471,380	\$379,343	\$343,648	\$314,049	\$385,016	\$411,688
2013	3	\$392,390	\$459,433	\$376,334	\$346,140	\$331,960	\$378,078	\$403,086
2013	4	\$400,878	\$482,929	\$401,857	\$341,559	\$314,037	\$384,431	\$410,180
2014	1	\$408,294	\$496,798	\$397,687	\$347,995	\$318,525	\$389,259	\$408,402
2014	2	\$424,124	\$515,816	\$384,330	\$356,020	\$332,961	\$413,280	\$422,993
2014	3	\$425,196	\$513,092	\$378,728	\$358,744	\$333,255	\$415,829	\$425,773
2014	4	\$428,365	\$522,659	\$410,414	\$364,845	\$330,073	\$412,039	\$425,963
2015	1	\$433,813	\$523,657	\$388,224	\$362,799	\$332,639	\$423,622	\$432,559
2015	2	\$449,718	\$560,917	\$399,064	\$368,395	\$350,609	\$434,540	\$433,337
2015	3	\$446,160	\$550,502	\$392,863	\$370,510	\$338,412	\$429,830	\$433,346
2015	4	\$459,671	\$558,137	\$422,049	\$380,061	\$352,403	\$440,125	\$447,071
2016	1	\$470,389	\$582,286	\$399,526	\$386,330	\$361,869	\$455,325	\$435,414
2016	2	\$475,083	\$581,398	\$422,628	\$393,436	\$371,660	\$463,931	\$442,966
2016	3	\$472,846	\$588,619	\$383,120	\$394,412	\$372,278	\$446,437	\$453,210
2016	4	\$477,207	\$591,040	\$407,761	\$398,806	\$378,461	\$455,437	\$448,100
2017	1	\$479,101	\$596,950	\$408,807	\$399,876	\$378,711	\$459,048	\$444,014
2017	2	\$488,875	\$604,945	\$384,676	\$405,046	\$379,770	\$477,687	\$445,229

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TABLE 5 - BY STATE/TERRITORY

LOAN VALUE RATIOS (LOAN STATED AS % OF PROPERTY VALUE)

Fiscal Year	Fiscal Quarter	LVR						
		National	NSW	NT	QLD	SA	VIC	WA
2013	1	69.6%	69.8%	68.3%	70.2%	69.0%	70.4%	70.1%
2013	2	70.2%	70.5%	67.1%	70.5%	70.3%	71.1%	72.0%
2013	3	70.3%	70.0%	68.0%	70.2%	70.4%	71.8%	71.2%
2013	4	70.0%	69.7%	68.0%	69.8%	70.3%	72.0%	70.3%
2014	1	69.9%	69.6%	66.3%	70.4%	69.3%	71.9%	71.6%
2014	2	70.4%	69.3%	67.2%	71.3%	71.3%	71.9%	71.6%
2014	3	69.9%	69.0%	66.2%	70.1%	70.8%	72.7%	70.6%
2014	4	69.5%	68.6%	65.1%	69.4%	71.3%	72.8%	70.1%
2015	1	70.1%	68.7%	68.3%	69.0%	70.9%	72.5%	71.2%
2015	2	70.5%	68.7%	69.1%	69.8%	71.7%	73.1%	70.6%
2015	3	69.8%	68.4%	66.0%	69.9%	70.8%	72.9%	70.7%
2015	4	69.7%	66.9%	66.4%	69.6%	71.8%	72.7%	71.0%
2016	1	69.8%	67.4%	68.0%	69.2%	69.6%	73.0%	71.5%
2016	2	69.7%	66.0%	67.8%	70.3%	71.4%	71.7%	71.3%
2016	3	69.3%	66.3%	64.2%	70.2%	71.0%	72.7%	71.2%
2016	4	69.3%	66.1%	66.9%	69.9%	70.1%	72.1%	70.5%
2017	1	69.5%	66.2%	67.7%	69.9%	70.5%	70.9%	71.5%
2017	2	69.0%	65.2%	67.1%	69.1%	70.0%	71.4%	70.9%

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TABLE 6 - ALL AUSTRALIA

LOAN TYPE

Fiscal Year	Fiscal Quarter	Loan Type				
		Basic Variable	Equity	Fixed	Intro	Standard Variable
2013	1	7.6%	7.0%	14.6%	2.5%	68.4%
2013	2	7.6%	6.1%	15.6%	1.9%	68.9%
2013	3	6.7%	5.3%	18.2%	3.1%	66.7%
2013	4	6.1%	5.8%	21.7%	3.8%	62.5%
2014	1	6.5%	5.6%	20.4%	4.6%	63.0%
2014	2	5.4%	5.4%	20.2%	4.4%	64.6%
2014	3	5.6%	5.4%	17.7%	5.8%	65.6%
2014	4	6.0%	5.5%	17.4%	5.2%	65.9%
2015	1	6.4%	4.7%	17.5%	5.6%	65.8%
2015	2	5.8%	4.9%	16.7%	4.5%	68.1%
2015	3	6.3%	4.2%	14.3%	7.0%	68.2%
2015	4	5.8%	3.7%	14.4%	6.3%	69.7%
2016	1	8.5%	3.5%	11.4%	5.4%	71.3%
2016	2	8.3%	3.5%	14.2%	4.1%	69.8%
2016	3	8.5%	2.7%	17.7%	2.9%	68.1%
2016	4	7.3%	2.6%	18.6%	3.6%	68.0%
2017	1	7.2%	2.9%	16.0%	6.2%	67.7%
2017	2	9.6%	2.6%	16.4%	5.1%	66.3%

CONTACT DETAILS

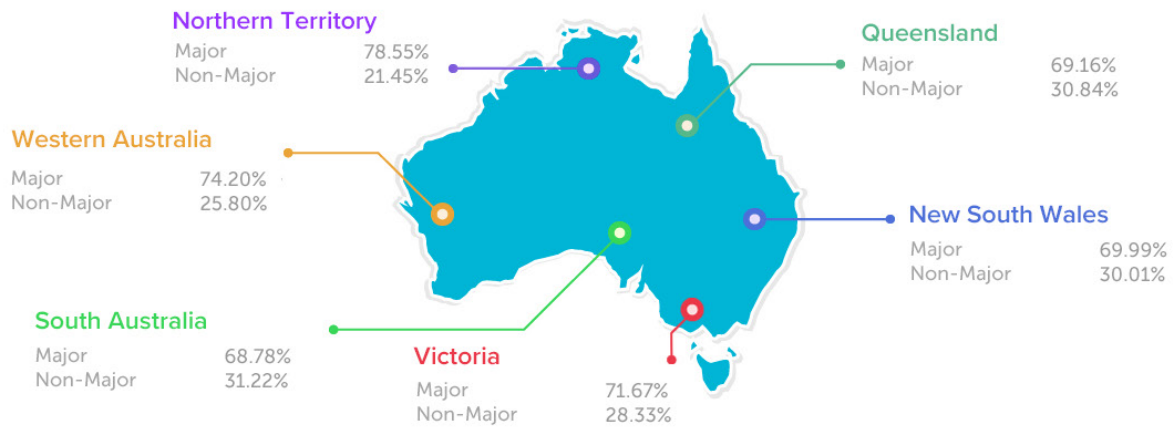
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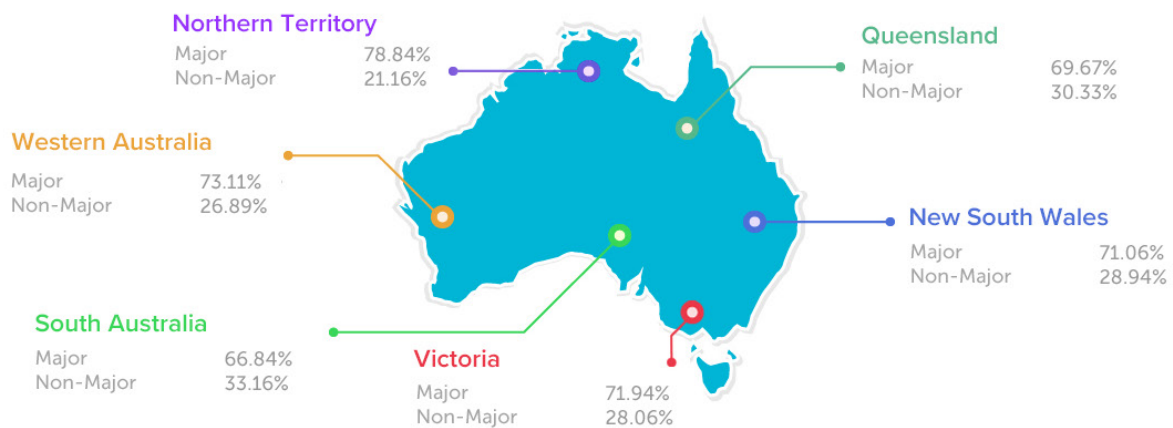
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MAJOR VS NON-MAJOR BY STATE

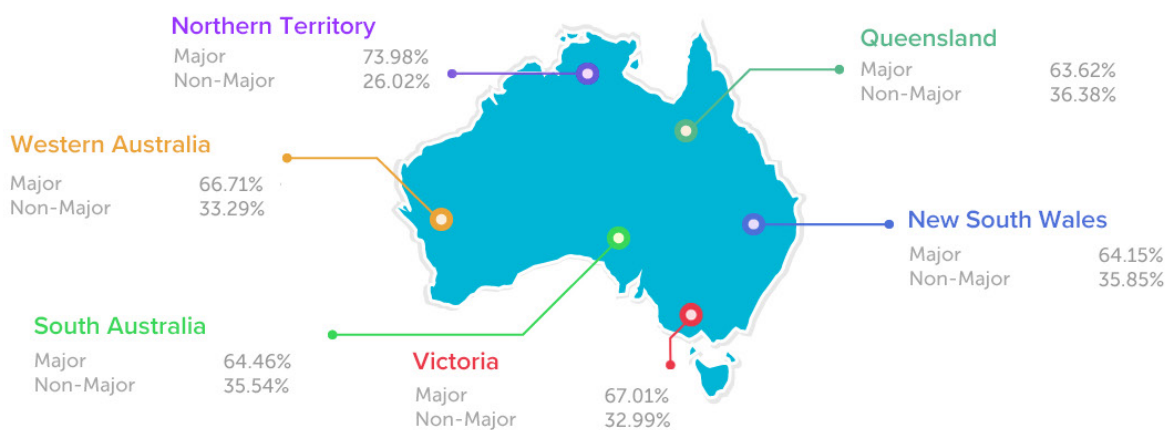
Financial Year: 2016 | Quarter 4



Financial Year: 2017 | Quarter 1



Financial Year: 2017 | Quarter 2



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