

19 April 2017

First home buyers step up

AFG (ASX: AFG) has today reported promising signs in the first home buyer (FHB) market as the 17 year old scheme, introduced to offset the effect of the GST on home ownership, receives a shake up.

The national First Home Owner Grant (FHOG) scheme funded by the states and territories has largely been hailed a success as it seeks to ease the hefty upfront costs for new entrants to the market. The effectiveness of the scheme however has been questioned of late and it appears this may have encouraged governments to act. "The Victorian state government has recently announced a number of changes to the scheme in that state and New South Wales is currently examining their options to help counter rising house prices in those states," said AFG Interim CEO David Bailey.

AFG data shows positive signs amongst the FHB market with lodgments lifting back up to 10% for the first time since the first quarter of 2014.

"First home buyer numbers have been in the single digits for some time. It is good to see state governments looking to support those trying to get a foot on the property ladder. Time will tell if the proposed changes to the scheme go far enough to assist those looking to buy their first home in our two most populous states."

APRA-imposed lender policy changes have had an impact on both the investor market and refinancees as many lenders lift interest rates for borrowers.

"Lenders have been told by the regulator to rein in their exposure to the investor market and APRA continues to monitor growth in lending to investors," said Mr Bailey. "As a result many lenders have embarked upon a series of rate increases and a tightening of credit policy for investors to comply with APRA's guidelines.

"This activity has seen investor loans drop from 34% to 32% across the quarter."

Those looking to refinance have also been impacted, with that segment of the market dropping from 38% to 35% last quarter - its lowest level since the third quarter of 2015.

In overall lodgment numbers, AFG has reported a lift of 8% on Quarter 3 last year driven primarily by increasing activity of upgraders. "With a significant amount of changes being made to the appetites and pricing of lenders, help from a mortgage broker can be vital for consumers trying to navigate the dynamic market that is home lending," said Mr Bailey.

"A result that should please the regulators is a drop in the loan to value ratio (LVR) in all states apart from South Australia where a marginal increase of 0.4% was evident. The national LVR is now down to 68.6%, the lowest level since the first quarter of 2013," he concluded.

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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%
2017	3	28,637	\$13,940,796,476	\$486,811	32%	10%	35%	34%

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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%
2017	3	65.6%	34.4%	67.5%	32.5%	70.0%	30.0%	57.9%	42.1%	69.4%	30.6%

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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
2017	3	\$13,940,796,476	\$4,851,474,886	\$101,535,850	\$2,367,675,600	\$755,113,266	\$4,246,894,178	\$1,618,102,696

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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
2017	3	\$486,811	\$604,997	\$417,843	\$404,454	\$387,039	\$477,072	\$441,140

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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%
2017	3	68.6%	65.1%	66.0%	68.6%	70.4%	71.1%	70.6%

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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%
2017	3	8.8%	2.1%	18.0%	4.8%	66.2%

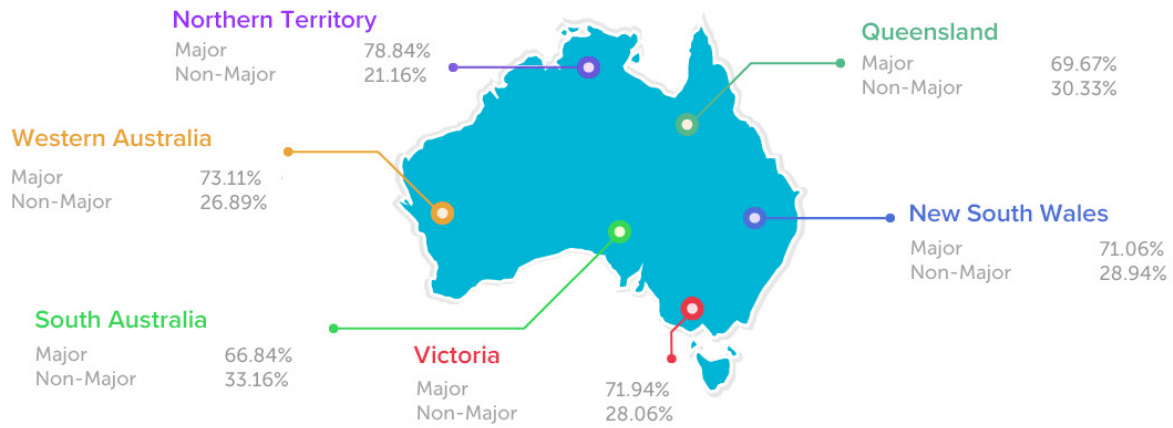
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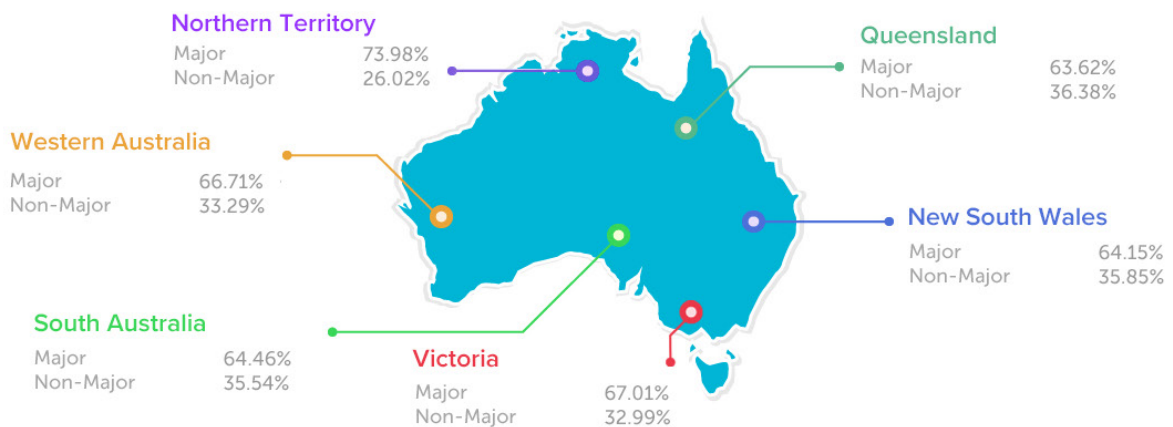
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MAJOR VS NON-MAJOR BY STATE

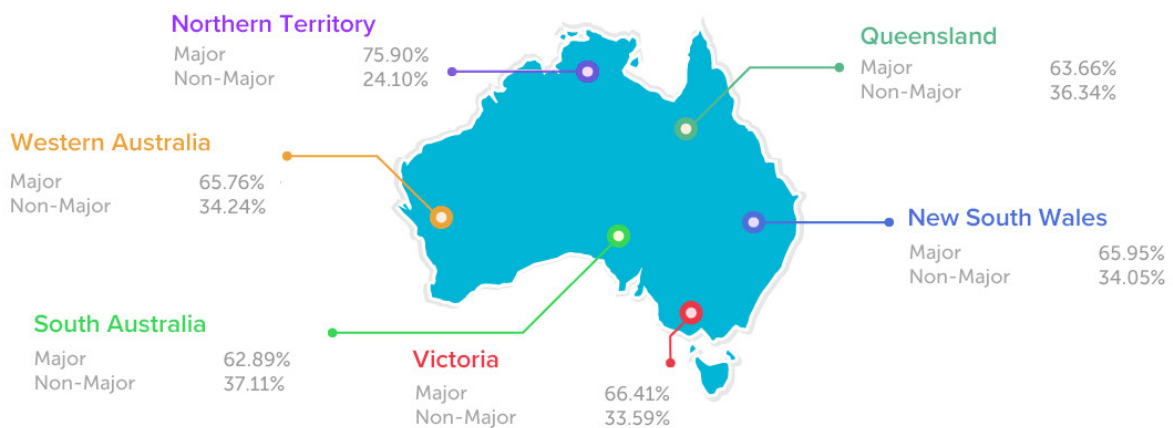
Financial Year: 2017 | Quarter 1



Financial Year: 2017 | Quarter 2



Financial Year: 2017 | Quarter 3



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