

## NATIONAL

### **AVERAGE HOME LOANS GROW 8% IN SIX MONTHS AS FIRST HOME BUYERS LEAVE MARKET**

**Worst ever First Home Buyer figure for NSW – 2.8%**

2 December 2013

The average mortgage processed in November was for \$436,000 – an 8% increase on the \$404,000 figure in May this year, according to AFG, Australia's largest mortgage broker. November figures from AFG published today show average home loans have increased fairly steadily in size during the past six months.

During this same period, the proportion of first home buyers has steadily declined from 13.6% of all mortgages processed in May to 10.3% in November – a decline of 24%. The increase in average home loans may therefore be as much a consequence of greater participation by investors and borrowers seeking to upgrade their homes, than of rising house prices.

Participation by first home buyers varies dramatically by state, with AFG recording its worst ever figure for NSW, where only 2.8% of new mortgages were for first home buyers – compared with 48.5% for investors. Elsewhere, first home buyers comprised 6.2% in QLD, 11.4% in VIC, 16% in SA and 20.2% in WA. While WA has led the nation for first home buying activity over the past year, this 20% figure is still much lower than the 24.4% figure recorded six months ago in May 2013.

Mark Hewitt, General Manager of Sales and Operations says: 'Overall, the mortgage market is in robust, good health, and it's encouraging to see more people willing to upgrade their homes and buy investment properties. But urgent action is needed to address the absence of first home buyers from markets in NSW and QLD. We need to see a lot more people get on the property ladder to underpin the long term sustainability of those markets.'

Loan to value ratios - the value of a loan expressed as a percentage of a property value – have held steady over the past six months, moving between 68.2% and 69.1%

Full figures for each state are available at: [www.afgonline.com.au](http://www.afgonline.com.au) in the

**ENDS** News.

#### 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 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%
Apr 13	8,005	\$3,200 m	\$399k	35.9%	12.4%	35.6%
May 13	8,921	\$3,608 m	\$404k	36.5%	13.6%	34.0%
June 13	7,575	\$3,079 m	\$406k	37.9%	12.8%	36.6%
July 13	8,482	\$3,407 m	\$401k	35.9%	11.6%	35.2%
Aug 13	8,767	\$3,613 m	\$412k	38.7%	11.3%	33.5%
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%

**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
<b>2012 10</b>	77.1%	22.9%	73.7%	26.3%	71.7%	28.3%	80.9%	19.1%
<b>2012 11</b>	78.4%	21.6%	74.0%	26.0%	74.9%	25.1%	80.8%	19.2%
<b>2012 12</b>	77.4%	22.6%	74.0%	26.0%	77.6%	22.4%	80.7%	19.3%
<b>2013 01</b>	76.5%	23.5%	73.6%	26.4%	75.2%	24.8%	80.5%	19.5%
<b>2013 02</b>	78.1%	21.9%	73.7%	26.3%	78.2%	21.8%	80.1%	19.9%
<b>2013 03</b>	79.3%	20.7%	74.2%	25.8%	77.8%	22.2%	80.5%	19.5%
<b>2013 04</b>	78.9%	21.1%	74.7%	25.4%	75.2%	24.8%	80.4%	19.6%
<b>2013 05</b>	77.2%	22.8%	72.9%	27.1%	74.3%	25.7%	79.7%	20.3%
<b>2013 06</b>	75.1%	24.9%	70.4%	29.6%	74.6%	25.4%	77.9%	22.0%
<b>2013 07</b>	73.6%	26.4%	68.2%	31.8%	71.9%	28.1%	75.2%	24.8%
<b>2013 08</b>	74.9%	25.1%	66.8%	33.2%	73.7%	26.3%	77.9%	22.1%
<b>2013 09</b>	73.7%	26.2%	67.1%	32.9%	73.2%	26.8%	76.1%	23.9%
<b>2013 10</b>	74.9%	25.1%	69.6%	30.4%	73.1%	26.9%	76.3%	23.7%
<b>2013 11</b>	72.3%	27.7%	64.4%	35.6%	71.8%	28.2%	74.7%	25.3%



## AVERAGE MORTGAGE SIZE IN DOLLARS

TABLE 3 : STATE BY STATE

MONTH	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
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
2013 04	399,830	479,400	341,419	320,214	388,968	406,558	377,217
2013 05	404,452	486,232	348,914	308,103	382,428	420,735	399,894
2013 06	406,573	494,423	344,075	322,774	388,630	408,832	435,456
2013 07	401,749	487,312	341,665	321,050	387,300	397,351	435,998
2013 08	412,125	505,365	352,671	315,098	391,988	410,861	392,414
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

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

TABLE 4 : STATE BY STATE

	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
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%
2013 04	68.6%	67.3%	68.0%	68.9%	72.0%	70.0%	65.6%
2013 05	68.5%	66.5%	69.1%	68.1%	70.1%	70.8%	66.1%
2013 06	68.6%	66.3%	67.2%	69.9%	70.1%	71.4%	66.5%
2013 07	68.4%	66.2%	68.4%	68.9%	71.0%	70.9%	64.8%
2013 08	68.2%	66.6%	70.3%	67.8%	71.0%	71.8%	61.4%
2013 09	68.5%	68.0%	69.0%	68.5%	71.2%	73.8%	60.5%
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%



## LOAN TYPE

TABLE 5: ALL AUSTRALIA

MONTH	BASIC	EQUITY	FIXED	INTRO	STANDARD
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%
Apr 13	4.9%	6.2%	30.7%	4.9%	53.2%
May 13	5.3%	5.4%	28.5%	5.0%	55.8%
June 13	4.4%	5.8%	27.4%	5.2%	57.2%
July 13	4.5%	5.1%	28.9%	5.8%	55.6%
Aug 13	4.2%	5.6%	26.1%	5.6%	58.5%
Sept 13	3.4%	4.7%	27.3%	6.0%	58.5%
Oct 13	3.8%	4.6%	27.7%	5.3%	58.5%
Nov 13	3.7%	5.1%	27.9%	5.4%	57.8%

### 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.

