

Home lending in a holding pattern

AFG Mortgage Index figures released today show the country's lending in a holding pattern with first home buyers the only category of buyer to record an increase for the first quarter of the 2019 financial year.

The volume of mortgages processed by AFG declined 2% on the prior quarter. AFG brokers lodged 27,900 mortgages during Q1 19, totalling \$14.2 billion, compared with 28,883 mortgages and \$14.5 billion in the final quarter of the 2018 financial year.

AFG CEO David Bailey explained the results: "As the Financial Services Royal Commission continues to rattle the market Australian homebuyers are feeling the pinch as lenders tighten their borrowing criteria. Compared to the same quarter last year, lending volumes are down by just under 5% - a sure sign of a tightening market. The availability of credit has impacted investors most of all, with that category dropping by 1% to 27% of loans processed. Refinancers were steady at 23% and Upgraders were also static at 43%.

New South Wales and Victoria are both down on the prior quarter, 2.5% and 6% respectively. Queensland also recorded a drop across the quarter, down 2%.

Gains were recorded in SA - 2% up on last quarter, NT - up 22% and WA with an increase of 6% for the quarter.

Loan to Value Ratios (LVR) have increased in SA, NSW and WA.

The national average loan size has increased to a record \$509,736, led by increases in average loan sizes in NSW, SA and Victoria.

"NSW has recorded an increase in average loan size of 3%, which we suspect is the result of a drop in apartment sales and lenders tightening criteria to investors – which are usually a lower average loan size. Both factors are driving up the average overall loan size in that state.

During the quarter many lenders moved to increase interest rates independent of the RBA, causing many borrowers to rethink their arrangements. "With the recent round of rate rises flowing through, many consumers have been speaking with their brokers to discuss the value of fixing all or part of their loans," he said.

"Fixed rates have risen to 18.9% of loans by product category, whilst standard variable loans dropped to 64.3%. Basic variable products are also back in favour, increasing to 11.2% of all loans.

The major lenders clawed back some market share during the first quarter of the new financial year to now be sitting at 59.8%. This figure is still well below the high 70's they had back in 2013, and much lower than they record outside of the third-party channel.

"The major lenders took some share from the non-majors after treading cautiously for the prior two quarters. The non-majors are still sitting at near historical highs with 40.2% market share after peaking at 40.8% last quarter.

"This is further evidence of the value brokers deliver to competition in the Australian lending market. Refinancers (55.5%) and Upgraders (60.5%) are favouring the competitive offers available from the non-major lenders.

CONTACT DETAILS

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TABLE 1 - ALL AUSTRALIA

AFG MORTGAGES LODGED

Fiscal Year	Fiscal Quarter	Lodge #	Lodge Volume	Avg Loan	Inv %	First Home Buyers %	Refinance %	Upgrader %	Interest Only %	Principal & Interest %
2013	1	21,572	\$8,416,747,858	\$390,170	36%	15%	34%	28%	53%	47%
2013	2	21,409	\$8,487,498,307	\$396,445	36%	12%	34%	31%	51%	48%
2013	3	21,210	\$8,322,945,106	\$392,407	36%	12%	33%	31%	52%	48%
2013	4	24,446	\$9,799,859,820	\$400,878	37%	11%	33%	30%	54%	46%
2014	1	25,819	\$10,542,068,141	\$408,307	38%	10%	31%	32%	54%	46%
2014	2	25,896	\$10,985,009,498	\$424,197	39%	9%	32%	31%	56%	44%
2014	3	24,232	\$10,303,134,053	\$425,187	39%	9%	32%	31%	57%	43%
2014	4	26,966	\$11,551,679,672	\$428,379	39%	9%	34%	30%	58%	42%
2015	1	28,133	\$12,204,496,352	\$433,814	39%	8%	34%	31%	58%	42%
2015	2	28,664	\$12,890,904,077	\$449,725	39%	7%	36%	30%	59%	41%
2015	3	27,496	\$12,267,611,650	\$446,160	40%	8%	35%	30%	59%	41%
2015	4	31,231	\$14,356,526,533	\$459,688	40%	8%	37%	28%	59%	40%
2016	1	29,920	\$14,074,487,291	\$470,404	33%	9%	36%	34%	54%	46%
2016	2	28,851	\$13,708,380,726	\$475,144	31%	7%	38%	35%	50%	50%
2016	3	27,275	\$12,898,667,650	\$472,912	33%	8%	38%	34%	48%	52%
2016	4	30,358	\$14,490,875,141	\$477,333	34%	7%	39%	33%	47%	53%
2017	1	31,571	\$15,123,672,777	\$479,037	32%	8%	38%	34%	46%	54%
2017	2	30,730	\$14,968,831,285	\$487,108	34%	9%	38%	32%	47%	53%
2017	3	29,025	\$14,145,923,405	\$487,370	32%	10%	35%	34%	44%	55%
2017	4	30,056	\$14,548,033,030	\$484,031	31%	10%	29%	39%	33%	67%
2018	1	30,471	\$14,945,662,311	\$490,488	29%	13%	25%	41%	19%	81%
2018	2	29,673	\$14,810,856,629	\$499,136	28%	13%	22%	44%	19%	81%
2018	3	27,728	\$13,799,223,970	\$497,664	28%	13%	23%	43%	20%	80%
2018	4	28,883	\$14,555,970,742	\$503,963	28%	13%	23%	43%	19%	81%
2019	1	27,900	\$14,221,637,525	\$509,736	27%	14%	23%	43%	19%	81%

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TABLE 2 - BY BUYER TYPE

MAJOR VS NON MAJOR LENDER MARKET SHARE

Fiscal Year	Fiscal Quarter	Lodge Volume		Investment Volume		First Home Buyers Volume		Refinance Volume		Upgrader Volume		Interest Only Volume		Principal & Interest Volume	
		Major	Non-Major	Major	Non-Major	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%	81.3%	18.7%	72.4%	27.6%
2013	2	77.6%	22.4%	80.8%	19.2%	74.2%	25.8%	73.6%	26.4%	79.3%	20.7%	81.6%	18.4%	73.4%	26.6%
2013	3	78.2%	21.8%	80.0%	20.0%	77.1%	22.9%	73.4%	26.6%	80.4%	19.6%	82.2%	17.8%	74.0%	26.0%
2013	4	77.0%	23.0%	79.3%	20.7%	74.5%	25.5%	72.6%	27.4%	79.3%	20.7%	80.4%	19.6%	73.1%	26.9%
2014	1	74.1%	25.9%	76.5%	23.5%	72.8%	27.2%	67.3%	32.7%	76.9%	23.1%	77.0%	23.0%	70.7%	29.3%
2014	2	73.6%	26.4%	75.4%	24.6%	72.2%	27.8%	67.5%	32.5%	76.1%	23.9%	76.5%	23.5%	69.8%	30.2%
2014	3	74.3%	25.7%	77.1%	22.9%	71.1%	28.9%	68.3%	31.7%	76.7%	23.3%	77.3%	22.7%	70.5%	29.5%
2014	4	74.8%	25.2%	77.3%	22.7%	71.6%	28.4%	69.3%	30.7%	77.9%	22.1%	77.8%	22.2%	70.5%	29.5%
2015	1	73.7%	26.3%	76.8%	23.2%	69.7%	30.3%	66.5%	33.5%	77.3%	22.7%	77.0%	23.0%	69.1%	30.9%
2015	2	69.8%	30.2%	74.2%	25.8%	67.0%	33.0%	62.5%	37.5%	72.6%	27.4%	73.9%	26.1%	63.8%	36.2%
2015	3	73.4%	26.6%	76.4%	23.6%	72.3%	27.7%	67.1%	32.9%	75.5%	24.5%	76.9%	23.1%	68.3%	31.7%
2015	4	71.7%	28.3%	74.8%	25.2%	70.7%	29.3%	64.8%	35.2%	75.5%	24.5%	76.5%	23.5%	64.9%	35.1%
2016	1	73.7%	26.3%	72.7%	27.3%	73.8%	26.2%	68.9%	31.1%	78.1%	21.9%	78.2%	21.8%	68.6%	31.4%
2016	2	69.9%	30.1%	71.1%	28.9%	70.4%	29.6%	61.2%	38.8%	75.4%	24.6%	76.6%	23.4%	63.4%	36.6%
2016	3	70.6%	29.4%	72.0%	28.0%	70.0%	30.0%	64.8%	35.2%	74.5%	25.5%	76.2%	23.8%	65.4%	34.6%
2016	4	70.9%	29.1%	73.9%	26.1%	72.2%	27.8%	66.2%	33.8%	73.4%	26.6%	75.0%	25.0%	67.3%	32.7%
2017	1	71.1%	28.9%	74.5%	25.5%	77.0%	23.0%	65.4%	34.6%	73.4%	26.6%	75.6%	24.4%	67.4%	32.6%
2017	2	65.2%	34.8%	68.4%	31.6%	68.3%	31.7%	58.2%	41.8%	69.1%	30.9%	69.8%	30.2%	61.3%	38.7%
2017	3	65.6%	34.4%	67.3%	32.7%	70.2%	29.8%	58.0%	42.0%	69.4%	30.6%	69.0%	31.0%	62.8%	37.2%
2017	4	64.7%	35.3%	68.4%	31.6%	70.1%	29.9%	57.4%	42.6%	66.0%	34.0%	62.6%	37.4%	65.7%	34.3%
2018	1	64.3%	35.7%	68.9%	31.1%	68.0%	32.0%	57.6%	42.4%	64.2%	35.8%	58.3%	41.7%	65.9%	34.1%
2018	2	64.1%	35.9%	66.5%	33.5%	69.5%	30.5%	57.5%	42.5%	64.3%	35.7%	63.6%	36.4%	64.3%	35.7%
2018	3	63.2%	36.8%	65.0%	35.0%	67.6%	32.4%	58.9%	41.1%	63.2%	36.8%	65.0%	35.0%	62.9%	37.1%
2018	4	59.2%	40.8%	57.3%	42.7%	68.4%	31.6%	54.1%	45.9%	59.9%	40.1%	59.5%	40.5%	59.3%	40.7%
2019	1	59.8%	40.2%	57.3%	42.7%	68.2%	31.8%	55.5%	44.5%	60.5%	39.5%	57.9%	42.1%	60.2%	39.8%

CONTACT DETAILS

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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	\$8,322,945,106	\$2,280,966,495	\$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	\$10,542,068,141	\$3,363,650,441	\$139,190,621	\$1,838,570,242	\$585,449,797	\$2,299,156,557	\$2,316,050,484
2014	2	\$10,985,009,498	\$3,472,344,992	\$145,713,387	\$1,929,907,689	\$590,007,574	\$2,477,238,645	\$2,369,797,211
2014	3	\$10,303,134,053	\$3,187,107,101	\$129,958,827	\$1,768,160,967	\$546,204,335	\$2,425,749,349	\$2,245,953,475
2014	4	\$11,551,679,672	\$3,628,819,262	\$147,930,116	\$1,967,853,368	\$619,877,859	\$2,704,255,935	\$2,482,943,132
2015	1	\$12,204,496,352	\$3,982,906,595	\$149,350,394	\$2,062,403,521	\$607,398,884	\$2,916,486,393	\$2,485,950,565
2015	2	\$12,890,904,077	\$4,471,631,948	\$149,649,155	\$2,158,925,047	\$688,396,536	\$3,062,350,192	\$2,359,951,199
2015	3	\$12,267,611,650	\$4,279,279,704	\$146,036,278	\$1,995,319,499	\$644,051,341	\$2,933,481,013	\$2,269,443,815
2015	4	\$14,356,526,533	\$5,330,891,403	\$115,041,391	\$2,266,822,579	\$771,411,097	\$3,392,137,612	\$2,480,222,452
2016	1	\$14,074,487,291	\$5,270,467,626	\$113,864,980	\$2,137,909,711	\$760,635,526	\$3,517,006,687	\$2,274,602,761
2016	2	\$13,708,380,726	\$4,986,730,658	\$115,167,325	\$2,130,402,246	\$772,308,708	\$3,576,347,152	\$2,127,424,638
2016	3	\$12,898,667,650	\$4,693,179,835	\$99,822,567	\$2,140,297,853	\$712,290,474	\$3,368,595,762	\$1,884,481,160
2016	4	\$14,490,875,141	\$5,289,101,179	\$102,066,442	\$2,425,365,029	\$791,790,063	\$3,878,196,520	\$2,004,355,908
2017	1	\$15,123,672,777	\$5,469,129,452	\$93,763,914	\$2,596,144,089	\$800,951,939	\$4,229,595,397	\$1,934,087,986
2017	2	\$14,968,831,285	\$5,416,588,887	\$91,182,032	\$2,501,313,364	\$773,296,604	\$4,398,306,172	\$1,788,144,227
2017	3	\$14,145,923,405	\$5,085,720,360	\$90,667,048	\$2,365,930,418	\$750,083,201	\$4,240,813,182	\$1,612,709,196
2017	4	\$14,548,033,030	\$5,231,164,409	\$56,391,707	\$2,432,055,935	\$770,982,709	\$4,441,686,735	\$1,615,751,534
2018	1	\$14,945,662,311	\$5,248,339,844	\$72,407,391	\$2,386,185,936	\$760,134,506	\$4,918,646,744	\$1,559,947,891
2018	2	\$14,810,856,629	\$5,133,061,786	\$79,736,205	\$2,375,985,106	\$757,807,352	\$4,897,930,701	\$1,566,335,478
2018	3	\$13,799,223,970	\$4,772,004,645	\$87,202,104	\$2,167,610,342	\$695,748,474	\$4,563,125,023	\$1,513,533,381
2018	4	\$14,555,970,742	\$4,952,071,612	\$49,975,669	\$2,357,506,569	\$740,897,675	\$4,999,678,674	\$1,455,840,543
2019	1	\$14,221,637,525	\$4,827,760,187	\$63,951,116	\$2,316,698,300	\$754,361,963	\$4,716,094,706	\$1,542,771,253

CONTACT DETAILS

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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	\$392,407	\$459,502	\$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	\$408,307	\$496,846	\$397,687	\$347,950	\$318,525	\$389,292	\$408,402
2014	2	\$424,197	\$515,950	\$382,450	\$356,203	\$332,961	\$413,286	\$423,103
2014	3	\$425,187	\$513,057	\$378,889	\$358,726	\$333,255	\$415,795	\$425,773
2014	4	\$428,379	\$522,659	\$412,062	\$364,890	\$330,073	\$411,983	\$425,964
2015	1	\$433,814	\$523,722	\$386,918	\$362,908	\$332,639	\$423,600	\$432,490
2015	2	\$449,725	\$560,917	\$399,064	\$368,480	\$350,686	\$434,438	\$433,337
2015	3	\$446,160	\$550,602	\$390,471	\$370,877	\$338,262	\$429,751	\$433,100
2015	4	\$459,688	\$558,150	\$422,946	\$380,021	\$352,403	\$440,137	\$447,129
2016	1	\$470,404	\$582,372	\$399,526	\$386,253	\$362,035	\$455,276	\$435,414
2016	2	\$475,144	\$581,611	\$421,858	\$393,426	\$371,660	\$463,918	\$443,029
2016	3	\$472,912	\$588,708	\$385,415	\$394,380	\$372,342	\$446,408	\$453,218
2016	4	\$477,333	\$591,556	\$401,836	\$398,909	\$378,485	\$455,294	\$448,101
2017	1	\$479,037	\$596,806	\$407,669	\$400,331	\$378,701	\$458,542	\$444,312
2017	2	\$487,108	\$602,379	\$386,365	\$403,243	\$377,955	\$476,368	\$444,812
2017	3	\$487,370	\$602,574	\$417,820	\$404,018	\$385,251	\$476,335	\$440,390
2017	4	\$484,031	\$593,574	\$402,798	\$408,337	\$378,118	\$473,174	\$434,225
2018	1	\$490,488	\$596,877	\$395,669	\$411,908	\$388,617	\$481,748	\$441,162
2018	2	\$499,136	\$611,370	\$463,583	\$416,474	\$389,018	\$494,940	\$440,477
2018	3	\$497,664	\$602,830	\$447,190	\$418,054	\$397,798	\$493,151	\$441,263
2018	4	\$503,963	\$608,737	\$396,632	\$426,466	\$397,691	\$502,581	\$443,448
2019	1	\$509,736	\$626,738	\$397,212	\$425,394	\$408,205	\$509,408	\$442,816

CONTACT DETAILS

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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%	66.0%	70.1%	70.8%	72.7%	70.6%
2014	4	69.5%	68.6%	65.0%	69.4%	71.4%	72.8%	70.1%
2015	1	70.1%	68.8%	68.2%	69.0%	70.9%	72.5%	71.2%
2015	2	70.5%	68.7%	69.1%	69.8%	71.7%	73.1%	70.5%
2015	3	69.8%	68.4%	66.0%	70.0%	70.8%	72.9%	70.7%
2015	4	69.7%	66.9%	66.3%	69.6%	71.8%	72.7%	71.0%
2016	1	69.8%	67.4%	68.2%	69.2%	69.6%	73.0%	71.5%
2016	2	69.7%	66.0%	67.7%	70.3%	71.4%	71.8%	71.2%
2016	3	69.3%	66.3%	64.1%	70.2%	71.1%	72.7%	71.2%
2016	4	69.3%	66.1%	66.5%	70.0%	70.2%	72.2%	70.6%
2017	1	69.6%	66.3%	68.2%	70.0%	70.6%	71.0%	71.5%
2017	2	69.5%	65.6%	68.1%	69.6%	70.3%	71.9%	71.3%
2017	3	69.1%	65.6%	67.1%	68.9%	70.9%	71.6%	70.9%
2017	4	67.6%	64.1%	62.7%	68.1%	69.9%	70.9%	69.9%
2018	1	68.5%	64.5%	65.7%	68.9%	68.9%	70.8%	72.3%
2018	2	68.4%	64.5%	66.0%	68.5%	70.7%	69.5%	71.1%
2018	3	68.4%	63.9%	66.4%	69.3%	70.9%	68.9%	71.1%
2018	4	68.0%	63.7%	66.7%	68.8%	69.7%	68.6%	70.8%
2019	1	67.6%	64.6%	62.0%	68.5%	70.0%	68.6%	71.9%

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TABLE 6 - ALL AUSTRALIA

LOAN TYPE

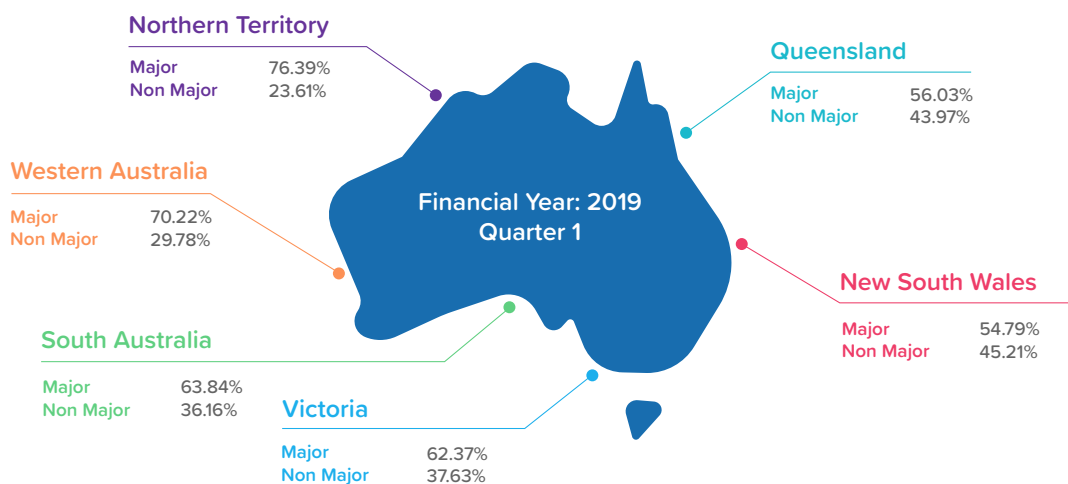
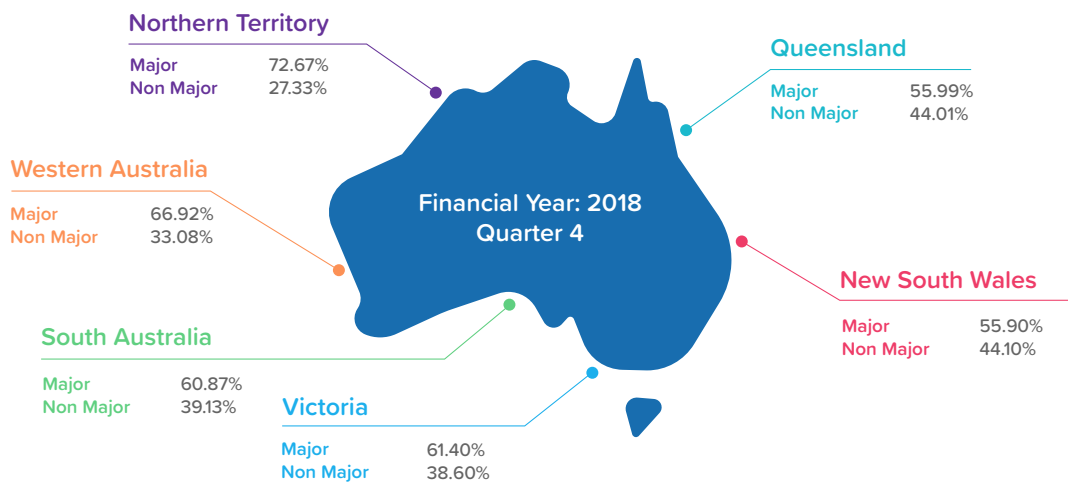
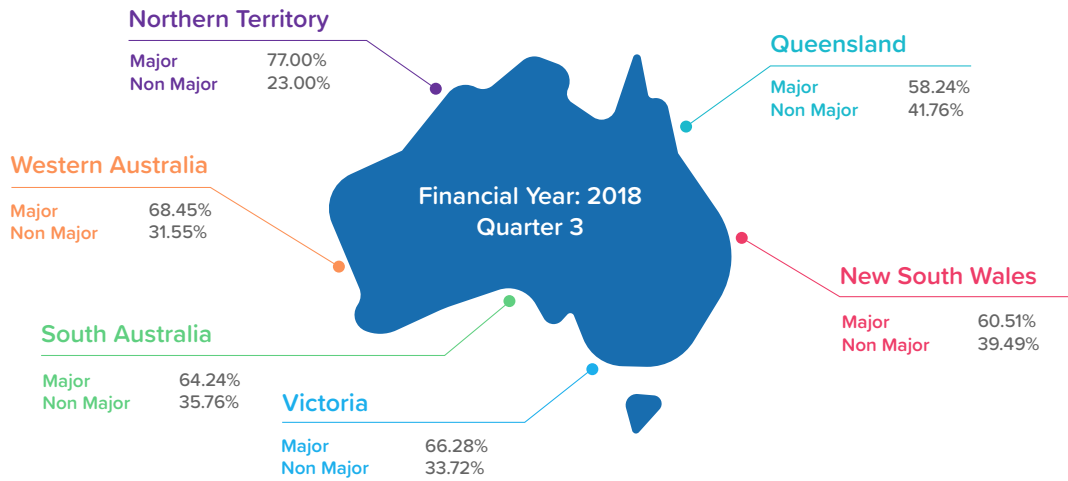
Fiscal Year	Fiscal Quarter	Loan Type				
		Basic Variable	Equity	Fixed	Intro	Standard Variable
2013	1	10.8%	7.0%	14.6%	2.5%	65.1%
2013	2	10.9%	6.1%	15.6%	1.9%	65.6%
2013	3	9.9%	5.3%	18.3%	3.1%	63.4%
2013	4	9.6%	5.8%	21.8%	3.8%	59.0%
2014	1	10.1%	5.6%	20.4%	4.6%	59.3%
2014	2	9.5%	5.4%	20.3%	4.4%	60.4%
2014	3	9.0%	5.3%	17.9%	5.8%	62.0%
2014	4	8.1%	5.5%	17.5%	5.2%	63.6%
2015	1	7.9%	4.7%	17.6%	5.6%	64.1%
2015	2	6.8%	4.9%	16.8%	4.6%	66.9%
2015	3	7.2%	4.2%	14.4%	7.0%	67.2%
2015	4	6.6%	3.7%	14.5%	6.3%	68.9%
2016	1	10.0%	3.5%	11.4%	5.3%	69.7%
2016	2	8.9%	3.5%	14.3%	4.0%	69.2%
2016	3	9.4%	2.7%	17.7%	2.9%	67.2%
2016	4	8.1%	2.6%	18.6%	3.6%	67.1%
2017	1	8.4%	2.9%	16.1%	6.1%	66.5%
2017	2	10.6%	2.6%	16.5%	5.0%	65.2%
2017	3	9.4%	2.2%	18.1%	4.7%	65.6%
2017	4	8.7%	1.8%	23.9%	2.3%	63.3%
2018	1	8.2%	1.2%	26.4%	2.5%	61.6%
2018	2	9.2%	1.1%	21.9%	3.6%	64.3%
2018	3	9.9%	0.9%	19.6%	5.0%	64.6%
2018	4	10.4%	0.7%	15.7%	5.2%	68.1%
2019	1	11.2%	0.6%	18.9%	5.0%	64.3%

CONTACT DETAILS

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MAJOR VS NON MAJOR



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