

MORTGAGE BROKING

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**Market
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**QLD And SA Record Best Broker Business Growth Of 19%
And 11% On The Back Of A 22% Overall Gain In Investment
Refinance Lending As Investors Re-Gear**

FINAL RELEASE

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QLD and SA record best broker business growth of 19% and 11% on the back of a 22% overall gain in Investment refinance lending as investors re-gear.

Bank and Broker Pool members, consisting of the leading major and regional Banks including Westpac, Commonwealth Bank, Suncorp Metway Bank, HomeSide Lending, Bank of Queensland, BankWest, and Adelaide Bank, along with national and state concentrated Broker groups including Mortgage Choice, Choice Home Loans and Hooker (part of Suncorp) released results today from their latest quarterly collection produced through MISC (Market Intelligence Strategy Centre).

In the June 2004 quarter, Queensland and South Australia were the states in which the Mortgage broker market responded best with Queensland now established as the second largest Broker market in Australia. This position was buoyed by a 19% growth in the June quarter alone. SA (which many believe was the state in which the broker model of distribution originated) recorded a significant 11% growth in a single quarter but not enough to change its relative ranking as the 5th largest broker market in Australia. These results come from the latest June quarter 2004 MISC (Market Intelligence Strategy Centre) Mortgage Broker Co-operative Pool, which highlights that the regional composition of the broker market is undergoing significant change resulting in the smaller states taking charge of growth. At the same time, in each state, the housing market is providing mixed signals as to whether the housing loan market is expanding or contracting.

QLD and SA are Key Broker states with best growth, plus winning gains from a \$1.5 billion investor lending market				
Market Size Rank	Varying Market Fortunes	Growth Rate #	Lending Purpose Business Driver	Quarterly Growth #
5	South Australia	10.5%	Investor Refinance Lending	79.2%
2	Queensland	18.7%	Owner Occupied Refinancing	75.0%
4	Western Australia	5.9%	Investor Refinance Lending	31.6%
3	Victoria	-6.9%	Owner Occupied Purchase	40.7%
1	New South Wales	3.2%	Investor Refinance Lending	44.8%
	National Milestone Reached		Investor Refinance growth Lending Level	28% \$1.448 b
	# Growth = \$ value of loans			

Source: MISC (Market Intelligence Strategy Centre) Mortgage Broking Data Pooling Facility/June 2004 Quarter

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On behalf of its broker and lender pool members, MISC (Market Intelligence Strategy Centre) said that much of the change in each states fortunes, has been underpinned by the extent of the new business that is written especially with new investors and existing investors who are refinancing their existing loans. While in the March 2004 quarter, fixed loans had been extensively used in a climate that was anticipating rate increases, in this June quarter fixed loan volumes fell. Correspondingly a record of \$1.5 billion in investment refinance lending was reached reflected a 28% growth on the March quarter levels.

Several products better suited to investors were well supported by the broker industry in this quarter and aided this 28% growth. Especially significant in this market were the “professional-styled” loan products of the banks or “Professional Packs” as they are better known in the Broker Industry. Typical of these products are the investor tailored packages offered by HomeSide Lending (the HomePlus Package), Commonwealth (Mortgage Advantage) and Westpac (Premiere Advantage). These combine several securities under one investment umbrella and are similar to Gold Offset offered by BankWest, Professional Ready Access from Suncorp-Metway or the Home Buyer Power product from Adelaide Bank. It is therefore not co-incidental that it was these loans that recorded significant growth in the better growth states. In SA, a 79% growth was recorded in Investment Refinance Loans in just the one quarter. These loans now represent 5% of all SA loans having grown from 3% a year earlier, while in Queensland a 25% growth helped fuel market gains and improved their share to 10%. (from 7% a year earlier).



Lender Membership

These results emanate from the June quarter 2004 collection of the Mortgage Broking industry co-operative statistical Pool derived from leading Bank and Broker Pool members. It consists of major and regional Banks including Westpac, National Bank /HomeSide Lending, Commonwealth Bank/Colonial, Suncorp, Bank of Queensland, BankWest and Adelaide Bank, along with national and state concentrated Broker groups including Mortgage Choice and Choice Home Loans.

Latest MISC Pool Market Coverage

Following the June 2004 quarter collection, the facility's results now represent 79% of all Broker generated home loan business, and as such sets a world precedent for the level of co-operation in an industry previously known for its privacy. Despite the relative infancy of the industry sector with its dynamic nature, this collective research initiative demonstrates a high level of sophistication among the Pool members as they collaborate to ensure effective measurement of their industry.

Leading industry researcher MISC understands that no other co-operative, non-regulated, independent, statistical data pooling system developed overseas has managed to win this level of industry support. Via its extensive market coverage, the facility fulfils a long awaited need for reliable statistical measurement of an increasingly influential channel for Housing Loan market distribution.

Please note: The confidential nature of specific individual Pool member loan business share is fully protected by the Pool charter and member contracts.

Current Pool Membership

MISC Mortgage Broking Data Pooling Membership			
Financial Institution	Lender Panel	Approx. No. of Brokers	State Distribution
Banks			
HomeSide Lending (National Australian Bank)	NR	300	National
Adelaide Bank	NR	15	SA
Bank of Queensland	NR	50	National
BankWest	NR	300	National
Commonwealth Bank/Colonial	NR	200	National
Suncorp	NR	150	National
Westpac Banking Corp.	NR	200	National
Mortgage Brokers		Teams Employed	
Choice Home Loans	35	400 +	National
Mortgage Choice	27	570	National

Source: MISC (Market Intelligence Strategy Centre) Mortgage Broking Data Pooling Facility/June 2004 Quarter

Background to the Development of the Facility

This independent (MISC regulated) statistical collection, now in it's 14th quarter, is the result of a unique industry initiative of key Brokers and Lenders to 'pool' together their quarterly records of all Broker derived Home Loan settlements on a regular basis though the MISC (Market Intelligence Strategy Centre) industry specialist research group. The MISC Data Pooling Facility's use of final settlements-only statistics ensures that Pool members gain a true reflection of Broker loan business market activity. This contrasts favourably with the use of approvals/submissions data, which is misleading when used for appraisal of market performance due to the volume of loan cancellations.

For further information on this unique service please contact MISC Marketing.

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