

MORTGAGE BROKING

MISC Global
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**Market
Intelligence
Strategy Centre**



**Queensland Shines With 5% Quarter Growth And 23% Annual
Growth From Changing Borrower Profiles As Investor Borrowers
Drive 30% Of All New Loans**

FINAL RELEASE

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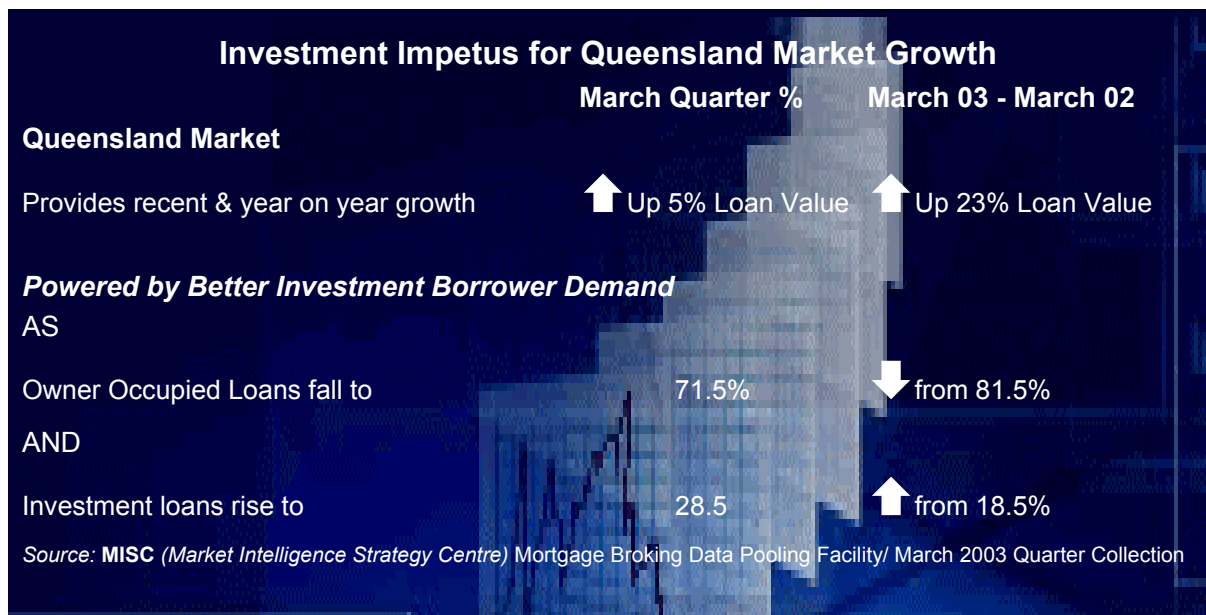
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Queensland shines with 5% quarter growth and 23% annual growth from changing borrower profiles as investor borrowers drive 30% of all new loans

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

The latest MISC Australia (Market Intelligence Strategy Centre) Mortgage Broker co-operative measure of Broker-generated home loans shows that Queensland has been the shining state among Broker regions this Quarter with 5% quarterly growth, but gained 23% on the same quarter in 2002. The Queensland market owes its year of growth to a changing broker borrower profile as owner occupied borrowers give way to investment borrowers.

The Pool results reveal that Investment Borrowing in Queensland have grown from 18.5% of the market in 2002 to nearly 29% in their latest March quarter.



This increased investment behaviour by Broker transacted Borrowers reveals that the investment phenomenon which has driven larger home loan markets is not confined to Non broker channels, nor too is it confined to the big two states, as Queensland is now showing clear evidence of an investment loan upswing. In recent quarters, Queensland has been the focus of aggressive Broker Channel promotion by some Southern State banks and other lenders. It is also the home state of several Building Societies and Brokers who have recently expanded through interstate Broker mergers. In addition, it has attracted keen competition from even Western and Southern broker channel dependant Banks like Adelaide Bank and BankWest. Their inroads coincided with some new product initiatives that received specific promotional support in the region and helped underpin the move to investment. The Commonwealth Bank 50/50 split loan was the subject of promotion through Brokers in the quarter to that market wishing to build and use their equity, while BankWest promoted a nil application fee on both investment and Owner Occupied loans through its Brokers.



Latest MISC Pool Market Coverage

Following the March 2002 quarter collection, the facility’s results now represent 70% 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. 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: Specific individual Pool Member loan business share confidentiality is fully protected by the Pool charter and member contracts.

Current Pool Membership

Members include a who’s who of the Mortgage Broking industry and their Lenders. The leading Brokers and Bank Lenders, who are inaugural members of the Pool and have driven the initiative, include a wide cross section of Lenders including key Banks such as Commonwealth Bank/Colonial, BankWest, Westpac, Suncorp, Bank of Queensland and Adelaide Bank. From a non-Bank perspective, members include leading national and regionally focused Broker groups (eg Franchises, Aggregators and Real Estate Agents) like Mortgage Choice, LJ Hooker and Choice Home Loans.

MISC Mortgage Broking Data Pooling Membership			
<i>Financial Institution</i>	<i>Lender Panel</i>	<i>Approximate Number of Brokers</i>	<i>State Distribution</i>
Banks			
■ 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	300	National
Mortgage Brokers		Teams Employed	
• Choice Home Loans	31	300	WA, VIC, NSW, QLD
• LJ Hooker	4*	68	National
• Mortgage Choice	24	300+	National
Source: MISC (Market Intelligence Strategy Centre) Mortgage Broking Data Pooling Facility / Dec 2002 Quarter Collection			

Background to the development of the Facility

This independent (MISC regulated) statistical collection, now in it’s 10th 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.

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Additional MISC Definitional Notes

MISC measures all types of Mortgage Brokers in its special "performance benchmarking series", including:

Franchise Brokers: like Mortgage Choice, who sell through appointed Franchisees nationally, or multi state operations like Smartline Home Loans;

Aggregators: like Select or Plan Australia, who arrange lending panels and other services for existing retail Broker networks such as Accountants, Financial Planners, Small Mortgage Brokers etc;

On-line Brokers: like eChoice, who transact their business over the Internet;

Real Estate Agents: like Ray White who sell loans through existing real estate offices;

Licensed Consultants: like Residential, Mortgage Force or Choice Home Loans[^] who buy a license or the right to sell loans using the firm's name;

[^] *Although Choice Home Loans operates through Consultants, it also has an aggregation operation.*

Other Third Party Distributors: like Australian Finance Group (AFG) who primarily operate as a wholesaler and utilise financial services professionals to source new loan business and introduce lenders and loan seekers.