

## **Investor demand for housing finance strong in Feb - AFG**

Investors have returned from summer holidays to grab their largest share of housing loans since at least 2004, according to a survey by a mortgage broker. Australian Finance Group (AFG), which claims over 10 per cent of the mortgage market, said on Tuesday that 34.1 per cent of all mortgages it arranged nationally in February were for property investors. That was the highest proportion for investors recorded in the six-year history of AFG's survey of its brokers' activity.

"Investors are now the driving force of the market, encouraged by rising property prices in recent months, and the longer term view that a housing shortfall will continue to underpin future price growth as well as rental yields," AFG's general manager sales and operations Mark Hewitt said in a statement accompanying the data. The figures showed the total value of loans recorded by AFG remained below year-ago levels, with \$2.275 billion of new mortgages in February 2010 compared with \$2.674 billion a year before, a fall of 15 per cent. The number of loans dropped 18 per cent over the same 12 months, to 6,294 from 7,673. The proportion of loans going to first home buyers in February was 11.3 per cent, the lowest since July 2008, after peaking in March 2009 at 28.1 per cent of the total.