Responses to questions on notice – inquiry into Financial regulatory framework and home ownership

1. What proportion of total home loans do loans to first home buyers constitute for your organisation, in terms of their total value?

Approximately six per cent of total settlements are aligned to first home buyers. *Total settlements* at the BOQ Group constitute home purchases and refinanced mortgages (for example, customers who refinance and switch their mortgage from another lender to a financial service available through a product at the BOQ Group).

2. What proportion of home loans to first home buyers go to those in the regional metro centres, as compared to capital cities?

As it stands, the proportionate split is 74 per cent metropolitan (defined as a *greater capital city area*), compared to 26 per cent in regional areas.

Those figures are largely aligned to our split for all lending criteria (not just first home buyers).

3. What is the average size of home loans to first home buyers your organisation issues?

The average size of a home loan to first home buyers is approximately $450,000.

4. What is the average interest rate your organisation grants for a first home buyer's home loan, both in fixed and variable terms?

Some factors come in to play in breaking down the average interest rate for first home buyers. Given rapid changes in interest rates in the post-Covid period, the averages may be better reflected by outlining rates at settlement over two separate calendar years. As the rates used were based on settlement date, there will still be volatility in the year as rates increased:

a. 2023: Variable 5.75 per cent / Fixed 5.77 per cent.

b. 2024: Variable 6.31 per cent / Fixed 6.00 per cent.

5. What is the average age of first home buyer your organisation grants a home loan to?

As it stands: 34 years old.

6. What proportion of home loans to first home buyers go to singles and how many go to couples?

Based on our current data joint applications are those with more than one applicant (not strictly defined by a customer or customers in a domestic relationship or not). That split can be reflected as follows:

a. Single: 44 per cent.

b. Joint: 56 per cent.

7. What proportion of home loans to first home buyers go to those who receive a guarantee or security from a family member who is not a spouse?

Presently, the total proportion of home loans with a guarantee through BOQ (as compared to the BOQ Group) is less than one per cent, with family guarantees forming a subset of that data.

8. Of the first home buyers granted a home loan by your organisation, how many of these customers:

a. Used a government scheme to assist with paying their deposit?

- Similarly here, the proportion of first home buyer loans that form part of BOQ (as compared to the BOQ Group) that used a government scheme to assist with paying their deposit is approximately seven per cent.

b. Made use of another government scheme or incentive to assist in the purchase of their property, such as the First Home Buyers Guarantee?

- This is not applicable to the BOQ Group.