

# Strategic Insight Report: Understanding Tomorrows Borrower

October 2011

The logo for RFI (Research Financial Intelligence) is displayed in white text on a dark blue square background. The letters 'R', 'F', and 'I' are stylized and connected.

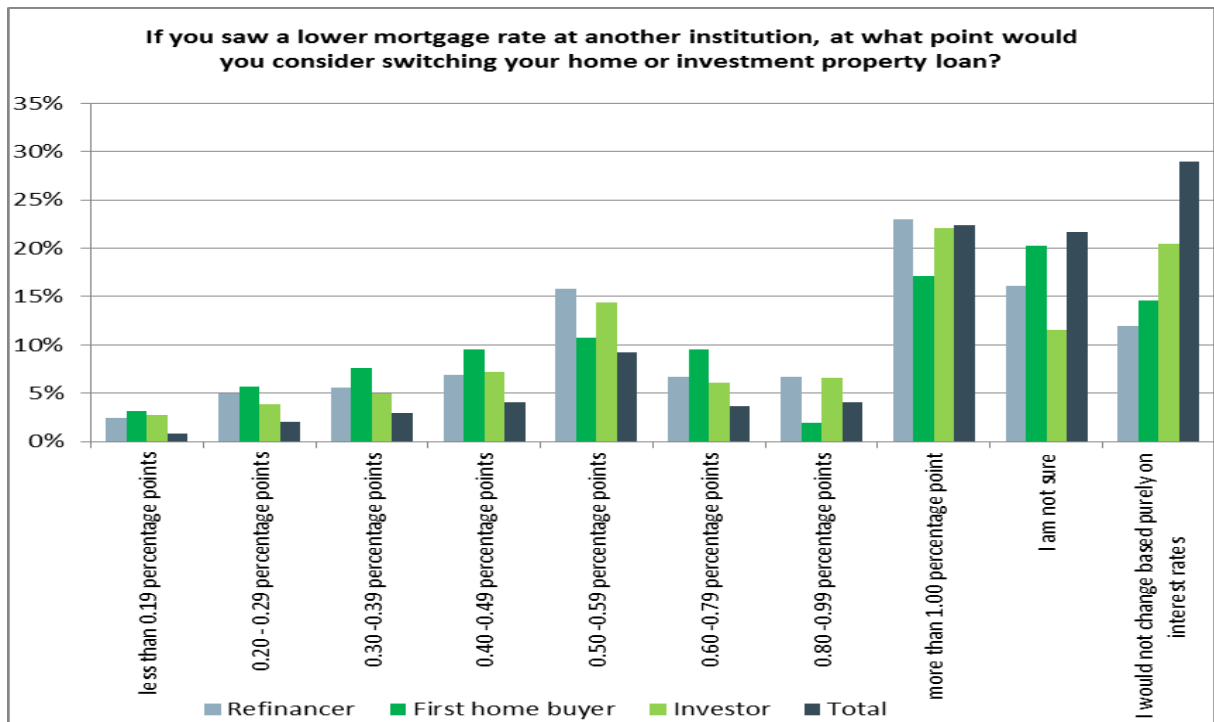
Intelligence  
to bank on

## Introduction

Analysts, forecasters and lenders have long been trying to predict the future of the turbulent Australian mortgage market, with varying success. Perhaps the key question, at this time, should be what do consumers want from their mortgage and provider? RFi’s latest report, “Understanding tomorrow’s borrower” looks at the buyer of tomorrow and examines the key factors in their consideration of a mortgage. The report focuses on 3 key segments of the market, the first home buyer, the potential refinancer and the investor. Drawing on findings from RFi’s June 2011 survey “Understanding Tomorrow’s borrower” provides insights into buyers channel preferences, switching intention, choice factors and more.

## Highlights

According to RBA data, the proportion of loans refinanced in total lending commitments (excluding construction) has been trending up, and reached a historical high in July 2011. In June 2011, 32% of all mortgage holders stated they chose their mortgage provider because it was their MFI for personal banking. Following this, good customer service and broker recommendation are the next two most important reasons that mortgage holders took out their current home loan. RFi data shows that 27% of all recent first home buyers state that they are likely to refinance their loan. RFi surveys show that while the internet was a popular tool for researching a mortgage, just 8% of first home buyers actually use it to apply for a loan.



**Features and Benefits**

- Retain and attract new customers, by understanding why consumers choose their mortgage provider and what they value most about their mortgage.
- Capture market share with key insights into the research and application process undertaken by the First Home Buyer.
- Create targeted marketing campaigns via insights into the key differences in future lender consideration for refinancers, investors and home buyers.

**Key Questions Answered**

- What channels do consumers use to enquire and apply for mortgages.
- What rate differential would it take, for a mortgage holder to consider switching?
- What are the biggest barriers to refinancing?