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Wednesday, 28 June 2017

## News Corp takes majority stake in major mortgage broker

News Corp controlled REA group announced on Tuesday June 27 that it was taking an 80.3% stake in major mortgage broker – Smartline. Roy Morgan data shows that Smartline is the number three player behind only Mortgage Choice and Aussie and in addition it has a different customer profile than the two majors, giving it a unique and strong market positioning.

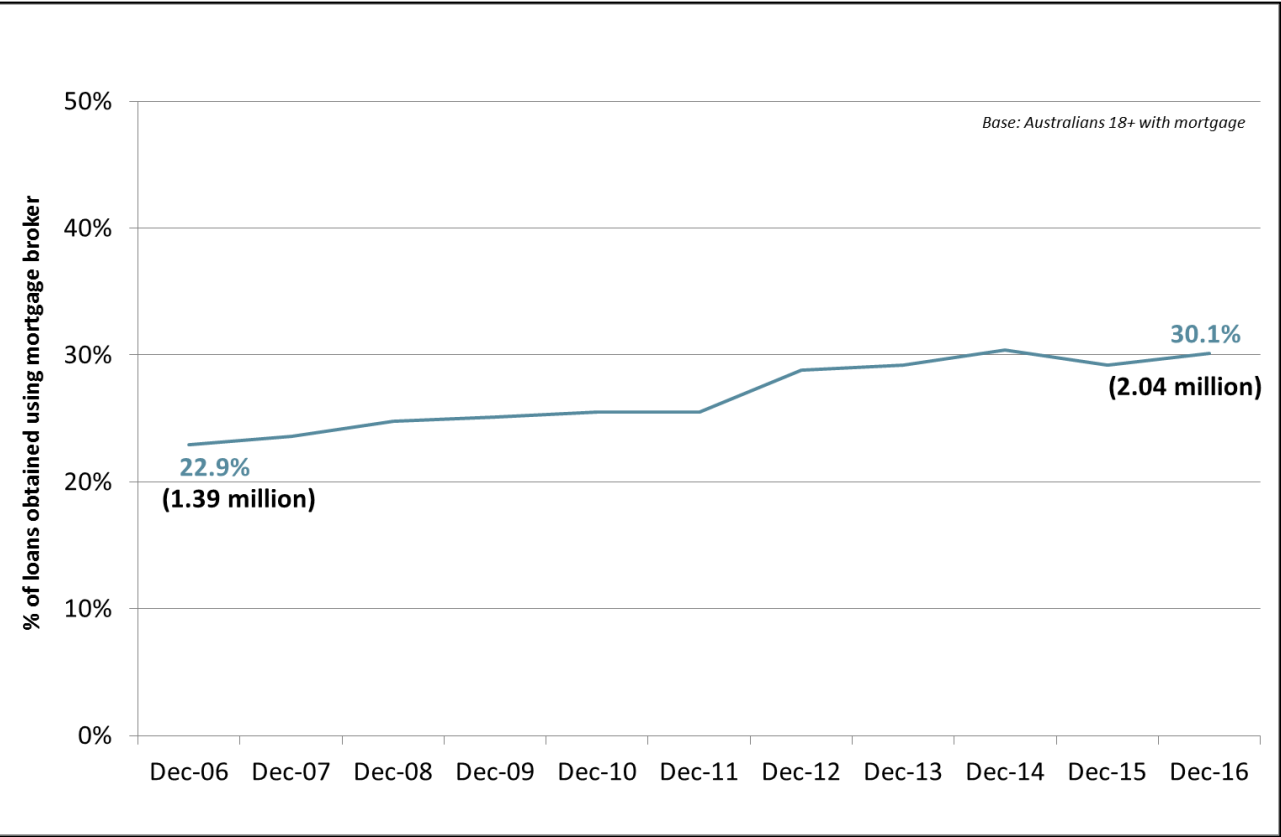
These are the latest findings from Roy Morgan’s Single Source survey of 50,000+ people per annum, which includes more than 16,000 mortgage holders.

### Over two million current mortgage holders used a mortgage broker

Currently, 30.1% or 2.04 million mortgage holders in Australia sourced their mortgage through a mortgage broker, well up on the 22.9% or 1.39 million recorded a decade ago. This increase of 650,000 people indicates a strong growth potential for major players such as Smartline.

Among those who took out their mortgage in the last 12 months, 40% used a mortgage broker.

### Mortgage Broker Usage is Increasing



Source: Roy Morgan Research; 12 months rolling, average sample n = 16,450.

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## *Smartline has major strengths in Vic and WA*

Although operating in all States, Smartline is stronger in Vic and WA. Mortgage Choice and Aussie on the other hand are skewed more to NSW and Queensland.

## *Online financial dealings are a major preference for Smartline customers*

Compared to the other two major brokers, Smartline customers make much greater use of dealing online when conducting banking and other financial transactions. Nearly nine out of ten (88.9%) Smartline customers do one or more banking and finance activities online in an average four week period, well above the mortgage broker customer average of 77.3%.

### **Norman Morris, Industry Communications Director, Roy Morgan Research says:**

*“News Corp’s move into mortgage broking via a controlling interest in Smartline, is a logical extension of its real estate classifieds business. With over two million current mortgage holders having obtained their loans through a mortgage broker, representing an increase of 650,000 over the last ten years, this market offers enormous potential for the number three player.*

*“The strong market positioning of Smartline in Vic and WA gives it plenty of market opportunity to expand into other states where it currently operates at a much lower level.*

*“With the rapid growth in the digital economy, Smartline customers already lead Mortgage Choice, Aussie and the mortgage broker market in terms of the use of online banking and finance activities, giving them a major strategic advantage in this more tech savvy and higher household income group.”*

### **For comments or more information about Roy Morgan Research’s banking and finance data, please contact:**

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### **Related research findings**

View our [Mortgage Broker Customer Profile](#) or browse our range of [Home Loan Intention Profiles](#).

### **About Roy Morgan Research**

Roy Morgan Research is the largest independent Australian research company, with offices in each state of Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 years’ experience in collecting objective, independent information on consumers.

### **Margin of Error**

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

| Sample Size | Percentage Estimate |            |            |           |
|-------------|---------------------|------------|------------|-----------|
|             | 40%-60%             | 25% or 75% | 10% or 90% | 5% or 95% |
| 5,000       | ±1.4                | ±1.2       | ±0.8       | ±0.6      |
| 7,500       | ±1.1                | ±1.0       | ±0.7       | ±0.5      |
| 10,000      | ±1.0                | ±0.9       | ±0.6       | ±0.4      |
| 20,000      | ±0.7                | ±0.6       | ±0.4       | ±0.3      |
| 50,000      | ±0.4                | ±0.4       | ±0.3       | ±0.2      |