

## WHY RENT WHEN IT'S TIME TO BUY?

SYDNEY, 31 March 2009 -- The current economic environment has created the best conditions in more than 10 years for renters to become home owners. At a time of escalating rental costs, the introduction of the First Home Owner's Grant Boost Scheme (FHOGBS) together with record low interest rates has significantly reduced the cost of buying compared with renting a home.

The latest QBE LMI Half Yearly Property Update (researched by BIS Shrapnel) shows that by June 2009, the cost of renting in Sydney and Melbourne will be closer to the cost of paying off a median priced house than at any other time in the last decade, with weekly median rents over 66% as a proportion of median home loan repayments. The ratio in Canberra, Brisbane and Perth is expected to approach 80% and 75% in Adelaide.

"While there is significant uncertainty in relation to employment, an increasing number of first home buyers who are confident about the future have decided the time is right to take advantage of government incentives, low interest rates and attractive housing prices." said Ian Graham, Chief Executive Officer of QBE LMI; one of the leading providers of lenders' mortgage insurance in Australia and New Zealand.

"The incentive for first home buyers to enter the market has never been stronger. FHOGBS has helped first home buyers to get over the deposit hurdle and is driving new lending enquiry/home loan approvals to record numbers" said Mr Graham.

"For investors, things are also improving. According to our research, conditions for investors are at their best since the late 1990's with a differential between yields and interest rates estimated at 2% in the March Quarter 2009. Our report shows that through 2009 and into 2010, investor sentiment toward residential property is expected to increase significantly." said Mr Graham.

### Background on QBE LMI

QBE Lenders' Mortgage Insurance Limited (QBE LMI), is a leading mortgage insurer, credit enhancer and residential property market specialist with over 44 years experience in the Australian market and over 20 years in the New Zealand market. Through our proactive approach, innovative products and services, and longstanding knowledge and expertise, QBE LMI has helped its customers to manage and reduce risk.

### For further information, please contact:

Nicole Campbell/ Kristen Atkinson (Weber Shandwick for QBE LMI)

P: 02 9994 4396/ 02 9994 4055

E: [ncampbell@webershandwick.com](mailto:ncampbell@webershandwick.com)/ [katkinson@webershandwick.com](mailto:katkinson@webershandwick.com)