



# Property Investor Award

## What is the CANSTAR *Property Investor Award*?

CANSTAR's Property Investor Award uses a sophisticated and unique methodology and is awarded to financial institutions that provide the strongest combination of products and services across the property investor market in Australia.

The award aims to give recognition to institutions offering outstanding value home loans as well as additional services that benefit investors in making an informed decision when purchasing an investment property.

CANSTAR's Property Investor Award is awarded to Bank of the Year and Customer Owned Institution of the Year, which considers mutual banks, credit unions and building societies. The institution which cumulatively receives the highest score across the areas of consideration will be awarded the Property Investor Award.

## Awards

CANSTAR Property Investor Awards recognise excellent achievements on two levels, national and state. Bank of the Year award is awarded to an Institution which offers an outstanding value proposition across all states and territories. Customer Owned Institution of the Year Award goes out to one Institution that is present in the particular state or territory and offers outstanding value to Property Investors.

Weightings are assigned to each state based on population size (ABS). For the state award, only the number of branches for that particular state will be used.

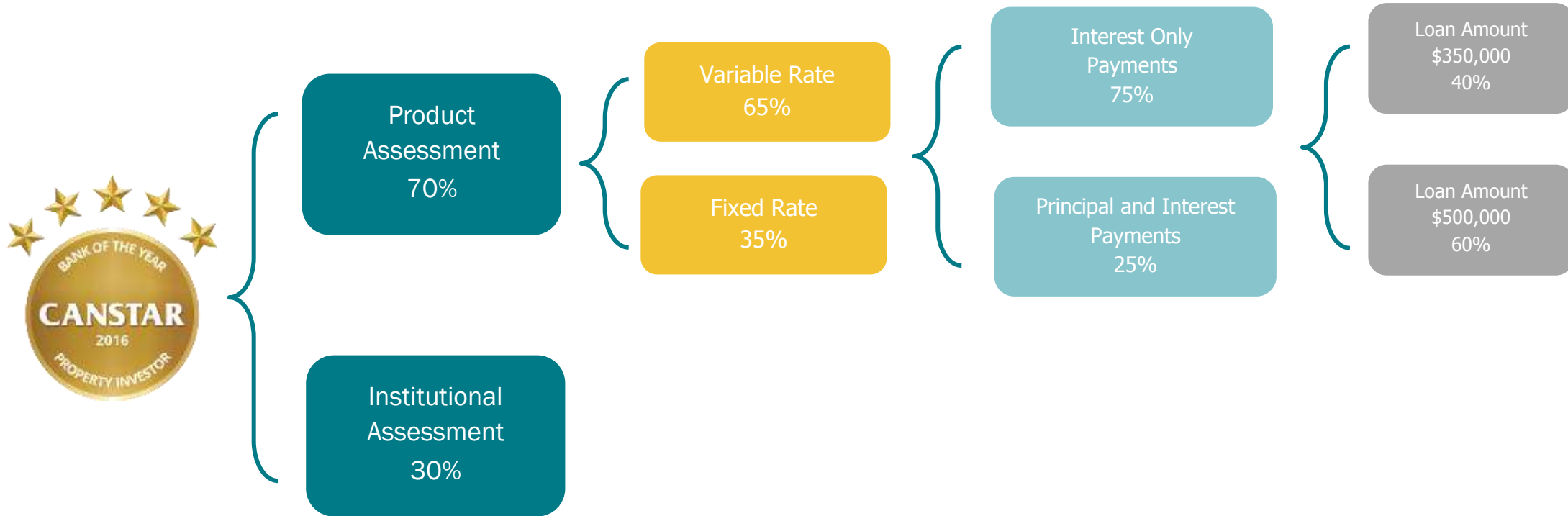
	NSW	NT	QLD	SA	TAS	VIC	WA	AUS
Bank of the Year								✓
Customer Owned Institution of the Year	✓	✓	✓	✓	✓	✓	✓	

## What types of products are evaluated for CANSTAR's *Property Investor Award*?

To be included in the CANSTAR Property Investor Award, financial institutions had to provide mortgage products that included both variable and three year fixed rate options. For this award, the institutions must also have face-to-face staff available in the applicable state/territory.

## How is the CANSTAR *Property Investor Award* calculated?

To arrive at the total score that makes up the award, CANSTAR considers both a product and institutional assessment.



\*Each Institution is represented by their strongest performing product within each of the Product Assessment categories.



## Product Assessment

Product Assessment is based on mortgage Star Ratings Methodology, with weightings adjusted to reflect the needs of Property Investors. Product Assessment assesses both pricing and features of mortgage products.



	Price Weight	Feature Weight
Variable Rate Product	80%	20%
Fixed Rate Product	85%	15%

## Pricing Score

The pricing score is based on the Total Cost of the home loan. Total cost is determined by the size of the loan amount (\$350K and \$500K) and 80% LVR. For Principal and Interest loans the total cost calculation will be based on the loan term of 25 years. For Interest only loans, interest only payments will be based on the 5 year interest only period for variable loans and 3 year interest only period for the 3 year fixed home loans.

Total Cost includes the following:

- Six months of historical data
- Includes interest cost, plus upfront, ongoing and discharge fees
- For Fixed Rate loans:
  - No rollovers of the fixed rate
  - 60 Day period where a product reverts to a standard variable product interest rate (revert rate)

## Feature Score



The features component takes into account more than 200 product features and allocated points. These product features are grouped into 4 different categories with weights given to each relevant area. The following table outlines the weightings of each of the feature categories per profile:

<b>Feature Categories</b>	<b>Variable Rate</b>	<b>Fixed Rate</b>
Loan Terms	45%	40%
Lending Terms	100%	100%
Product Functionality	40%	30%
Additional Repayments	20%	20%
Transactional Home Loan/Redraw	10%	10%
Offset Facility	20%	20%
Split Facility	20%	20%
Top Up Facility	15%	15%
Portability	10%	10%
Construction Loan	5%	5%
Fixed Rate	-	15%
Fixed Rate Details	-	70%
Interest in Advance	-	30%
Loan Fees	15%	15%
Switch Fees	75%	75%
Mortgage Fees	25%	25%



## Institutional Assessment

Institutional Assessment is made up of six categories reflecting additional services institutions provide to benefit property investors:

Category	Weight	Description
Deposit Requirements	35%	
Guarantee Options	35%	Family and non-Family guarantee; Guarantor can provide security and/or deposit
Deposit Requirements	35%	Max LVR Requirements; Cross Collateral can be used; LMI and Stamp Duty can be incorporated in the loan
Security Requirements	25%	What equity can be used to secure a loan against – house, apartment, townhouse, vacant land etc.
Lending Areas	5%	NSW; VIC; QLD; SA; WA; TAS; NT; ACT
Market Information and Tools	25%	Information on overall process of buying an investment property; Property Reports; Case Studies & Seminars & How to Guides; Council rates, Market Statistics, Stamp Duty and any other explanation of any additional costs; Different tools and calculators available for property investors (e.g. mortgage calculators, savings calculators etc.)
Loan Application	10%	Application can be done – online, branch or broker; Is online pre-approval available; Instant Valuation
Accessibility	20%	Looks at Points of Presence – number of branches and mobile lenders in every state across all institutions; Availability of Financial planners, Personal Managers, Buyer's Agents, Estate Planners, Conveyance and Depreciation Specialists
Insurance	10%	Availability of Landlord Insurance; Building Cover; Contents Cover; Liability Cover; Loss/Default of Rent Income Cover; Theft/Burglary by tenant cover; Malicious Damage/Vandalism cover; Removal of good cover; Change of locks cover; Professional Tax Audit Fees Cover

### How often are products reviewed for awards or star ratings purposes?

The Property Investor Award is recalculated every 12 months based on the latest rates and features offered by each institution. CANSTAR also monitors rate changes on an ongoing basis.

### Does CANSTAR rate all products available in the market?

We endeavour to include the majority of product providers in the market and to compare the product features most relevant to consumers in our ratings. However, this process is not always possible and it may be that not every product in the market is included in the rating nor every feature compared that is relevant to you.



## Does CANSTAR rate other product areas?

CANSTAR researches, compares and rates the suite of banking and insurance products listed below. These star ratings and awards use similar methodologies to guarantee quality, consistency and transparency. Results are freely available to consumers, who use the star ratings as a guide to product excellence. The use of similar star ratings logos also builds consumer recognition of quality products across all categories. Access the CANSTAR website at [www.canstar.com.au](http://www.canstar.com.au) if you would like to view the latest star ratings and awards reports of interest.



- Account-based pensions
- Business life insurance
- Deposit accounts
- Health insurance
- Life insurance
- Online banking
- Personal loans
- Term deposits
- Youth banking
- Agribusiness
- Car insurance
- Direct life insurance
- Home & Contents
- Managed investments • Margin lending
- Online share trading
- Reward programs
- Travel insurance
- Business banking
- Credit cards
- First home buyer
- Home loans
- Package banking
- Superannuation
- Travel money cards

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