

# Helia Spotlight.

Home ownership pulse survey.

## Home ownership a reality or a pipe dream?

As prospective home buyers are losing hope in buying their first property, it is not all doom and gloom with more first time buyers making shifts to buy a 'starter' property and get into the market.

### Key Insights

 <p>More prospective home buyers than ever are losing hope in buying their first property</p>	 <p>Mortgage stress has arrived for many. More than half indicate they would have difficulty meeting payments if rates rose by 1%.</p>	 <p>Lenders Mortgage Insurance (LMI) awareness is strong, although not everyone understands it</p>	 <p>Alternative strategies to home ownership are on the rise with co-ownership increasing</p>
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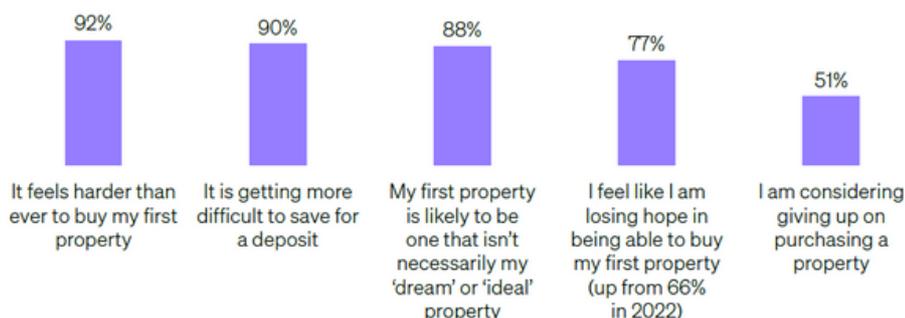
As interest rates continue to rise along with the cost of living, home owners are experiencing mortgage stress with over 33% of home buyers surveyed finding it difficult to meet their current mortgage repayments. There may be further difficulty ahead as further rate rises are predicted which could put additional strain on household budgets.

As the next generation of first time buyers are looking to enter the property market, LMI provides a shining light of hope to fast-track entry to home ownership. Alternative strategies such as co-ownership (buying with family and friends) are on the rise.

### Current home ownership sentiment

First home buyers are frustrated and losing hope trying to navigate the property market in the current economic climate.

Saving for a deposit remains a major challenge with 90% citing it is increasingly difficult trying to save for a deposit amid increased living costs.



Percentages do not round up to 100% as each is a separate survey question.



Research was commissioned by Helia, in partnership with CoreData.

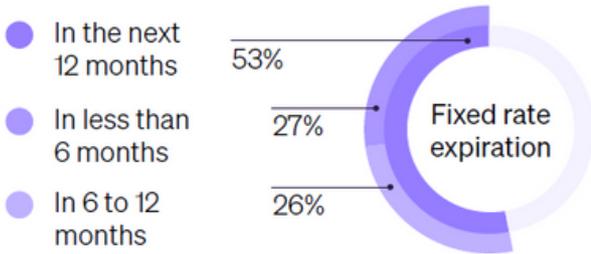
The research was conducted in March 2023 and surveyed a total of 367 respondents.

217 respondents were prospective first home buyers (looking to purchase their first property in 5 years) and 150 recent buyers (who purchased their first property in the previous 5 years) aged 18+ years across all states and territories.

### Fixed vs Variable rate



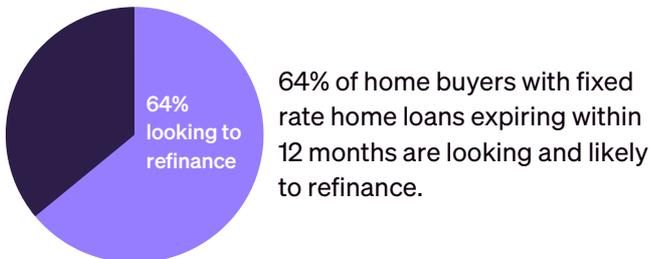
When purchasing property 41% of home buyers took out a mortgage with a fixed rate, while 59% took out a variable rate loan.



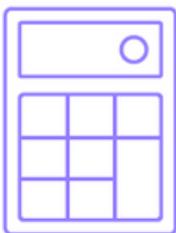
Among those with a fixed rate, 53% will have their fixed rate loan expire in the next 12 months; 27% in less than 6 months and 26% in 6 to 12 months.

### The mortgage cliff is looming

Recent interest rate increases and falling property prices could push recent home buyers into 'mortgage stress' and unable to meet their mortgage payments.

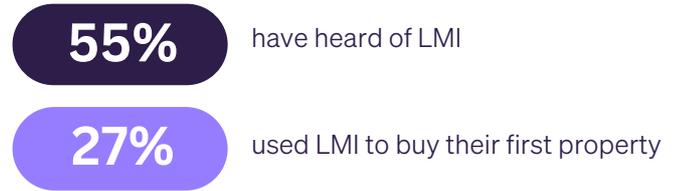


### Difficulty meeting mortgage payments ahead

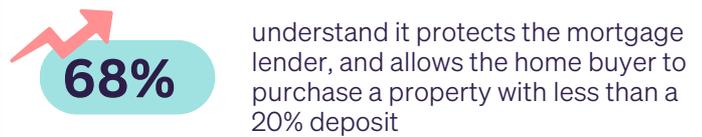


- 33% of recent home buyers are already finding it difficult to meet their mortgage payments
- 53% would have difficulty meeting their mortgage repayments if interest rates were increased by 1%

### Lenders Mortgage Insurance (LMI), a shining light of hope to fast-track entry into home ownership

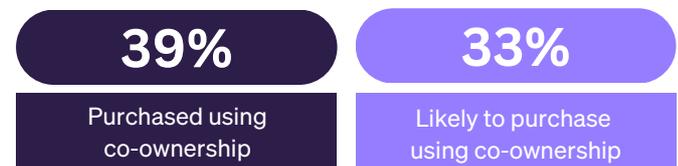


### Awareness and usage of LMI is strong



Home buyers are looking for more flexible ways to pay LMI which may include a monthly option. Such alternatives can support home buyers in potentially using the full loan proceeds towards their purchase.

### Alternative strategies to accelerate home ownership emerging as affordability bites



Innovative and alternative pathways to home ownership are emerging with 39% of first home buyers more likely to consider co-ownership with family or friends.

### Annual property tax vs stamp duty

- 71% of recent first home buyers paid stamp duty
- 25% would have paid an annual land tax instead of upfront lump sum stamp duty
- 38% of those looking to purchase would prefer an annual land tax instead of upfront lump sum stamp duty

### Where do I go for more information?

Should you have any questions on our whitepaper please contact Dimi Bartolillo on [dimi.bartolillo@helia.com.au](mailto:dimi.bartolillo@helia.com.au)