

First home buyer's dilemma.

Navigating the escalating housing affordability challenges.

The Australian property market continues its mostly upward trajectory, along with interest rate rises and living cost increases. For many aspiring home owners, the goal of property ownership seems increasingly out of reach. First home buyers are adjusting their attitudes and behaviours, utilising available strategies like Lenders Mortgage Insurance (LMI) to expedite their entry into the housing market.

Key insights



The 20% deposit is in decline with more home buyers finding it challenging



Savvy home buyers continue a 'don't give up' attitude and using all avenues to facilitate home ownership



Take home income has eroded by larger mortgage repayments



Cost of living is impacting home buyers ability to save



Mortgage brokers aid home buyers by accessing better deals

Home ownership sentiment





deposit









The 20% deposit dilemma

Note: percentages do not add up to 100% as each is a separate survey question.



The 2024 Helia Spotlight is based on research commissioned by Helia and conducted by CoreData on 1015 home buyers (608 prospective home buyers and 407 recent home buyers).



Home buyers paying more for mortgages



17% of recent home buyers are spending >50% of their take-home income paying off their mortgage

40%

spending between 31% and 49% on their mortgage payments



Cost of living is impacting ability to save

49%

saving less than 20% of their income

18%

not currently saving anything

Home buyers are cutting back to save

Strategies being employed by prospective home buyers in order to save money for a property include:



reducing eating out and hobbies



51%

cutting streaming services & gym memberships



61%

buying cheaper groceries



45%

limiting electricity, air con & heating



60% taking less holidays



29%

less medical treatments & personal care

Lenders Mortgage Insurance

More first home buyers are using LMI to buy a property.

Used LMI to buy their first property

2024: 55%

2023: 36%

LMI awareness is on the rise

2024:65%

2023: 56%



Understanding of LMI is low

38% of prospective home buyers correctly identified who it protects (decrease from 52% in 2023).

Prospective home buyers considering using LMI to purchase (increase from 73% in 2023)



Bank of Mum and Dad (BOMAD)

More first home buyers are likely to get financial assistance from parents and family.



45%

received financial assistance from family

Strategies explored to buy property



Government assistance schemes

39%

working overtime

to drop

wait for

27%

taking a property prices second job

Home buyer information sources

54%

real estate websites

> 42% Google

51%

family and friends

40% talk to

their bank

real estate

agents

45%

36%

mortgage brokers

Despite low intention rates, nearly three in five (56%) of recent home buyers bought through a mortgage broker.

Reasons for using a mortgage broker

45%

ability to access better deals

41%

ease of application

reduced stress

36%

experience and knowledge

Those that purchased through a financial institution predominantly used a major bank



78% that purchased their property through a financial institution said that they used a major bank

More information:

Any questions on our whitepaper please contact Dimi Bartolillo: dimi.bartolillo@helia.com.au