



Break free from renting:

New research shows one in three want to get onto the property ladder [now](#)

Key findings:

- New report shows half of first home buyers surveyed wanted to purchase a home to stop paying for rising rent costs
- 30% are unaware of alternative financial pathways to get onto the property ladder
- To save for a deposit, almost a quarter of those surveyed have taken on a second job and are cutting back on health expenses

The latest 2023 [Helia Insurance Home Buyer Sentiment Report](#) reveals the main motivation for first home buyers (FHBs) is to get out of the rental market and to act before house prices may go up, with research sentiment showing “rent is not affordable” (51%), and to get in “before prices rise further” (43%). Despite this, a third of respondents were unfamiliar with the variety of alternative financial strategies to get into the property market.

The current market is compelling people to rethink their pathway to home ownership, with Lenders Mortgage Insurance (LMI) as an alternative strategy to enter the property market. Helia (leader in Lenders Mortgage Insurance) is the first in market to provide a flexible monthly option to get people into home ownership sooner.

LMI could help you get into your home sooner, with as little as a 5% deposit, subject to satisfying your lender’s eligibility requirements. The equity you could build by getting into the property sooner will, over time, outweigh the cost of the LMI fee.

More than 90% of First Home Buyers (FHB) find the property purchasing journey stressful, with 85% saying it feels harder than ever to buy their first property and 80% unable to save a 20% loan deposit, meaning they need to consider alternative strategies on their home ownership journey. The findings also indicate that FHBs acknowledge that their first property may not be their dream or ideal choice.

Helia Chief Commercial Officer of LMI, Greg McAweeney said, “LMI is an alternative strategy to achieve home ownership, enabling buyers to enter the property market, potentially buy a larger home and start building equity sooner.”

Mr McAweeney pointed to tools such Helia’s award winning [Deposit Comparison Estimator](#), which helps buyers to consider the financial options available to them with the deposit they have saved.



Report call outs – Saving sacrifices

- FHBs are cutting back on dining out (54%), takeaway food (54%) and treat purchases when out for example, takeaway coffee (48%).
- Worryingly, almost a quarter (23%) say they are cutting back on medical or wellness treatments like physio and chiro to save, while a similar proportion are cancelling their gym/fitness memberships (21%).
- FHBs are also taking up overtime (32%) and even taking on secondary jobs, like driving or freelance work (24%), to boost their property savings.

Report call outs – Location, location, location

- Most home buyers are looking to buy in the capital cities (66%). Notably, first home buyers (FHBs) are less likely this year to be looking only in capital cities (67%, down from 77% last year), and this is likely a function of high prices in the capital cities as three in five agree they are looking outside their capital due to unaffordability (61%).
- Melbourne became the most popular city for home buyers last year and this trend has continued as the city remains the most desired buying market (26%). Sydney remains the second most popular market (23%), while large proportions of buyers look to places in NSW outside of Sydney such as Newcastle and Wollongong (20%), as a similarly sized cohort of buyers look to locations in Queensland outside of Brisbane such as the Gold Coast and Sunshine Coast (20%).

Report call outs – Alternative pathways to home ownership

The “Bank of Mum and Dad” has remained an option for many first home buyers, with more than two in five FHBs receiving financial assistance from parents and other family members to aid in their property purchase:

- The most common form of assistance involves parents or family contributing to part of the deposit (60%) or acting as guarantors for and providing additional security to support their loan (29%).
- One quarter of FHBs are living with their parents to save money (23%) with a further 14% considering doing so, and 42% of that group anticipating that they may need to continue to do so for 3-5 years.

The Government First Home Buyer Assistance Schemes are also viable options for those eligible, with results showing one in three applying for the scheme.



Report details

The 2023 Helia Home Buyer Sentiment Report is based on research commissioned by Helia and conducted by CoreData for over 3000 home buyers (FHBs, investors, additional purchasers) around the country, examining their attitudes, behaviours, and outlook in relation to home ownership.

With over 55 years expertise in the Australian residential mortgage market, Helia supported 69,073 home buyers. In the recent annual report 2022, Helia issued 43,051 new policies that insured secured home loans valued at \$20 billion.

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Media contacts

- Alexis Carroll 0450 646 551
- Jess Magree 0432 559 212
- Jessica Sain 0459 967 747
- helia@decpr.com.au