



Home ownership – a reality or a pipe dream?

Helia Home Ownership Pulse survey– April 2023

- More home buyers are losing hope in buying their first property
- One in three home buyers are having difficulty meeting mortgage payments
- Alternative strategies for achieving home ownership are poised to grow
- Lenders Mortgage Insurance (LMI) awareness and usage are strong.

Helia's latest pulse survey has found that as more prospective home buyers are losing hope in buying their first property, there is a perceptible shift to more first-time buyers considering a purchase that may not be their ideal property or exploring alternative pathways to home ownership.

According to Helia's Home Ownership Pulse, saving for a deposit remains a major challenge, with 90% of prospective first home buyers confirming it is increasingly difficult to save for a deposit amid rising living costs.

The survey found that home buyers are using LMI and other alternative strategies to help them get onto the property ladder.

Helia Chief Executive Officer, Pauline Blight-Johnston said: "Over 90% of first home buyers reported that saving for a deposit is feeling increasingly out of reach. Helia continues to develop solutions to help people get into homes."

Fixed versus variable rates and refinancing

As first-time buyers navigate the current economic climate, the survey found that when purchasing their property, 41% of home buyers had opted for a home loan with a fixed rate period, with the remainder on variable rate loans.

Although many fixed rate borrowers have been insulated from recent interest rate increases, 53% will have their fixed rate period expire in the next 12 months, with 27% expiring in less than 6 months, and 26% within 6 to 12 months.

For people surveyed with fixed rate home loans expiring in the next 12 months, 64% said they are likely to refinance.

Mortgage stress

The survey found that home buyers are being challenged in the current economic environment, with:

- over 33% of recent home buyers finding it difficult to meet their current mortgage repayments, and
- 53% responding that they would have difficulty ahead, should interest rates increase by 1%, putting additional strain on household budgets.



LMI and the rise of alternative pathways

- The survey found that more home buyers are turning to LMI to fast-track their journey into home ownership, with awareness and use of LMI strong. Figures showed 27% of recent home buyers used LMI to get into their first property.

“We know first time buyers are motivated by the long-term financial benefits of home ownership and are keen to step out of the rental cycle and avoid rising rental costs. As they continue to explore their options, we remain committed to developing more solutions for home buyers,” said Pauline Blight-Johnston.

“Our [Deposit Comparison Estimator](#) tool, provides guidance around the potential benefits of different options for aspiring buyers with less than a 20% deposit, to suit individual circumstances.”

Against this backdrop, the findings show that alternative pathways are also poised to grow in market, with 39% of first-time buyers likely to consider co-ownership with family or friends.

[You can access Helia’s Home Ownership Pulse survey spotlight here.](#)

About the Helia Spotlight – Home Ownership Pulse, April 2023

Research was commissioned by Helia, in partnership with CoreData. The research was conducted in March 2023. The findings and whitepaper are based on a survey of 367 respondents aged 18+ years across all Australian states and territories. 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).

Media

Alexandra Crowley
Head of Communications & Sustainability
M: 61+ 459 967 747

About Helia

Helia Group Limited (Helia) is the leading provider of Lenders Mortgage Insurance (LMI) in Australia. The Helia Group has been part of the Australian residential mortgage lending market for over 55 years (since the Housing Loans Insurance Corporation was founded by the Australian Government in 1965 to provide LMI in Australia).