

Insights into Housing Affordability - The Consumer Perspective

This study commissioned by CoreLogic was conducted by Galaxy Research on an online permission-based panel between Tuesday 7 March and Thursday 13 March 2017 from a sample of 2,010 Australians aged 18 - 64 years distributed across Australia.

LIVING SITUATION



Home ownership increases with household income, however owning their home mortgage free is relatively equal by household income



51% of respondents said they are current property owners



12% have previously owned property (but not currently)



37% have never owned property (60% in the case of millennials)

VIEWS ON AFFORDABILITY



62% of respondents believe housing affordability is worse now than it was a year ago; 58% believe next year will be even worse



87% of non-property owners are concerned about the ability to afford their first or next home

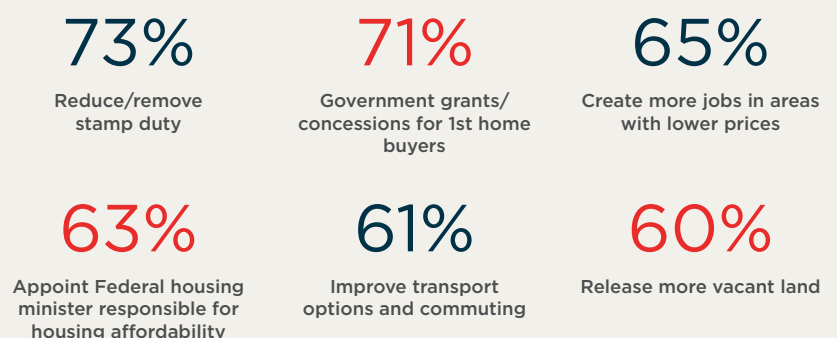


76% of property owners are concerned to some extent at least about being able to afford what they want for their next home move (88% among those who live in an apartment)

The greatest impediments to housing affordability are:



The strategies respondents noted as being of most help to improve housing affordability are:



MARKET AWARENESS

There is a slight bias towards the view that now is a good time to sell (particularly in NSW and VIC) rather than buy (which was the stronger view in WA).

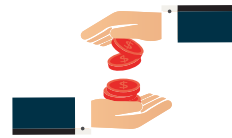
The greatest impediments to housing affordability are:



51%
aware that some states provide stamp duty concessions for first home buyers



42%
know lenders allow you to purchase property with less than 20% deposit



29%
aware that banks having limits on the percentage of lending they can do to investors



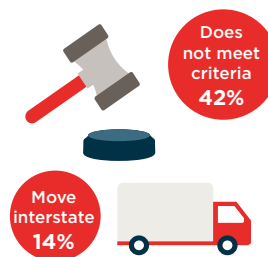
25%
know that overseas buyers can only buy new properties (unless they have a residency)

One quarter (27%) of mortgage holders say that they would have difficulty in meeting mortgage repayments if interest rates increased by 1%. This jumps to over half (52%) if interest rates increased by 2%.

CHOOSING WHERE TO LIVE



Price is by far the most important factor in selecting where to buy (79% of respondents), followed by good public transport (52%) and proximity to work (45%)



Australians are more likely to consider buying a property that does not meet all of their criteria (42%) than move interstate (14%) or even choose a less desirable suburb (21%)

DREAM IS STILL ALIVE



89%
of non-homeowners say that it is important to be able to buy their own home if they could afford to.

HELP TO GET INTO THE MARKET

62%
of respondents identified having a secure and well paid job as the greatest help to buying their first home

18%
of respondents were able to contribute a 20% deposit towards their next house purchase

62%
of people living with parents say that the reason keeping them at home is that they can't afford to move out

21%
of Australians 18 years and older and still living at home say that they are not expecting to leave home to rent or buy until at least aged 30 years

40%
of respondents living at home say that they will probably rent first before buying a home

4%
of non-home owners already own an investment property (2% of Millennials, 5% of GenX)