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Size still matters as first home buyers chase the great Australian dream

A survey of South Australian first home buyers has found that size matters when it comes to buying a home, with one in four naming it as the most important decision-making factor when purchasing a house.

The research from HomeStart Finance, which gathered the views of more than 500 first home buyers and home owners, revealed that 25% considered the size of a home as the most important factor when buying a home. Other important factors were the right suburb (18%), backyard size (12%), potential house price growth of the suburb (12%) and number of bedrooms (8%).

HomeStart Finance's Chief Executive Officer, John Oliver, said the results suggest that young Australians are holding onto the 'great Australian dream' of having an abundance of space in a home.

"The results indicate that the great Australian dream of buying a large family home, with the big backyard, is still alive for current generations," he said.

"In many other countries the opposite is true, with a long-term trend of home buyers turning to smaller, apartment-style living options."

Mr Oliver said while a large home and backyard, in their preferred suburb, was clearly on the wish list for first-time buyers, they needed to be realistic when looking to break into the property market.

"Rising house prices and increases in cost of living are making it difficult for first home buyers to save enough to cover the upfront costs to get into home ownership. First home buyers need to understand that their first property may not be a three-plus bedroom home in the suburb they desire – but it doesn't mean they will never achieve this," he said.

"Home buyers should be willing to make some compromises with their first home, keeping in mind that their first home is unlikely to be their last. They should see their first home as a stepping stone that will enable them to transition to larger houses in their future.

Mr Oliver said it was promising that purchasing a home in a suburb with greater potential for capital growth was listed in the top five decision-making factors for first home buyers.

"This demonstrates that first-time buyers understand that purchasing a home in an up-and-coming area will help ensure they make a greater return on the property when they are ready to sell. This will put them in a strong financial position to buy their next home."

HomeStart makes home ownership a reality for more South Australians in more ways. We are a statutory authority that reports to the Minister for Housing and Urban Development. We were created in 1989 and since then have helped over 66,000 households into home ownership.