

For immediate release  
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## Index reveals confidence growing for South Australian first home buyers

- **SA first home buyer sentiment has increased by 8.6% over the past six months;**
- **The driving factor is increased positivity on the ease of market entry, with a significant rise of 33.3%;**
- **First home buyers are less confident about job security, although still positive with a 3.1% increase.**

The first measure of South Australian first home buyer sentiment has revealed confidence has grown in the last six months, despite an environment of rising house prices and economic uncertainty.

The HomeStart Finance First Home Buyer Index – the most comprehensive measure of first home buyer sentiment ever produced in South Australia – showed that overall confidence grew by 8.6% from October 2015.

The Index gathered the views of more than 250 South Australian home buyers and first home buyers across five key factors: employment security, ease of market entry, property affordability, repayment affordability, and whether now is the right time to enter the property market.

Across all five measures, South Australian first home buyers were feeling more confident than they were six months ago when the Index's baselines were established.

HomeStart Finance's Chief Executive Officer, John Oliver, said the results were surprising given the obvious challenges first home buyers face breaking into the housing market.

"The results were unexpected because anecdotally the view is that it is more difficult than ever for first home buyers to break into the housing market," he said.

"What these results tell us is that even though rising house prices and high upfront costs make buying your first home challenging, home buyers are growing in confidence about the prospect of achieving the great Australian dream. Some of this may be attributed to the current low interest rate environment"

Key findings included:

- First home buyer confidence about ease of market entry grew significantly (up 33.3%), indicating first home buyers are less concerned about potential barriers such as deposit size required, and other fees and charges.
- There was an 8.6% increase in the perceived affordability of housing in South Australia.
- There was a 4.9% increase in sentiment about now being a good time to buy a home.
- Although not as confident about the security of their current employment, they were still more confident than they were six months ago (up 3.1%).
- There was a marginal increase (3.8%) in first home buyer sentiment on how they were positioned to

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manage loan repayments and other living costs.

“Previous research has shown that the upfront costs, such as the deposit and fees, are one of the largest barriers to home ownership. However, the increased positivity expressed about the ease of market entry highlights that first home buyers are less concerned about these factors at the current time,” Mr Oliver said.

“The Index also suggested that home buyers are confident that there will be no significant changes in the next 12 months that will impact on their chances of buying a home, such as increase in property prices, rental prices, and fees and charges for home loans.”

Mr Oliver said lower property prices and slower growth in the property market in South Australia compared to the eastern states may also be positively impacting on home buyer confidence locally.

He said the impact of the state’s unemployment rate at 7.2% in March – the highest in the country – was reflected in the Index, with only a 3.1% increase in sentiment towards employment security, giving it the lowest score of the five factors.

The HomeStart Finance First Home Buyer Index was created to fill a gap in knowledge in the market on the sentiment of first home buyers towards home ownership. The Index will be completed every six months.

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