

For immediate release
Tuesday 13 September

Home buyers turn to brokers for the best deal

Home buyers are increasingly turning to mortgage brokers to find home loan deals best suited to their situation, as stricter lending criteria and cost of living pressures continue to place barriers on entering the property market.

HomeStart Finance, who offers a range of innovative loan features such as lower deposits and shared appreciation loans, has seen year on year growth of broker referred loans, with 33% of new lending written by brokers in 2015-16; 31% in 2014-15 and 26% in 2013-14.

HomeStart CEO John Oliver said the increase in broker referred loans demonstrated home buyers' desire to seek out lenders offering innovative solutions and home loan options that best suit their situation.

"HomeStart has a unique position in the market in that we have an innovative product range, including offering a higher loan to value ratio than most other lenders, and recognise Government payments as a form of income," he said.

"This provides brokers with an alternative solution for customers who are struggling to meet the financial requirements of the big four banks, but don't want to give up on their home ownership dream," he said.

Recent figures from the Mortgage and Finance Association of Australia show that almost one in five home buyers intend to use broker services for convenience and to obtain the best possible home loan deal, while data from research group 'comparator', a CoreLogic business, shows that more Australian home buyers are turning to mortgage brokers over banks.

Comparator research showed that during the September 2015 quarter mortgage brokers were responsible for 52.6% of new lending in the Australian residential home loan market.

"This result shows that more home buyers are going to a broker, rather than walking into a bank, clearly cementing the place of brokers in the Australian loan market," Mr Oliver said.

In the past year, HomeStart has continued to strengthen its distribution network, by partnering with additional aggregator group, FAST, giving HomeStart representation from a further 80 brokers and broadening the reach of HomeStart loans.

"We have continued to focus on the broker market over the last few years, as it is a good strategic fit with our distribution model," Mr Oliver said.

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 67,000 households into home ownership.

Media release



"Brokers provide us with a cost effective channel to broaden our geographical footprint and we continue to invest in this channel to ensure we are a strong partner."

<https://www.mfaa.com.au/News/pages/september-2015-industry-results.aspx>

https://www.mfaa.com.au/IndustryInformation/Documents/1527742_MFAA_Broker%2020Study_final_email.pdf

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 67,000 households into home ownership.