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MEDIA RELEASE

All I want for Christmas is a home loan deposit

As we near the end of 2019 and with interest rates at record lows, home ownership is at the top of the Christmas wish list for many young Australians who are working harder than ever to save for a deposit.

A major national survey of millennials (23-38 years old) by customer-owned bank, Gateway Bank and lenders mortgage insurance provider, Genworth, has found that a remarkable 94% see owning a home as important.

And, while over half (58%) say that a deposit remains the biggest barrier to realising that dream, they are prepared to save, acknowledging, in some instances, it could take almost four years to obtain sufficient funds to begin the home loan process. And the most common strategy to help save a deposit is to cut back on lifestyle spending.

“It is really pleasing that millennials are seeing that home ownership is within reach and are looking at prudent saving measures, however there are other options that can achieve home ownership and with guidance from their bank, they can get there sooner, it’s a great sign,” said Gateway Bank Chief Executive Officer, Ms Lexi Airey.

The survey also revealed that the financial security that comes with owning a home was clearly the most attractive factor for millennials (58%), followed by the investment potential (48%) and the fact that for many, (46%) renting is a waste of money.

“A lot changes over the decades but some things stay the same and it is interesting that today’s generation still have such similar views around home ownership as their parents and grandparents,” said Ms Airey.

“Owning a home to raise a family or provide stability is as relevant today as it was many years ago.”

Other key points of interest from the national survey:

- 42% say a low interest rate was the most important factor in selecting the right mortgage product;
- 61% say affordability is the most significant indicator of where they will live;
- More than a third (36%) rely on their family for home loan advice; and
- 66% of millennials who haven’t yet purchased a home, are hoping to buy a property in the next five years.

Genworth CEO and Managing Director, Georgette Nicholas said that while this age group was clearly prepared to save for a deposit, it was also important for them to realise that there are ways to get onto the property ladder sooner.

“It’s great to see that this age group understands the importance of home ownership and the security it provides, however, we also need to let them know that they can purchase a home in the immediate future without saving for years for the 20% deposit and avoid the dollar value increase of that 20% over the years that they are saving.” said Ms Nicholas.

“Lenders mortgage insurance can give them the keys to that first home with a smaller deposit than that which is typically required, thereby enabling them to save on rent and start building equity in their home.”

Editorial note: case study + photo available upon request

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About the research

The research, commissioned by Gateway Bank and Genworth and conducted by YouGov Galaxy, was compiled through a survey, which polled 2,127 Millennials, aged 23-38 years, across Australia.

About Gateway Bank

Gateway Bank is one of Australia’s leading customer-owned institutions. Founded in 1955 and with its national headquarters in Sydney, Gateway Bank provides award-winning products and services to more than 30,000 members around Australia. Gateway Bank has over \$1 billion in assets under management with a focus on offering premium home loans, low rates and fees and flexible insurance options.

It is committed to putting people before profits with 100% of profits used to benefit its customers. In 2019, it was awarded the Mozo Experts Choice Award for its *Low Rate Essentials* for Low Cost Home Loan and Investor Home Loan. It also received the CANSTAR Outstanding Value 2019 for its *Investment Variable Home Loan* receiving 5 stars for Outstanding Value.

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About Genworth

Genworth Mortgage Insurance Australia Limited (Genworth), through its subsidiary companies Genworth Financial Mortgage Insurance Pty Ltd and Genworth Financial Mortgage Indemnity Ltd (together, the Genworth Group or the Group), is the leading provider of Lenders Mortgage Insurance (LMI) in the Australian residential mortgage lending market. The Genworth Group has been part of the Australian residential mortgage lending market for 50 years since the Housing Loans Insurance Corporation was founded by the Australian Government in 1965 to provide LMI in Australia. Genworth is currently a subsidiary of Genworth Financial, Inc. and part of the Genworth Financial, Inc. group of companies. The Genworth Financial, Inc. group of companies’ current ownership interest in Genworth is approximately 52 per cent of the issued shares in Genworth.