



## Alternative pathways to open doors:

**New research shows 65% of prospective home buyers are refusing to give up on their home ownership goal despite an increasingly competitive housing market**

### Key findings

- **Over 75% of prospective home buyers have saved less than a 20% deposit**
- **58% of home buyers are aware of alternative pathways including Lenders Mortgage Insurance (LMI) to enter the property market sooner**
- **Home buyers are prioritising essential expenditure and cheaper alternatives including limiting electricity and medical treatments in order to save.**

The current economic climate highlights the challenges prospective home buyers face in saving for a deposit. Rising property prices and uncertainties have increased the pressures on home buyers, and in response they are adopting innovative strategies and making notable sacrifices to achieve their goals.

The latest [Helia Spotlight](#) reveals that sentiment among home buyers is a mix of optimism and concern. Whilst the desire to own a home remains strong, they are finding it increasingly difficult to save a deposit. 89% of first home buyers (FHBs) agree it's harder than ever to buy their first property and 88% feel it's more difficult to save for a deposit.

To navigate these hurdles, home buyers without the traditional 20% deposit are exploring alternative pathways to home ownership, with 58% of home buyers aware of alternative pathways.

### Pathways for overcoming deposit challenges

The declining ability to save a 20% deposit is compelling aspiring home buyers to assess all available options – be that for their first home, an investment property or even subsequent properties for their portfolio.

LMI is called out as a pathway to home ownership with nine-in-ten FHBs considering LMI to purchase their home (92%, up from 73% last year), and over half of all purchasers (55%) used LMI to buy their property (up from 36% last year).

Helia's Chief Commercial Officer, Greg McAweeney said, "LMI is an alternative pathway to achieve home ownership for buyers without a 20% deposit. LMI enables buyers to enter the property market, consider buying a larger home and, ultimately, start building equity sooner. It's heartening to see in our research that most prospective buyers are showing resilience in the face of the current market challenges and researching alternate ways to achieve their home ownership dreams."



Other options being considered by prospective home buyers include government assistance schemes (48%), the 'bank of mum and dad' (BOMAD, 45%), working overtime to save more money (39%), or cutting back on dining out and hobbies (68%). 42% reported they were unaware of alternative pathways.

Mr McAweeney highlighted that prospective buyers are also open to other options including purchasing a first property that is not their 'dream' or 'ideal' home or buying property as an investment while living elsewhere (known as 'rentvesting').

"Investment in property and LMI go hand in hand. LMI offers investors the key to unlocking the property market with confidence. It offers investors greater flexibility in their investment strategies, whether they aim to purchase a single property for long-term capital appreciation or build a portfolio of properties for rental income. LMI allows investors to tailor their approach to suit their financial goals and risk appetite, enabling them to maximise their potential returns and build wealth through strategic property investment, sooner."

### Spotlight: Saving sacrifices

[FHBs are cutting back on essentials to save.](#)

- FHBs are cutting back on dining out and hobbies (68%), holidays (60%), subscriptions and gym memberships (51%)
- Worryingly, FHBs are limiting electricity use, air conditioning and heating (45%) with almost a third (29%) say they are cutting back on medical treatments and personal grooming
- FHBs are buying cheaper groceries from discount stores (61%)
- FHBs are working more to save with 39% working overtime and 27% taking on a second job.

### Spotlight: Cost of living

[Saving a deposit is difficult due the increased cost of essentials such as groceries, electricity and rent.](#)

- Increasing costs of living are impacting people's ability to save with almost a fifth (18%) confirming they are not currently saving any money
- Additionally, 26% are saving less than 10% of their take-home income, and a further 23% are saving only between 11% and 20% of their take-home income.

### Spotlight: Alternative pathways

[No longer is the 20% deposit realistic – or required – with alternative pathways to home ownership.](#)

- BOMAD is in use for first home buyers who have the option, with nearly half (45%) of FHBs likely to receive financial assistance from family, up 34% from last year
- While 48% of home buyers plan on using government assistance schemes, only a third of recent home buyers used these schemes, likely because of eligibility restrictions.

### Spotlight: The broker's role

[Mortgage brokers remain the trusted adviser.](#)

- Almost three-in-five (56%) FHBs purchased their property through a mortgage broker
- The primary reason for using a mortgage broker was for the ability to access better deals (45%), ease of application (41%), reduced stress (39%) and experience and knowledge (36%).



Mr McAweeney said; “As a first point of contact for many aspiring home buyers, mortgage brokers have a unique and vital role to play in supporting, guiding, and educating more people on the pathways to home ownership. With an increasingly challenging property market, mortgage brokers can unlock unique ways buyers may not have considered previously.”

### About the data

The [2024 Helia Spotlight](#) is based on research commissioned by Helia and conducted by research agency, CoreData, of 1015 home buyers (prospective home buyers and recent home buyers) around the country, examining their attitudes, behaviours, and outlook in relation to home ownership.

With almost 60 years’ of expertise in the Australian residential mortgage market, Helia supported 42,641 home buyers in 2023.

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### Media contacts

- Adam Chen | 0424 891 148
- Zoe Noble | 0400 726 414
- [helia@decpr.com.au](mailto:helia@decpr.com.au)