

# Streets Ahead

Genworth Homebuyer Confidence Index  
March 2014 | Edition 8







## About the Genworth Homebuyer Confidence Index

The Genworth Homebuyer Confidence Index (HCI) is based on five components:

- The proportion of monthly income used to service debts
- The maximum loan-to-value ratio (LVR) borrowers are comfortable borrowing
- Their repayment history over the last 12 months
- Their repayment expectations for the next 12 months
- Whether they consider now a good time to buy a home.

## Definitions of the types of consumers referred to in this report

	<p><b>First homebuyer (FHB):</b> Someone who purchased their first property to live in (with a mortgage) in the last 12 months</p>		<p><b>Prospective FHB:</b> Someone who intends to buy their first property in the next 12 months</p>
	<p><b>Homeowner:</b> Someone who currently has a mortgage on a property (includes first homebuyers)</p>		<p><b>Non-property owner:</b> Someone who does not currently have a mortgage on a property nor own property (includes prospective FHBs)</p>

## Methodology

This report is based on an online survey of 2026 Australian adults conducted in March 2014. Survey respondents were sourced from a panel of individuals who have signed up to participate in online surveys. The sample consisted of:

- 1240 people with a mortgage on their own home and/or an investment property (property owners) including 126 people who have bought their first property to live in (with a mortgage) in the last 12 months (FHBs)
- 172 people who neither have a mortgage nor who own property (non-property owners) including 128 people who intend to buy their first property in the next 12 months (prospective FHBs)
- 614 outright property owners who no longer have a mortgage.

## Snapshot

- The HCI for homeowners generally, and FHBs in particular, fell in the six months to March 2014.
- This was driven by an increase in the number of homeowners who experienced mortgage stress over the past 12 months, as well as those expecting stress in the coming year.
- One-third of prospective FHBs are still struggling to save a deposit.
- For prospective FHBs though, 71% think the dream of home ownership remains realistic, up from 67% six months earlier.
- Cost of living remains the key driver of mortgage stress for homeowners (49% versus 25% for FHBs) while concerns around underemployment is the main driver of mortgage stress for FHBs (63% compared to 32% for homeowners).



**Seven** in 10 FHBs think the Australian dream of owning your own home is realistic, up from 67% in September 2013.



**Six** in 10 investors feel the same (59%), a proportion that has **not changed since** September 2013.

## Key research findings

This is the eighth edition of the Genworth Homebuyer Confidence Index (HCI), a measure of Australian homeowners' and non-property owners' sentiment towards the mortgage market.

In March 2014, the key findings include:

- **National homebuyer confidence down since September 2013:** The Genworth HCI decreased by 1.7%, from 92.4 in September 2013 to 90.8 in March 2014.
- **Some homeowners struggle to meet repayments:** Around 28% of homeowners have struggled to meet their mortgage repayments in some months in the past year, and 30% expect a similar struggle over the next 12 months.
- **...but are actually far from being in the red:** Despite mortgage stress being felt by some, homeowners appear to have quite a buffer built into their finances. The proportion of homeowners using over half of their income to service debt has fallen from 28% in September 2013 to 25% in March 2014. The survey suggests this was because homeowners have reduced their discretionary repayments (i.e. their overpayments) and lower interest rates have also been reducing the minimum payments required meaning that homeowners actually have more after-debt disposable income than before.
- **Still a good time to buy, just slightly less so:** Despite more than half of the investors thinking now is a good time to buy a home, only 42% of all respondents agree with that sentiment in March 2014, down from 46% in September 2013.
- **First homebuyer confidence drops:** The FHB Confidence Index slipped to 82.3 in March 2014 from 85.0 in September 2013, but 59% still believe it is a good time to buy property.
- **Accessibility tougher for prospective FHBs:** Around two-thirds of all homeowners (65%) believe that today's prospective FHBs will have a harder time getting into the market than the previous generation did, while just under a quarter (23%) thought that it was probably just as hard.
- **The dream of homeownership burns brightly:** Despite one-third of prospective FHBs struggling to save a deposit, 71% think the dream of homeownership remains realistic, up from 67% six months earlier.

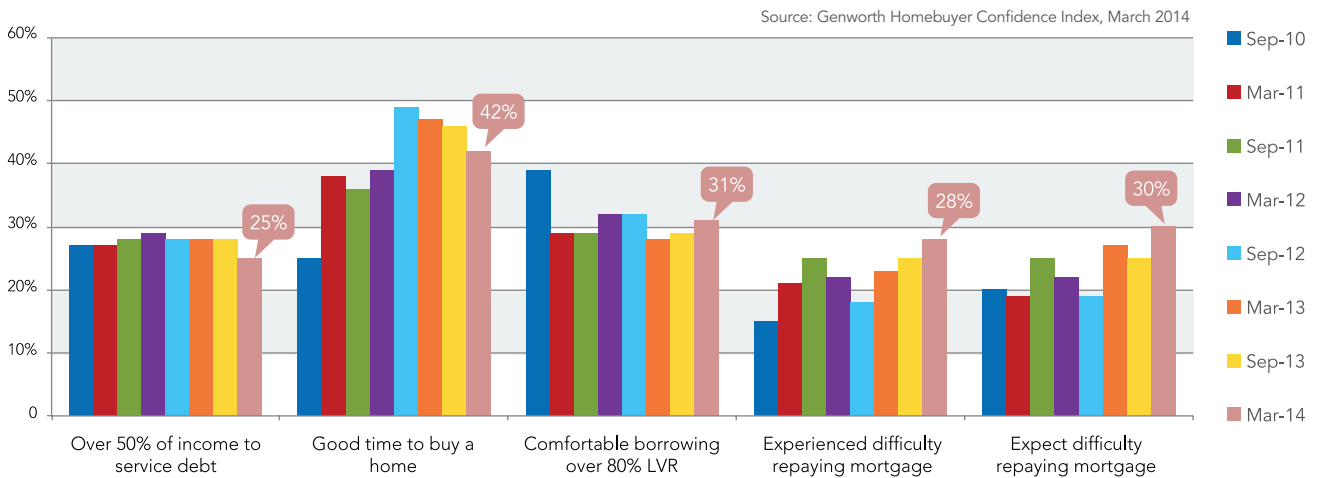
## Examining the Genworth Homebuyer Confidence Index drivers

The underlying drivers of the HCI reveal certain insights about consumer behaviour. The proportion that anticipate that they will easily be able to meet their mortgage repayments every month in the next 12 months was 52% in March 2014, down slightly from 53% in September 2013 and 56% in March 2013. The proportion using over half of their income to service debts has reduced from 28% to 25% in the same period, driven in part by a reduction in the proportion of consumers that overpaid in the previous 12 months from 43% in March 2013 to 40% in March 2014. Meanwhile, the proportion that thought that now was a good time to buy a home fell from 46% in September 2013 to 42% in March 2014.

- More debt means overpayments may become less likely:** Increases in average loan sizes provide evidence of the rising debt Australians are taking on to finance their homes. Given this higher debt requirement, overpayments on mortgages may fall over time. Indeed, in the September 2012 survey, 48% of homeowners were overpaying their mortgage but in March 2013, that figure dropped to 43% and in September 2013 and March 2014, that figure has stabilised at around 40%. The proportion expecting to repay their mortgage easily every month over the next 12 months has seen a drop of eight percentage points over this same period, from 60% in September 2012, to 52% in March 2014.
- A counter-intuitive result:** With a higher debt requirement, it might be expected that people are using more of their income to service their debt. However, the proportion of homeowners allocating 50% of their income to servicing debts has remained fairly stable over the last two years and has actually dropped slightly from 28% in September 2013 to 25% in March 2014. In part, this is explained by the fall in overpayments in the last six months, with reductions in minimum mortgage repayments also falling on the back of reduced fixed and variable rates. What the underlying data may point to, therefore, is that homeowners seem to be managing their finances by reducing overpayments. Australian homeowners are far from being in the red, and actually have greater 'after-debt' disposable income than they had before.
- Offset accounts helping:** Over a third of homeowners (35%) have an offset account and 43% overpaid on their mortgage in the last 12 months, slightly more than the 40% of those that did not have an offset account. Only 23% of offset account holders had difficulty meeting their mortgage repayments compared to 32% of those that did not have an offset account. Interestingly, those homeowners with mortgage offset accounts had a higher HCI score of 93.9, compared to homeowners that had no offset account at 87.8 and were far more likely to expect to overpay in the next 12 months (56% vs. 48%).

Additionally, of those that said that they found it difficult to meet mortgage repayments, a significantly higher proportion of offset account holders (82%) said that they struggled but were not behind on repayments, compared to only 66% of those without an offset account. Those that are making effective use of an offset account may therefore represent a safer proposition for lenders, because even under mortgage stress, they are much less likely to fall behind on repayments.
- Still a good time to buy:** In September 2012, half of respondents agreed that now was a good time to buy a home (49%). This figure has gradually trended down from 47% in March 2013 to 46% in September 2013, to its current level of 42%. Interestingly, investors and FHBs both felt more positive, the latter group considerably so at 59%.
- Comfort with high loan-to-value ratios stable:** Those relatively new to the mortgage market were much less likely to be comfortable borrowing over 80% of the value of a property. While 39% of investors and 37% of all homeowners were comfortable with this leveraged position, only 27% of FHBs and 29% of prospective FHBs were comfortable with a LVR ratio over 80%. Overall however, the proportion comfortable borrowing over 80% on the value of their property has remained fairly stable over the last two and a half years (see chart 1).

Chart 1: Genworth HCI drivers



## Examining the drivers of mortgage stress

Homeowners reported an increasing level of mortgage stress, with 28% of homeowners reporting difficulty making repayments in the last 12 months, compared to 25% in September 2013 and just 18% in September 2012. Over the same time period, overpayments have fallen from 48% in September 2012 to around 40% in March 2014, which indicates that borrowers may be reducing their overpayments due to mortgage stress. In the next 12 months, 30% expect difficulty in making repayments, compared to 25% in September 2013 (see chart 2.2).

Commodity prices in historical terms remain high, and the exchange rate has seen a decline making imports more expensive, which means that higher costs of living continued to play a key role in mortgage stress.

In September 2013, 'new job with less pay' increased as a driver of mortgage stress to 15%, up from its long-term average of around 9%. In March 2014, this factor remained above the long-term average, but fell from 15% to 13%. This was in-line with the expected transition in the Australian economy as people seek work in other sectors of the economy, where they may have to retrain and recommence their career (see chart 2).

'Other debt obligations' jumped back into prominence once again as a driver of mortgage stress in March 2014. After ranking lower than unemployment as a driver of mortgage stress throughout 2013, homeowners are once again finding their other debt obligations such as credit cards and personal loans are diluting their ability to repay their mortgage.

Those anticipating difficulty making timely mortgage repayments in the next 12 months also listed higher costs of living as one of the main reasons (see chart 2.1). A higher cost of living has been the number one concern for stressed homeowners since 2011.

Despite current market concerns about increasing unemployment, unemployment as a concern slipped back to third place behind other debt obligations.

Over the last two periods, consumers have accurately anticipated mortgage stress (see chart 2.2), predicting that they will be more likely to struggle. Going forward a greater proportion of homeowners are anticipating stress. If their predictions continue to be accurate then over the next 12 months as much as 30% of homeowners could struggle to meet their mortgage repayments in some or all months (see chart 2.2).

Chart 2: Top drivers of past mortgage stress

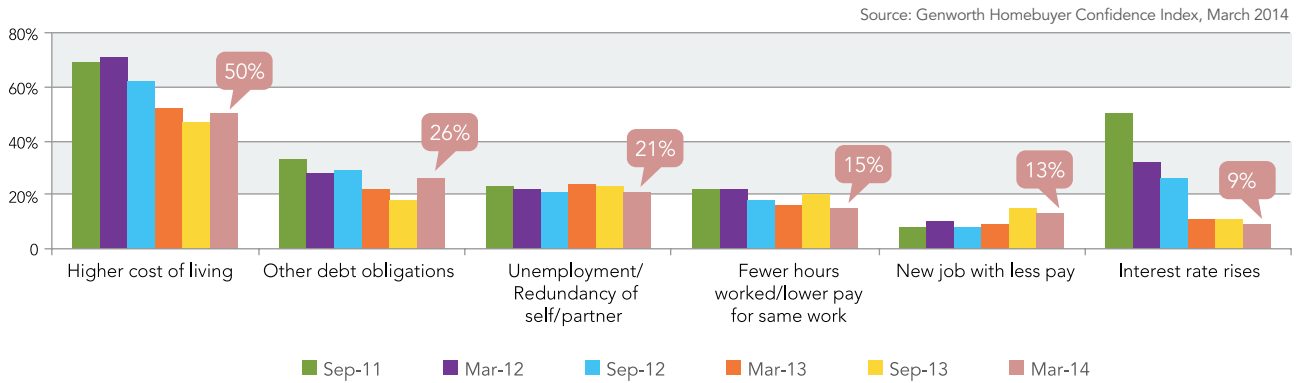


Chart 2.1: Top drivers of future mortgage stress

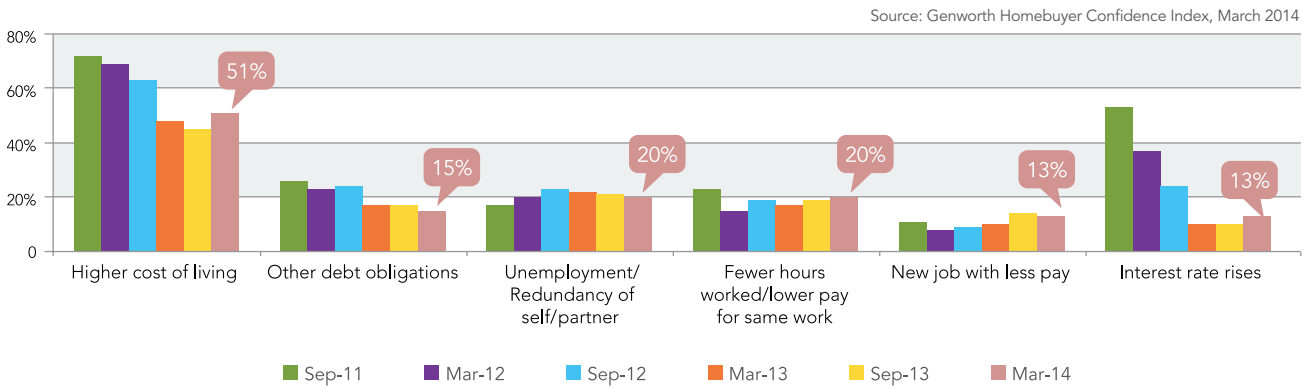
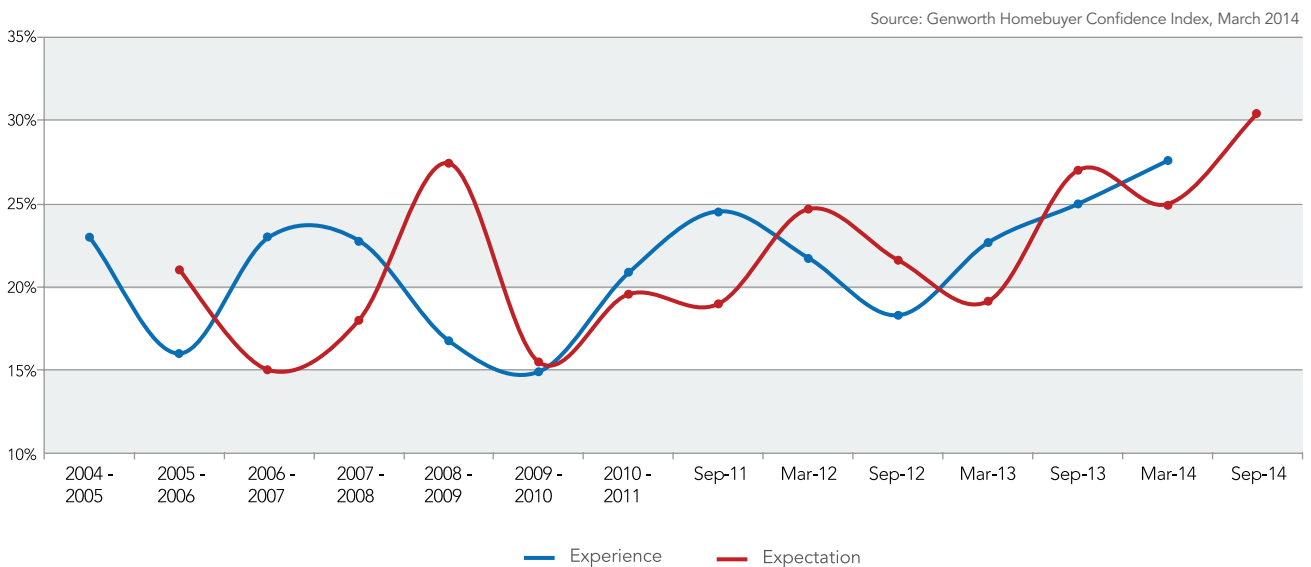


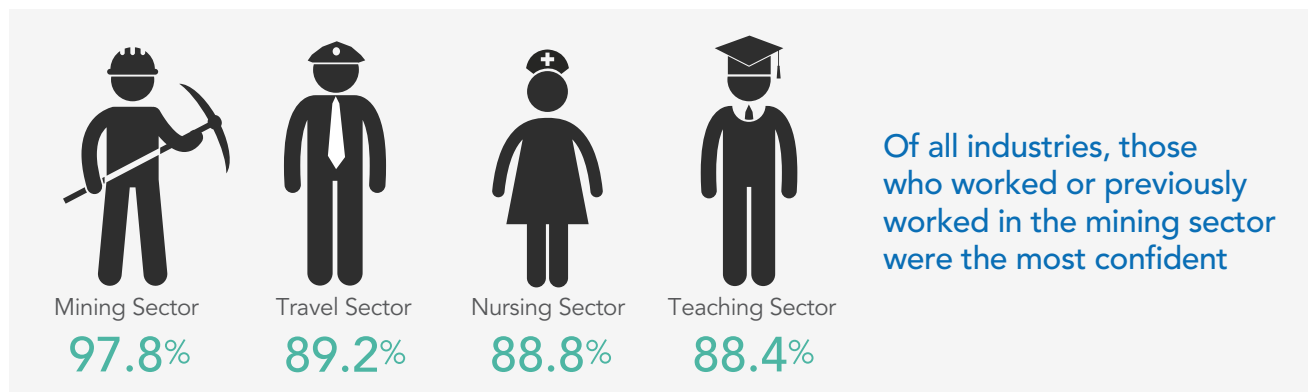
Chart 2.2: Experience vs. Expectation of mortgage stress



## A transitioning economy affecting the mortgage market

- **Unemployment in-line with forecasts:** According to the ABS's Labour Force Statistics, the unemployment rate rose to 6.0% in January 2014 and remained steady at 6.0% in February 2014, just as economists and most forecasters had predicted. With the Australian economy still in transition, this may have some effect on the mortgage market and consumer sentiment.
- **Mining sector not really feeling the pressure:** Despite the expected transition of the Australian economy away from

the mining sector, the general confidence of those who currently work or previously worked in the mining industry was significantly higher compared to other major industries, at 97.8. The travel industry as well as the nursing and teaching professions had the lowest confidence, with HCI scores of 89.2, 88.8, and 88.4 respectively. Besides mining, the industries with the highest confidence were the military and those in government jobs with HCI scores of 94.4 and 94.2 respectively.



## First homebuyers remain confident, down since 2013

- **First homebuyer confidence continues to decline:** The FHB Confidence Index fell to 82.3 in March 2014 from 85.0 in September 2013. First homebuyer confidence also experienced a decline between September 2012 and March 2013, driven by a fall in the proportion of FHBs making overpayments in the last 12 months and expecting to easily meet repayments in the next 12 months. The drop in sentiment between September 2013 and March 2014 appears to be driven by a higher proportion of FHBs expecting difficulty meeting their mortgage repayments in the next 12 months, increasing from 32% in September 2013 to 39% in March 2014.
- **Higher debt obligations:** A third of FHBs (34%) are using over half of their income to service their debts, compared to a quarter of homeowners. This has crept higher from 31% in September 2013 and 25% in March 2013 which is in line with higher average loan sizes and house prices increasing the debt requirement among recent home purchasers.
- **Mortgage stress:** In March 2014, 31% of FHBs reported having difficulty meeting their mortgage repayments on time over the previous 12 months. Of those, 44% said despite struggling, they were not currently behind on repayments and close to 30% were either three months behind or their property was for sale or sold. This is an improvement on September 2013 when the levels were 40% and 32% respectively.

While 'higher costs of living' drove mortgage stress (49%) across the board, it was a far less significant factor for FHBs (25%). Rather, concerns around underemployment were the main drivers of mortgage stress for FHBs (63% compared to 32% for homeowners).

- **Less loyal:** Perhaps driven by this additional mortgage stress, FHBs were twice as likely to consider refinancing their home to another lender in the next 12 months, with 47% of FHBs indicating a good likelihood of doing so, compared to just 23% of all homeowners. This was up from 43% in September 2013.
- **And fixing rates while they're low:** Around a third of FHB loans are on a fixed rate (35%), taking advantage of the low rate environment, compared to just 20% of all homeowners. A further 20% of FHBs adopted a flexible part-fixed/part-variable option. Two-fifths of FHBs (41%) had a variable rate option, compared to nearly two-thirds of homeowners (64%).



## The dream of owning a home burns bright

- **The dream is still alive:** Seven in 10 FHBs (71%) think the Australian dream of owning their own home is realistic, up from 67% in September 2013.

Overall however, homeowners were divided, with just half of all homeowners (51%) feeling the Australian dream of homeownership was a realistic goal, down slightly from 53% in September 2013. Whether or not it is a realistic goal, almost everyone agreed they would want to own their own home, and 90% of non-property owners also agreed with this sentiment.

Almost half of Australian homeowners (49%) agree low interest rates on mortgages have improved housing affordability over the last two years while a further 40% neither agree or disagree. This indicates that many might see lower interest rates being offset by rising house prices.

The most recent figures from the Housing Industry Association (HIA)-Commonwealth Bank Housing Affordability Index (quarter ending September 2013), which measures housing affordability by looking at borrowing costs and earnings, show the Index increased 15.0% over the past 12 months.

## Time to save for a deposit

- When considering how long it would take to save a 20% deposit in the current market, almost 60% of all those surveyed estimated it would take them four years or more. In contrast, only 28% of prospective FHBs believed it would take them more than four years to save a 20% deposit. The more optimistic assessment of the latter group likely reflects the fact that the majority of the sample has already managed to save a deposit for a home and knows the difficulties involved, whereas prospective FHBs may be underestimating the challenge of saving such an amount.
- Family was a strong source of deposit funds for FHBs, with 21% receiving a gift from their parents, 21% inheriting money, 14% borrowing money from their parents and 17% borrowing money from other family members.

This trend of using other sources for deposit underlines the fact that the desire to own property is strong, even in the face of the continuing challenge of saving a deposit.

- **Not a level playing field:** For households with annual income of less than \$50,000, 42% thought that it would take them

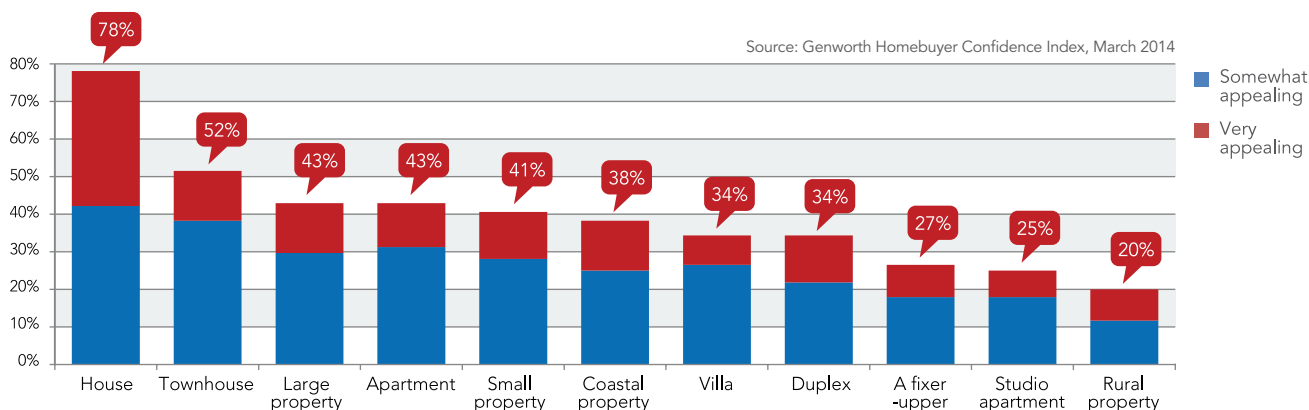
seven years or more to save for a deposit, compared to just 24% of those that earned between \$50,001 and \$125,000 and 14% of households that earned more than \$125,001.

- **Prospective FHBs sidelined?** For one in three (33%) prospective FHBs the ability to save a sufficient deposit is keeping them from the housing market. However, with one in five (21%) also stating that the area that they are looking to buy in is too expensive, the question has to be asked of whether these prospective FHBs are sidelining themselves with unrealistic expectations or might be unaware of alternative financing options.

Drilling down into this group further, three-quarters of those that said their desired area was too expensive also said they would consider purchasing property in a less desirable area. This suggests prospective FHBs have an ideal in mind, but are willing to be flexible in the majority of cases.

These findings on prospective FHBs highlight the issue of undersupply of housing. The underlying data indicates that most (78%) prospective FHBs are after a 'house' (see chart 3).

Chart 3: How appealing are the following types of properties in terms of purchasing?



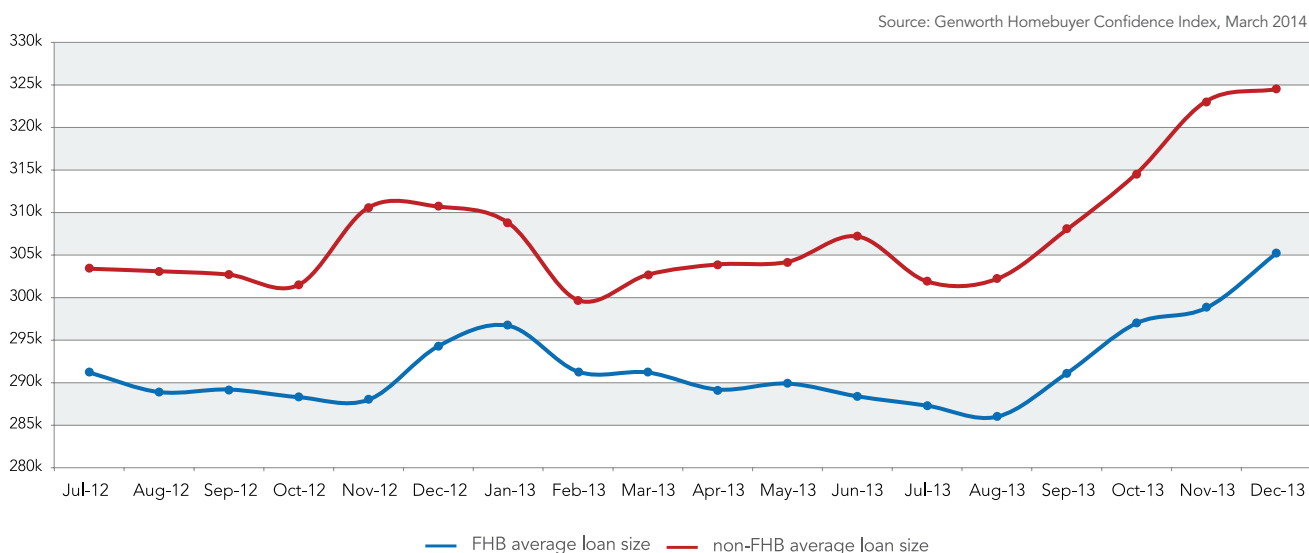
## The generation game

- **Over 40's say now is much tougher to buy:** Half of all homeowners over 40 (50%) said that buying a first property in today's environment is much harder than when they first bought their property. One third of homeowners under the age of 40 (33%) agreed with the sentiment.
- **Getting into the market is harder now than in parent's generation:** Around two-thirds of all homeowners (65%) believed that today's prospective FHBs will have a harder time getting into the market than the previous generation. Just under a quarter of homeowners (23%) thought that it was probably just as hard today as it was for the previous generation.
- **Almost everyone would help their kids get into the market:** Almost nine in 10 baby boomers (86%) said they were likely to help their child to buy property if they were in a financial position to do so. Gen X and gen Y respondents agreed, with 89% and 90% respectively stating that they would also like to help their child buy property in the future.
- **The trouble is being in a financial position to do so:** Just 37% of baby boomers and 40% of gen X agreed that they were in a financial position to be able to help their child buy.
- **Gen Y expects help from their parents:** On the flip side, 41% of gen Y expected their parents to be able to help them buy property.
- **Average age of first homebuyers increases:** The average age of those surveyed who purchased their first home in the 70s was 24.6 years. This has steadily increased to 29.3 years post-2010, peaking at 29.7 in the last decade.

## Strong demand for investor loans

- According to the RBA's monthly statistics on lending commitments, in year-on-year terms, lending commitments for investor loans increased by 29% between January 2013 and January 2014, from \$8.03bn to \$10.34bn. The total value of investment loans outstanding is at \$439.9bn, an increase of 7.1% from last year. Meanwhile, lending commitments for owner-occupied loans increased by 19% over the same period from \$13.64bn to \$16.28bn.
- **Significant increase in average loan sizes:** The increases in lending commitments have in part been driven by increases in average loan sizes. According to the ABS, in August 2013, the average loan size for a FHB was \$286,000 while the average loan size for a non-FHB was \$302,200. In five months, the average loan size has increased by 6-7%, to \$305,200 for FHBs and \$324,500 for non-FHBs (see chart 4). RBA data shows that the cash rate fell to 2.50% in August 2013, and the RBA has indicated that it is unlikely to fall any further.
- **Over half of investors think now is a good time to buy:** 56% of investors thought that now was a good time to buy an investment property and 54% thought that it was a good time to buy a home compared to 42% of all respondents, 48% of prospective FHBs, and 59% of FHBs. Only 14% of investors did not already have their own home and this figure has not changed since September 2013.

Chart 4: Sharp spike in average loan size since September 2013 for both FHBs and non-FHBs



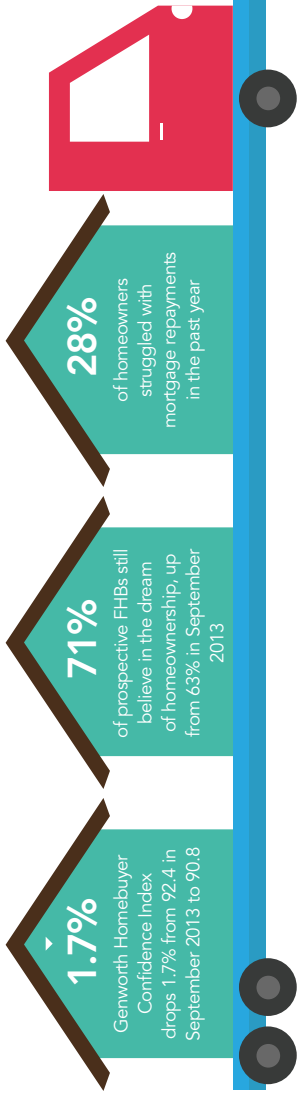
## State-by-state affairs

- **Large differences between states in borrower profiles:** Compared to the national average of 25%, 32% of homeowners in Queensland and 28% in New South Wales were allocating more than half of their income to service their debts. This stood in contrast to Victoria, South Australia, and Tasmania, where only 19%, 18%, and 14% respectively were using more than half of their income to service their debts. While the HCI for Tasmania suggests an impressive increase and a vast improvement on its low of 93.3 in March 2013, the small sample prevents meaningful conclusions from being drawn.
- **Queensland confidence falls:** While most states saw a drop in sentiment in-line with the national average of around one and a half percentage points, Queensland dropped the most, by around 3.7%, and had the lowest index score in March 2014 (see Genworth Homebuyer Confidence Index by state). Queensland saw a nine percentage point increase in those expecting to have difficulty meeting their mortgage repayments on time in the next 12 months, from 27% in September 2013 to 36% in March 2014. Furthermore, the proportion of homeowners in Queensland that thought now was a good time to buy a home has dropped slightly to 50% in March 2014 from 52% in September, still well above the national average of 42%.

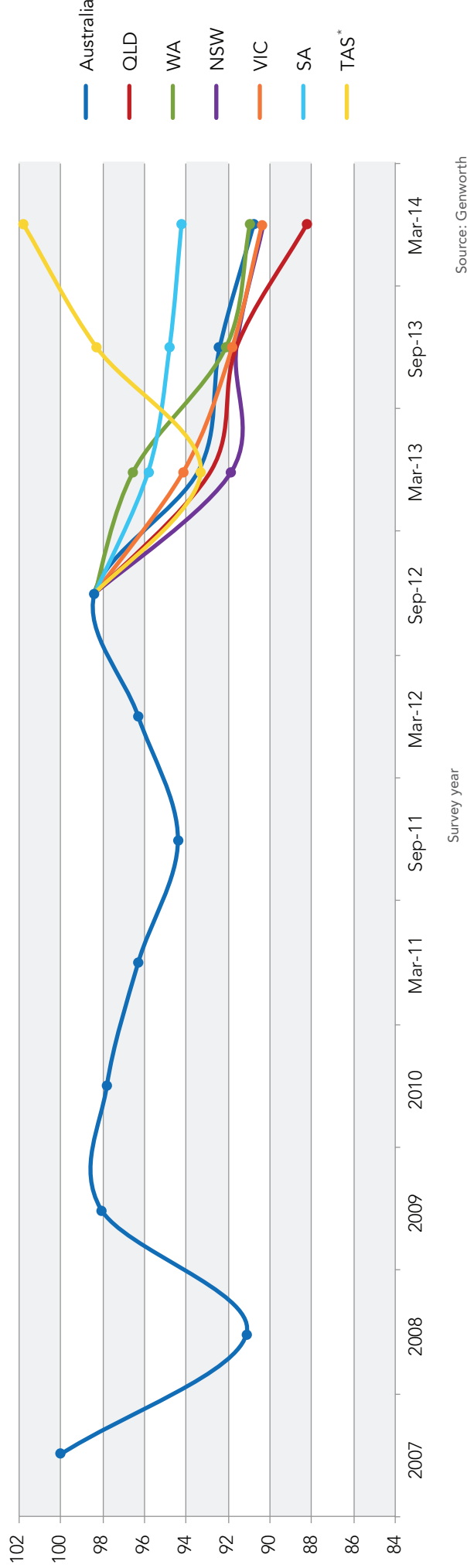
# Streets Ahead

## Genworth Homebuyer Confidence Index

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Genworth Homebuyer Confidence Index by state



\* Note: While the HCI for Tasmania suggests an impressive increase and a vast improvement on its low of 93.3 in March 2013, the small sample size prevents meaningful conclusions from being drawn.

Source: Genworth

### About Streets Ahead: Homebuyer Confidence Index

Genworth's eighth edition of Streets Ahead discusses the results of the Homebuyer Confidence Index.

Released biannually Streets Ahead measures the sentiment of over 2000 existing homeowners and potential homebuyers about their mortgage and the overall mortgage market.

To interact with the Streets Ahead infographic and download your own copy of the report visit us at [genworth.com.au/streetsahead](http://genworth.com.au/streetsahead)

## Genworth Homebuyer Confidence Index: Key indicators

Economic indicators	2007	2008	2009	2010	Mar 2011	Sep 2011	Mar 2012	Sep 2012	Mar 2013	Sep 2013	Mar 2014
Official cash rate <sup>1</sup>	6.25%	7.25%	3.00%	4.50%	4.75%	4.75%	4.25%	3.50%	3.00%	2.50%	2.50%
Inflation <sup>2</sup>	2.4%	4.5%	2.5%	3.1%	3.3%	3.4%	1.6%	2.0%	2.5%	2.20%	2.7%
Unemployment <sup>3</sup>	4.3%	4.3%	5.8%	5.1%	4.9%	5.2%	5.2%	5.5%	5.6%	5.7%	6.0%
Oil prices per barrel US\$ <sup>4</sup>	\$66.30	\$127.76	\$67.73	\$75.69	\$105.40	\$79.20	\$103.02	\$92.19	\$97.23	\$102.87	\$102.59
HIA Housing Affordability Index <sup>5</sup>	52.9	48.7	69.5	52.5	55.7	57.2	61.8	65.3	69.7	75.1	-
Average FHB loan <sup>6</sup>	<b>\$239k</b>	<b>\$243k</b>	<b>\$270k</b>	<b>\$283k</b>	<b>\$285k</b>	<b>\$285k</b>	<b>\$282k</b>	<b>\$289k</b>	<b>\$291k</b>	<b>\$287k</b>	<b>\$305k</b>
Genworth HCI <sup>7</sup>	100.0	91.1	98.1	97.8	96.3	94.4	96.3	98.4	93.4	92.4	90.8
Change in Genworth HCI <sup>7</sup>	-	-8.9%	7.7%	-0.3%	-1.5%	-2.0%	2.0%	2.2%	-5.1%	-1.1%	-1.7%
Key drivers in Genworth HCI <sup>7</sup>		Rising interest rates heading into the GFC	Recovering from the GFC and interest rate cuts	Rate rises, expected stress	Disasters leading to increased stress, less comfort with debt	Rise in cost of living, experience and expectation of stress	Increasing comfort with mortgage stress due to interest rate cuts	Increasingly see now as a good time to buy due to rising affordability	Increasingly expect mortgage stress and unwilling to borrow more than 80% LVR due to debt aversion	The confluence of a number of factors shook consumer confidence including unemployment, uncertainty surrounding election, reduction in cash rate and slower economic growth	Homeowners are managing their debt by reducing their mortgage overpayments, and consequently have more after-debt disposable income

## Genworth Homebuyer Confidence Index: Component indices and affordability

	NATIONAL	NEW SOUTH WALES	QUEENSLAND	SOUTH AUSTRALIA	TASMANIA	VICTORIA	WESTERN AUSTRALIA	FIRST HOMEBUYERS									
Confidence	Sep 13 92.4	Mar 14 90.8	Sep 13 91.6	Mar 14 90.3	Sep 13 91.6	Mar 14 88.2	Sep 13 94.8	Mar 14 94.2	Sep 13 94.2	Mar 14 98.3	Sep 13 101.8	Sep 13 91.8	Mar 14 90.4	Sep 13 92.1	Mar 14 91.0	Sep 13 85.0	Mar 14 82.3
Over 50% of income spent on debt	28%	25%	30%	28%	27%	32%	25%	18%	26%	14%	28%	19%	33%	26%	31%	34%	
Comfort with debt (LVR over 80%)	30%	31%	29%	29%	31%	36%	31%	40%	35%	31%	28%	26%	24%	32%	25%	27%	
Experienced mortgage stress	26%	28%	24%	28%	26%	35%	20%	24%	23%	11%	29%	25%	22%	27%	38%	31%	
Expectation of mortgage stress	25%	30%	26%	30%	27%	36%	24%	27%	16%	19%	26%	30%	23%	31%	32%	39%	
Good time to buy a home	46%	42%	47%	41%	52%	50%	42%	40%	41%	46%	45%	40%	39%	42%	53%	59%	
HIA Housing Affordability Index <sup>8</sup>	75.1	-	63.0	-	83.4	-	80.0	-	103.9	-	70.5	-	73.3	-	-	-	
Unemployment <sup>9</sup>	5.7%	6.0%	5.6%	5.8%	5.8%	6.1%	5.9%	6.6%	8.1%	7.6%	5.8%	6.4%	4.5%	5.1%	-	-	
House Price Index <sup>10</sup>	108.2	112.0	112.7	118.2	104.7	107.8	101.2	104.0	101.4	103.7	105.8	108.8	111.2	115.1	-	-	
Average house price <sup>11</sup>	\$500k	\$506k	\$588k	\$610k	\$420k	\$445k	\$375k	\$397k	\$300k	\$326k	\$525k	\$515k	\$494k	\$515k	-	-	

1. Source: RBA, 2007-2010 as at June of that year; Mar 2011, Mar 2012, Mar 2013, and Mar 2014 as at March of that year; Sep 2011, Sep 2012 and Sep 2013 as of September of that year; 2. Source: RBA, 2007-2008 as at March 2007, 2008 as at June 2008, 2009 as at March 2009, 2010 as at June 2010, Mar 2011, Sep 2011, Mar 2012, Sep 2012, Mar 2013 and Sep 2013; Mar 2014 represents the latest figure available as at June of that year; 3. Source: ABS, 2007-2010 as at June of that year; Mar 2011, Sep 2011, Mar 2012, Sep 2012, Mar 2013, Sep 2013, Mar 2014 represents the latest figure available as at February 2014; 5. Source: HIA-Commonwealth Bank Affordability Report, 2007-2010 as at June of that year; figures based on figures published in December 2010; Mar 2011, Sep 2011, Mar 2012 and Sep 2012, Mar 2013 and Sep 2013 figures based on figures published in September 2013; 6. Source: ABS, 2007-2008 as at May of that year, 2009 as at June 2009, 2010 as at August 2010, Mar 2011, Sep 2011, Mar 2012, Sep 2012, Mar 2013 and Sep 2013; Mar 2014 represents the latest figure available at December 2013; 7. Source: Genworth, Analysis conducted by RFI; 8. Source: HIA-Commonwealth Bank Affordability Report; Sep figures are based on the index for capital cities in the September 2013 report; 9. Source: ABS, Mar 2014 figures represent the latest figures available at January 2014; 10. Source: ABS, House price index of established homes in capital cities; National price is the average of all capital cities; Mar 2014 figures are based on latest release at December 2013; 11. Source: RP data National Media Index Home Value Index; Sep 2013 figures are based on September 2013; Mar 2014 figures are based on the latest release as at February 2014.

## Genworth & RFi

### Genworth

Genworth Australia is a leading mortgage insurance expert and thought leader in the Australian residential mortgage market. We actively engage on residential mortgage policy development with the key lending institutions, governments, local and international regulators and industry bodies. Genworth works in close partnership with over 100 lenders, including three of the four major Australian banks, and has been an important part of the Australian residential mortgage market for many years. Genworth has AUD3.7 billion of investments under management in Australia.

For more information visit [genworth.com.au](http://genworth.com.au)

### RFi

RFi is a global provider of customer and business intelligence focusing exclusively on financial services. We specialise in strategic research, market intelligence, performance benchmarking and consultancy services.

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[genworth.com.au/streetsahead](http://genworth.com.au/streetsahead)

Head Office and New South Wales  
Level 26, 101 Miller Street  
North Sydney, NSW 2060  
Phone: 1300 655 422

Victoria and Tasmania  
Level 15, 500 Collins Street  
Melbourne, VIC 3000  
Phone: 1300 655 528

Queensland  
Level 20, Central Plaza 2  
66 Eagle Street  
Brisbane, QLD 4000  
Phone: 1300 652 864

South Australia and Northern Territory  
Suite 6, 79 Pennington Terrace  
North Adelaide, SA 5006  
Phone: 1300 652 954

Western Australia  
Level 2, Unit 3, 22 St George's Terrace  
Perth, WA 6000  
Phone: 1300 652 853

Genworth 

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