

News Release

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MILLENNIALS UNPREPARED FOR REALITIES OF OWNING A HOME

*****83% of Australian millennials intend to purchase a home in the next five years*****

*****Less than a third of millennials own a home in Australia*****

*****Only 17% of Australian millennials have a precise budget for buying a home*****

Eighty-three percent of Australian millennials intend on buying a home in the next five years, but the number of Australians aged 19-36 who currently own their own home is among the lowest.

An HSBC report, titled Beyond the Bricks, surveyed 9,000 people in nine countries and found that while Australian millennials' desire to own a home was no different from their global counterparts, the barriers to home ownership in Australia were higher.

According to the report, less than a third (28%) of Australian millennials own a home, only marginally higher than millennials in the United Arab Emirates (26%), and significantly lower than millennials in Mexico, who have one of the highest rates of home ownership (46%).

Australian millennials identified two chief barriers to home ownership. Three quarters (75%) of Australian millennials say the challenge of saving for the deposit for a home loan is their biggest barrier, but only 17% of Australian millennials intending to buy a home have a precise budget. Additionally, 45% of Australian millennials who do own their own home say they have overspent on their original budget, demonstrating that many are not prepared for the realities of owning real estate in Australia.

"The deposit for a home loan is the biggest initial cost of owning a home, but buyers also need to factor in the costs of stamp duty, legal fees, mortgage insurance, building inspection fees and in some cases renovation costs. Establishing a budget to buy a home is a vital step in the process, but your budget should factor in for some changes in property prices, allowing for price increases from the time you begin looking. It is not uncommon to look for more than six months to find the right home, and often prices to enter the market have moved," says Alice Del Vecchio, Head of Mortgages, HSBC Australia.

Australian millennials said their second-biggest barrier to owning a home was having an insufficient salary to save, with 61% saying they needed a higher salary before they could buy a home compared to just 54% of millennials in the UK.

"Despite the rising costs, millennials overwhelming still want to own a home in Australia. The dream certainly isn't dead. This research demonstrates that a lack of preparation and understanding of the realities of owning real estate however can stall or even deflate those dreams," says Del Vecchio.

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Beyond the Bricks is an independent consumer research study into global home ownership, commissioned by HSBC. It provides authoritative insights into peoples' attitudes and behaviour towards home buying, renting and funding around the world.

The global factsheet, *The meaning of home*, represents the views of 9,009 people in nine countries: Australia, Canada, China, France, Malaysia, Mexico, UAE, UK, USA.

The findings are based on a survey of home owners and non-owners aged 18 or older from a nationally representative online sample in eight countries and a nationally representative face-to-face sample in the UAE. The research was conducted by Kantar TNS in October and November 2016.

Millennials are defined as those born between 1981 and 1998.

HSBC Bank Australia

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