



MEDIA RELEASE

Embargoed to 00.01 EST 05 December 2017

First time buyers scrambling on to the Queensland housing ladder

Favourable conditions in Queensland have seen first time buyers flooding in to the market in a bid to get a foot on the housing ladder.

A new national report from Bankwest reveals the number of first time buyers (FTBs) in Queensland increased by 11.2% in the year to June 2017, reaching the highest number in seven years at 22,465. This was the strongest growth in the nation during the reporting period.

When this figure is compared to second time buyers and investors – a reduction of almost 1% in the same period - the growth in FTB activity becomes even more apparent. FTBs account for 17.4% of dwellings purchased in Queensland in the year to June 2017, up 1.6% compared to 2016.

These findings are part of the *2017 Bankwest First Time Buyers Report* and commenting on them, Bankwest General Manager Personal & Small Business Banking, Donna Dalby said Queensland's FTBs have been responding to a number of factors.

"The strong growth in first time buyer numbers is largely a result of relatively affordable housing in the sunshine state, as well as the extension of the \$20,000 home owners grant for new homes until December 31, 2017.

"Whatsmore, with the benefit of being able to see the latest ABS data, we know this growth has continued, with the number of Queensland first time buyers increasing by 15.0% in the year to August 2017 to a total of 23,315," she said.

Such is the relative accessibility of the Queensland property market that FTB couples will need to save for an average of just 4 years for a \$92,240 deposit on a median priced house, on par with 2016 (3.9 years) and below the national average of 4.6 years. This saving time is also well below fellow East Coast states New South Wales (6.0 years) and Victoria (5.4 years).

At a city level Brisbane FTBs will need to save for an average of 4.5 years for a deposit on a median priced house, in line with 2016 (4.4 years) and below the capital city average of 4.9 years.

While most FTB couples will be looking to get a house as quickly as possible, those in no hurry could look to try to buy in Queensland's Noosa area. FTBs there will require an average of 6.3 years - the only area in Queensland to need more than six years - to save a median deposit of \$127,895, making the area the least accessible in the state. The saving time here rose by seven months YoY, driven by a 13.6% increase in house prices.

Donna said the ninth annual First Time Buyers Report had been produced as part of Bankwest's ongoing commitment to offer insights on economic data, trends and issues of value to its customers, businesses, communities and policy makers.



“Bankwest has been supporting the prosperity of customers, businesses, communities and the economy for over 122 years and we’ll continue to do so in this fast changing world.

“We offer a constructive voice on the economy with insights on economic data, trends and issues which matter to our customers, businesses, communities and policy makers. I hope this annual report, which provides a snapshot of the country’s housing market in 2017, demonstrates this,” she said.

Key Queensland and national findings of the Bankwest First Time Buyers Report 2017:

- **Queensland**

- Queensland has experienced the largest year-on-year growth in FTBs, suggesting they are re-entering the market in droves.
- The number of Queensland FTBs hit a seven-year high, increasing by 11.2% in the year to June 2017, the largest growth in the country.
- FTB couples in Queensland will need to save for an average of 4.0 years for a deposit on a median priced house, on par with 2016 (3.9 years) and below the national average of 4.6 years.
- Brisbane FTBs will need to save for an average of 4.5 years for a deposit on a median priced house, in line with 2016 (4.4 years) and below the capital city average of 4.9 years.
- FTB couples looking to purchase their first house in Noosa will have to save for an additional seven months, the largest increase in savings time in Queensland. In 2017, it takes 6.3 years for a FTB couple to save a \$127,895 deposit on a median priced house. Driving Noosa’s increase in saving time was house price appreciation of 13.6%, outpacing wage growth of just 1.9% in the year to June 2017.
- Queensland remains one of the most accessible states in Australia for FTBs, with 97.9% of LGAs (46 out of 47) requiring less than six years for a couple to save a house deposit.

National

- 94,135 first homes were purchased in the year to Aug 2017, a 5.6% YoY increase and the highest figure since June 2015.
- First time purchases accounted for 14.3% of all purchases in the year to Aug 2017, up from 13.3% in 2016.
- FTB couples will need more time to save in 2017 in 85.5% (360 of 421) of LGAs across the nation.
- Nationwide, only 13.5% (57 out of 421) of LGAs require less than two years to save a 20% deposit on a median priced house, down from 18.1% (76 out of 421) in 2016. This is largely due to an additional 10 NSW LGAs moving above the two years to save threshold in the year to June 2017.


Top 10 Queensland LGAs where it takes the most time for FTB couples to save a house deposit

LGA Name	Years to save house deposit (June 2017)	Years to save house deposit (June 2016)	Years to save house deposit (June 2012)	Region	State	Savings needed for 20% house deposit \$s (June 2017)
Noosa	6.3	5.7	4.2	South East QLD	QLD	\$127,895
Gold Coast	5.5	5.4	4.1	South East QLD	QLD	\$123,242
Sunshine Coast	5.1	4.8	3.9	South East QLD	QLD	\$111,254
Brisbane	5.1	5.2	3.9	South East QLD	QLD	\$130,458
Douglas	4.6	4.3		Far North QLD	QLD	\$89,659
Scenic Rim	4.6	4.1	3.5	South East QLD	QLD	\$91,672
Redland	4.4	4.3	3.6	South East QLD	QLD	\$101,696
Moreton Bay	4.1	3.9	3.2	South East QLD	QLD	\$89,801
Logan	4.0	3.9	3.0	South East QLD	QLD	\$81,738
Cairns	3.6	3.7	3.0	Far North QLD	QLD	\$78,618

Top 10 Queensland LGAs where it takes the least time for FTB couples to save a house deposit

LGA Name	Years to save house deposit (June 2017)	Years to save house deposit (June 2016)	Years to save house deposit (June 2012)	Region	State	Savings needed for 20% house deposit \$s (June 2017)
Isaac	1.2	0.8	3.3	Central QLD	QLD	\$41,902
Paroo ¹	1.3	0.4	1.0	South West QLD	QLD	\$26,966
Winton	1.4	1.3		Central West QLD	QLD	\$31,647
Murweh	1.5	1.4	1.2	South West QLD	QLD	\$32,991
Blackall-Tambo	1.6	1.2	1.2	Central West QLD	QLD	\$32,682
Central Highlands	1.7	1.4	2.4	Central QLD	QLD	\$48,516
Banana	1.8	1.9	2.0	Wide-Bay-Burnett	QLD	\$47,184
Barcaldine	1.8	1.7	1.5	Central West QLD	QLD	\$37,897
Mount Isa	1.9	2.0	2.1	North West QLD	QLD	\$59,971
North Burnett	1.9	1.8	1.4	Wide-Bay-Burnett	QLD	\$34,600

(*)Saving time for 2017 has been modelled using CoreLogic Valuation Model, 2016 and 2012 saving times modelled using Residex Valuation Model

¹ 2017 Paroo median house value data excludes some sale price data due to insufficient information so should be treated with caution



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About Bankwest

Bankwest provides personal and business banking solutions for more than 1.1 million retail and business customers across Australia. Bankwest customers enjoy access to an extensive network of stores and business centres, direct and third party distribution channels, agencies and electronic banking facilities, as well as 24-hour telephone and internet banking. Bankwest is a division of the Commonwealth Bank of Australia.

About the report

The ninth annual Bankwest First Time Buyer Report tracks the time it would take first time buyers to save a deposit for a home in 421 local government areas (LGAs) across Australia in the five years to June 2017. The report quantifies how long it would take a first time buyer to save a 20% deposit based on local incomes, local house prices and assistance from the First Home Owners Grant, where available, by state.

The insights in the report have been derived by CoreData based on data from CoreLogic, Australian Bureau of Statistics (ABS), the 2011 and 2016 Census, and the Reserve Bank of Australia. For more information on the data sources and methodology, please see the Editor's Notes in the full report.

Deposit savings times have been calculated on the basis of a first time buyer couple setting aside 20% of their combined pre-tax income annually. The calculation assumes the savings are deposited into an online savings account each month and earn interest on this basis.