



MEDIA RELEASE

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An accessible market but where are the first time buyers in South Australia?

Despite South Australia being officially the most accessible state for first time buyers in the whole of Australia only one in 10 properties bought there are first time purchases.

A new national report from Bankwest reveals first time buyers (FTBs) in SA need the lowest deposit of anywhere in the country and correspondingly can save for it in the shortest time. SA FTB couples require just \$80,985 to purchase a median priced house, the lowest deposit of any mainland state and territory. This relatively low amount means SA FTBs need save for only 3.8 years, stable compared to 2016 levels (3.8 years) and well below the national average of 4.6 years.

South Australia has the second highest proportion of LGAs with a required savings time of less than four years for a house. Across South Australia, 73.3% (44 out of 60) LGAs require less than four years saving. Only Queensland (83.0% or 39 out of 47) has a higher proportion of LGAs.

These findings are part of the *2017 Bankwest First Time Buyers Report* which also shows SA FTBs have the lowest average loan size of all mainland states of \$264,200¹, highlighting just how accessible the South Australian market is for FTB couples despite having the lowest wages nationwide.

Bankwest General Manager Personal & Small Business Banking, Donna Dalby said despite all these indicators the FTB market is not as active as others in the country.

"The average South Australian first time buyers can save for a house in the state in under four years. Despite this South Australia has the second lowest proportion of FTBs in Australia – just 11.1% - in the year to June 2017.

"A potential reason for such low first time buyer presence in the South Australian market is the fact that the people between 25-34 years old – a prime first time buyer age bracket - have the second lowest wages nationwide of just \$51,629 in 2017. Additionally, SA has the oldest population demographics in the country after Tasmania," she added.

At a city level, couples wanting to buy in Adelaide will have to save for 4.2 years to raise the required \$90,665 deposit on a median priced house (stable compared to 2016 (4.2 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 SA's Burnside area. FTBs there will require an average of 7 years - the longest saving time in the state - to save a median deposit of \$177,596. The saving time here rose by two months YoY, driven by a 4.9% increase in house prices.

¹ ABS 5609



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 South Australia and national findings of the Bankwest First Time Buyers Report 2017:

- **South Australia**

- A South Australian FTB couple will require 3.8 years to save a deposit on a median priced house, unchanged from 2016 (3.8 years).
- The deposit amount of \$80,985 required to purchase a median priced house is the lowest of any mainland state.
- Adelaide FTB couples will require 4.2 years to save a deposit on a median priced house, also unchanged from 2016 (4.2 years).
- The majority of Adelaide LGAs (73.7%) require at least four years to save a deposit on a median priced house, behind only Sydney and Melbourne among the Australian capital cities.
- However, Adelaide is the most accessible mainland capital city for FTBs purchasing a unit. FTB couples will need to save for just 3.1 years for the \$66,332 deposit required on a median priced unit, on par with 2016 (3.2 years) and the lowest of any mainland capital.

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 South Australian 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)
Burnside	7.0	6.8	6.0	Adelaide	SA	\$177,596
Walkerville	6.5	6.5	6.4	Adelaide	SA	\$176,623
Unley	6.2	6.6	5.8	Adelaide	SA	\$158,951
Norwood Payneham St Peters	5.9	6.3	5.3	Adelaide	SA	\$143,318
Adelaide	5.9	5.4	5.1	Adelaide	SA	\$146,863
Prospect	5.7	5.4	4.7	Adelaide	SA	\$137,170
Holdfast Bay	5.5	5.5	5.1	Adelaide	SA	\$136,193
Campbelltown	5.1	5.1	4.2	Adelaide	SA	\$108,861
West Torrens	5.1	5.1	4.1	Adelaide	SA	\$111,302
Mitcham	5.1	5.1	4.3	Adelaide	SA	\$120,529

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

Top 10 South Australian 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)
Southern Mallee	1.2	1.0	1.1	Murray Mallee	SA	\$23,790
Roxby Downs	1.4	1.5	2.4	Outback	SA	\$53,166
Tatiara	1.7	1.6	1.4	Southeast	SA	\$32,916
Cleve	1.8	1.8	1.6	Eyre Peninsula	SA	\$36,847
Peterborough	1.8	1.4	1.7	Central	SA	\$22,471
Northern Areas	1.8	1.6	1.5	Central	SA	\$35,617
Port Pirie City And Dists	1.8	1.6	1.6	Central	SA	\$36,656
Mount Remarkable	1.9	1.6	1.5	Central	SA	\$36,842
Whyalla	1.9	1.7	1.7	Eyre Peninsula	SA	\$43,255
Port Augusta	2.0	1.7	1.7	Eyre Peninsula	SA	\$42,357

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



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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.