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| Press releaseFor immediate release June 15, 2015 | Michelle Hutchison Head of PR & Money Expert  finder.com.au  +61403 192 994  +61 2 9299 7602  Michelle@finder.com.au |

**finder.com.au study finds first home buyer investors worst off in property market**

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| * 14% of first home buyers are buying their first home as an investment property * First home buyer investors have deeper pockets than owner-occupied first home buyers * However, with fewer grants and lenders clawing back deals, could be good news for owner-occupier first home buyers. |

**June 15, 2015, SYDNEY** – First home buyer investors are the worst off in the Australian property market despite being in a better financial position, according to a new study by [one of Australia’s biggest comparison websites](http://www.finder.com.au/) [finder.com.au](http://www.finder.com.au/)[[1]](#footnote-1).

The survey of more than 1,100 Australians, commissioned by [finder.com.au](http://www.finder.com.au/)[[2]](#footnote-2) found that 14 percent of recent or prospective first home buyers are buying their first home as an investment. Generation Y (aged 18-34) are more likely to be first home buyer investors than any other age group, with 64 percent of first home buyer investors are Gen Y, followed by Gen X (aged 35-54) with 33 percent.

These first home buyer investors are more likely to have a bigger household income than owner-occupier first home buyers, with almost double the proportion who have a household income of over $200,000 (17 percent) compared to first home buyer owner-occupiers (9 percent). Over half of first time buyer investors (59 percent) have a household income of $100,000 or more, compared to 46 percent of first home buyer owner-occupiers.

Purchase budgets are also bigger for first home buyer investors, as over half (52 percent) are spending more than $500,000 compared to just 35 percent of first home buyer owner-occupiers. More first home buyer investors have a budget of over $1 million (9 percent) compared to first home buyer owner-occupiers (6 percent).

First home buyer investors are less likely to buy their first property in the same city in which they live (79 percent) compared with first home buyer owner-occupiers (91 percent). Almost half (48 percent) of first home buyer investors are likely to buy apartments, townhouses and villas compared to 36 percent of owner occupiers.

Michelle Hutchison, Money Expert at [finder.com.au](http://www.finder.com.au/), said despite deeper pockets than owner-occupied first home buyers, first home buyer investors are finding it the toughest in the property market.

“First home buyers are among the lowest levels we’ve ever seen, currently at just over 15 percent of all home loans financed, and it has been steadily declining for over a year.

“Government grants for first home buyers have declined while property prices have grown considerably over the past few years. And now with some lenders pulling back on their attractive rates to investors, first time buyer investors are the worst off.

“However, this is good news for first home buyer owner-occupiers who are the majority of first home buyers, as it could help alleviate the property market heat, which is being pushed by investors and refinancers. For instance, 42 percent of home loans financed in April 2015 were investment loans worth almost $13 billion. A decade ago, the proportion of investment loans was 34 percent, worth just over $6 billion.

“Whether you’re buying your first home to live in or as an investment, prospective borrowers need to be careful with over-stretching themselves as it’s not worth the financial risk if you can’t afford to jump into the market. Work out how much you can afford to repay with a buffer for rising interest rates and stick to a budget or face financial stress down the track.”

**Capital city results**

* Sydney has the highest number of first home buyer investors, followed by Melbourne and Perth, while Adelaide has the least
* Sydney first home buyer investors are more likely to have a budget of over $500,000 than first home buyer investors in other capital cities, while Adelaide were the least likely
* Perth and Brisbane first home buyers are the least likely to have a budget over $1 million, while Sydney and Melbourne were the only cities to have first home buyer investors with property budgets of over $1 million
* Sydney first home buyer investors were more likely to have a household income of more than $100,000, followed by Melbourne, than Perth. The least likely is Adelaide.

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1. Experian Hitwise since 2013 [↑](#footnote-ref-1)
2. Survey commissioned by finder.com.au and conducted by leading global research provider pureprofile [↑](#footnote-ref-2)