

## **The Australian Dream of home ownership falls on hard times**

### *Prospective homeowners face reality as home ownership dream dies*

The traditional Australian Dream of owning a home on a quarter-acre block in the suburbs has fallen on hard times, with close to two-thirds (63.2%) of Aussies saying this dream is a thing of the past. Instead, the new Australian Dream is to achieve happiness with Aussies consciously choosing freedom and flexibility in life (65.8%).

Released today from Real Insurance, *The Real Home Reality* survey is the 14th instalment in a series of national studies investigating the shifting values and concerns impacting Australian families.

The research reveals that over two-thirds (69.9%) of Aussies say it is still important to them to personally achieve the Australian Dream; however, more than nine in ten (91.5%) rate personal happiness as more important than the traditional Aussie Dream of purchasing a home on a quarter-acre block in the suburbs. As a sign of the times, Aussies would consider purchasing either an apartment or unit (56.1%) or a tiny house (55.1%) instead.

In fact, three in four (74.9%) homeowners say buying their home was their number one dream in life even before they purchased it, while a similar number of prospective homeowners (71.7%) say buying their home is their number one dream.

In saving up to purchase their own homes, some prospects took on more work (35.1%) and made the most of Government grants (34.7%), as well as cut down spending on travelling (71.1%) going without the latest tech gadgets (71.1%) and limiting buying clothing and accessories (69.7%).

Those living in Victoria and New South Wales are the most likely to not be committed to saving for a home deposit, instead spending their money on eating out and socialising (58.1% and 49.4% respectively). Western Australia was the least likely state to do this (26.3%).

Real Insurance spokesperson, Tania Bradley, says the research presents fresh insights into the Australian Dream, which is constantly shifting as home ownership becomes less attainable.

“While most respondents still say that home ownership is important to them, many cite staying healthy, enjoying life and feeling financially secure as some of their greatest dreams in life. In fact, many Australians are choosing freedom and flexibility in life over the commitment of saving for a home. It’s not surprising given that housing affordability is a thing of the past, coupled with travelling and seeing the world being an important goal for many.”

The vast majority of respondents think the financial choices of younger Aussies make it harder for them to get into the property market (80.6%) and achieve the dream of home ownership (80.8%), while half believe that older Australians have made it harder for younger Australians to get on the property ladder (50.9%) and ultimately achieve the Australian dream (49.2%).

Perhaps unsurprisingly, Gen Ys are the most likely to say it was difficult to purchase their own home, while Baby Boomers are the least likely to have found the process difficult (72.8% and 47.5% respectively).

The research also revealed the personal impact of being unable to purchase a home. More than a third of prospects say they are sacrificing or delaying having kids (36.4%) in order to save up for a home.

Many blame overseas investors, the required deposit for a home (both 86.6%) and stamp duty (81.0%) for the difficulty younger Australians are facing when trying to achieve home ownership.

Rich Harvey, buyers agent and CEO of Propertybuyer.com.au, said: “The dream of home ownership as we know it understandably has to change. Australians should consider ‘rent-vesting’, renting where they want to live and investing in property elsewhere, if they want to have the bricks-and-mortar security that comes with having assets in property. However, that some are choosing to invest in experiences over a home deposit is certainly a sign of the times.

“Australians are rating ‘travelling’, ‘having the experiences they want in life’ and ‘happiness’ as among their greatest dream in life, which means that the goal of home ownership is often postponed. The fact that around 70 per cent want to own their own home accords with census data figures which shows that around 30 per cent of the population rent and the other 70 per cent are paying off a mortgage or own property outright. While we want our cake and eat it too, we all have to make compromises on spending on experiences vs saving for a home.”

Supporting data is available on the Real Insurance website:

<https://www.realinsurance.com.au/news-views>

## **ENDS**

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### **About Real Insurance**

Real Insurance is an award-winning Australian insurer, with a goal to protect the quality of people's lives. Real Insurance has been named as the top Risk and Life Insurer in Roy Morgan's 2017, 2015, 2013 and 2012 annual Customer Satisfaction Awards. Real Insurance was also awarded the 2017 Reader's Digest Highly Commended Trusted Brand Award in the Funeral Insurance category, and previously the 2014 Highly Commended Trusted Brand Award in the Life and Funeral Insurance categories, as voted for by Australian consumers. The company has been in the Australian market since 2005 with product offerings in life, income, funeral, pet, car, home, travel and bike insurance. Real Insurance is a trading name of Greenstone Financial Services Pty Ltd and The Hollard Insurance Company Pty Ltd.

### **About the 'Real Insurance New Australian Dream' Survey**

In order to explore the concept of the 'Australian Dream' in Australia, CoreData surveyed 1,000 typical Australians across the nation in August 2018. The sample collection employed soft quotas to monitor representativeness of the Australian adult population. Hard quotas by state were also engaged to ensure all the main states were represented with sufficiently robust samples (NSW = 200, VIC = 200, QLD = 200, WA = 200, Remaining states/territories = 200).