

Housing affordability, first homebuyers on the rise

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These have been extraordinary times for the real estate industry. Interest rates are down, housing affordability is up and first homebuyers have flooded the market.

The last REIA Deposit Power Housing Affordability Report revealed that in the March quarter of 2009, Australia experienced the highest level of housing affordability in nearly six years. First homebuyer activity continued to climb with the percentage of first homebuyers increasing to 26.8% of all housing finance commitments, compared with 22.9% in the prior quarter.

According to Keith Levy, National Manager of **Deposit Power**, first homebuyer applications for **Deposit Power** deposit guarantees are also up by around 30% on last year.

“With so much renewed first homebuyer activity and confidence in the market, it’s vital that first homebuyers understand their obligations when purchasing property and are aware of all the options available to them,” Mr Levy said. “A common issue for first homebuyers is having cash available to pay a deposit on a property.”

Deposit Guarantees (also commonly known as deposit bonds) substitute for a cash deposit when purchasing residential property. For a buyer, the key benefit of using a Deposit Guarantee is that they won’t need to pay the cash deposit on a property until settlement.

At settlement, the buyer is required to pay the full purchase price including the deposit. If the buyer defaults on the contract, the vendor can call upon the Deposit Guarantee issuer to pay the deposit amount.

“It’s always important for buyers to consider all their available options when contemplating buying real estate,” Mr Levy said.

The **Deposit Power**/ Real Estate Institute of Australia’s Housing Affordability Report is published quarterly, based on data from all major lending institutions. It is a comprehensive and accurate assessment of the ability of Australians to meet the cost of purchasing a home.

To order a full copy of the next **Deposit Power**/ REIA Housing Affordability Report, or to find out how Deposit Power can assist when purchasing residential property, please call **1800 678 979** or click [HERE](#) to visit their website.