

Property

Third of Aussies plan to buy property

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MORE than one third of Australians plan to buy a property in the next two years despite concerns over higher living costs and rising interest rates, a survey shows.

And 40 per cent of Australians plan to revisit their financial plans as the nation emerges with a more positive economic outlook, the survey, commissioned by mortgage broker Mortgage Choice, found.

Mortgage Choice corporate affairs manager Kristy Sheppard said more borrowers were now taking "ownership" over their financial situation.

"As a housing market service provider, Mortgage Choice is pleased to see 41 per cent of respondents planning to buy property in the next two years and 43 per cent of them planning on an investment property.

"Hopefully, increasing demand from this buyer group will stimulate more housing construction," Ms Sheppard said.

"The Australian housing market has emerged from the financial crisis relatively unscathed compared to its global counterparts, which would probably be part of the reason why 64 per cent of respondents believe house prices will rise in the period to November 2010."

The survey found 40 per cent of mortgage holders believed they could afford to make repayments at an interest rate of more than 11 per cent.

The online survey of 1025 Australians, conducted in early November, found 19 per cent of respondents were most concerned about rate rises while 16 per cent were concerned about job security.

It follows a similar survey last year that found 20 per cent of Australians had concerns over job security and 18 per cent were concerned by the federal Government's economic management.

Ms Sheppard said that while many borrowers were concerned about rate rises, 40 per cent were prepared for increases of at least five percentage points, a much higher figure than was forecast for the next few years.

"This suggests many borrowers can comfortably repay their home loan sooner, if they put their mind and budget to it," she said.

"Improved sentiment from Australians around their livelihoods is also terrific to see."

Almost three quarters of respondents were confident the Australian economy would be strong during 2010.

In a further sign of consumer confidence, 17 per cent said they could afford "any increase".

Two thirds of participants believed rates would rise by between 0.25 per cent and 1.5 per cent before June, 2010.

The survey also found more than 60 per cent of West Australian baby boomers believed investing in property was safer than investing in shares.