

First homebuyers face a decade of saving to bridge the 'deposit gap'

Tuesday 21 July 2015: Aussie first homebuyers need to save consistently for a decade to muster the average \$113,000 property deposit, according to calculations by comparison site, Mozo.com.au.

Mozo has crunched the numbers on the average property price in each capital city to work out just how much and how long you'd need to save to build up a 20 per cent deposit.

"First homebuyers are having to face the huge hurdle of bridging the 'deposit gap' to buy a property, which could take anywhere between six and 14 years, depending on the city."

"These figures are based on an average dwelling in each city, so saving for the Aussie dream of a quarter acre block would take even longer," said Mozo Director, Kirsty Lamont.

Time required to save a 20% deposit, based on a \$5,000 starting balance:

Capital City	Deposit amount (20% of average dwelling price)	Monthly saving amount	Years to save
National	\$113,000	\$735	10 years, 8 months
Sydney	\$154,440	\$741	14 years, 1 month
Melbourne	\$112,000	\$701	11 years, 1 month
Darwin	\$103,000	\$725	9 years, 11 months
Canberra	\$107,000	\$825	9 years, 2 months
Perth	\$102,000	\$814	8 years, 11 months
Brisbane	\$91,000	\$726	8 years, 10 months
Adelaide	\$81,000	\$679	8 years, 5 months
Hobart	\$63,100	\$649	6 years, 10 months

Deposit amount calculated from the CoreLogic RPData Home Value Index. Saving amount is 15% of the average after-tax salary in each state. Years to save is based on the average savings account interest rate of 2.32%, with a \$5,000 starting balance. As at 17/7/15.

"Prospective buyers could cut their savings time by 4 years and 11 months by doubling their monthly savings amount."

"Anyone renting in Sydney could buy six years and five months earlier by shacking up with the parents," said Lamont.

Mozo's tips to speed up the savings process

- Start now, it's never too early to start saving for your first home.
- Cut back on high everyday costs like transport or rent, consider moving back home or curb your entertainment and eating out costs.
- Look for a better rate of return on your savings balance. Shop around and take advantage of bonus or intro offers.
- Consider buying a property with a family member if your circumstances allow.

-ENDS-

Notes:

Deposit amounts are calculated based on the average capital city dwelling price - *CoreLogic RPData Home Value Index, June 2015*.

Savings amount is calculated at 15% of the average monthly salary in each state based on ABS [Average Weekly Earnings Australia](#), November 2014 (released 26 February 2015). Tax was deducted using the various tax rates outlined by [the ATO](#). Average Sydney rent of \$530 a week - *Domain Group Rental Market Report, June 2015*

Media Contact:

Caroline Thomas, PR Manager

Mozo.com.au

Ph: 02 9037 4375 / 0402 330 021

E: caroline.thomas@mozo.com.au

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