

3 in 10 home buyers turning to mortgage brokers

Home buyers are increasingly seeking the expertise of professional mortgage brokers, according to new data.

Mortgage Choice and CoreData's new Evolving Great Australian Dream 2018 whitepaper reveals 28.2% of home buyers saw a mortgage broker first when they purchased a home or investment property, up from 16.2% last year.

On the other hand, the proportion of consumers seeing their current financial institution first dropped from 60.7% to 44.2%.

"For many Australians, the first point of contact in the home buying journey is the lender they currently bank with, but our data shows that the use of mortgage brokers continues to rise," Mortgage Choice spokesperson Jacqueline Dearle said.

"We have seen a 12% jump in the proportion of property buyers seeking the services of a mortgage broker for their home loan needs, which is an encouraging indication that consumers are seeing great value in what brokers have to offer.

"In today's increasingly competitive mortgage market, there are so many changes which makes searching and applying for a home loan a daunting and complex process, even for experienced borrowers.

"Mortgage brokers can save borrowers time, hassle and possibly money by finding a suitable solution for their individual financial situation and goals and taking the legwork out of the application process.

"Compared to a financial institution that can only offer a particular home loan product, a mortgage broker has access to an extensive panel of lenders so they can compare from a wide choice of mortgages.

"In addition, a broker provides reassurance and guidance through the home loan application process, from application to approval through to settlement, and they will take the time to educate customers about the market."

According to the whitepaper, the use of a mortgage broker increased among home buyers across all age ranges, with the highest usage coming from those aged 45 and under.

The data showed 43.5% of Australians aged between 25 and 45 saw a mortgage broker first when buying a property, up from 30.1% last year.

On a state by state comparison, broker usage was the highest in Western Australia, with 36% of buyers in that state seeing a mortgage broker when buying a property. This was followed by New South Wales at 30%.

Ms Dearle said she expected the popularity of mortgage brokers to continue to be robust among Australian home buyers.

"Whether someone is just starting out on their property journey, or they have purchased property before, the lending environment is increasingly complex, and on top of that, Australians are increasingly becoming time-poor," she said.

"As our data has shown, consumers know and see value in what brokers have to offer in providing choice, better customer service and expert credit advice.

"Consumers also know that at the end of the day, they are getting a competitive home loan product that is tailored to their unique set of circumstances and goals.

"With many benefits to be had, I would expect consumer demand for mortgage brokers to remain strong in the coming years."

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