



financial **snapshot**

3 ways to get a foot on the property ladder

Creative ideas for younger Australians to invest in property

It won't come as a huge surprise to learn that Australian homes are among the most expensive in the world. In a recent survey¹ every Australian town and suburb was rated as 'seriously' or 'severely' unaffordable. And if you're in a capital city it's even worse, with the average Sydney home costing nine times average household income.

So it can be tough to put together a deposit, especially when you're starting out. It's a far cry from back in your parents' day, when it seemed to be easier to achieve the great Australian dream of owning a home.

But while it's easy to focus on the downside, there are reasons to be cheerful. Interest

rates today are at record lows, compared with the 17% that your parents might have been paying off as recently as 1990.² And credit is more readily available, with more competition among lenders.

So getting approval for a loan might be easier. But you still need to put a deposit together and cover the repayments. Here are three more creative ways to get your foot on the property ladder.

1. Go in together

Buying a property with a bunch of mates or family can be a good way of pooling your resources.

- You can save a deposit more quickly.
- You can share up-front costs, like stamp duty.
- You can borrow more and buy a better home.
- You can avoid paying mortgage insurance, if you can raise a 20% deposit.

But you need to go into a co-ownership arrangement with your eyes wide open. Think about what would happen if one of you wants to sell up or can't make a repayment. Watertight legal commitments can reduce the risks if things go pear-shaped.

