

Discover your edge

Monday, 19 May 2014

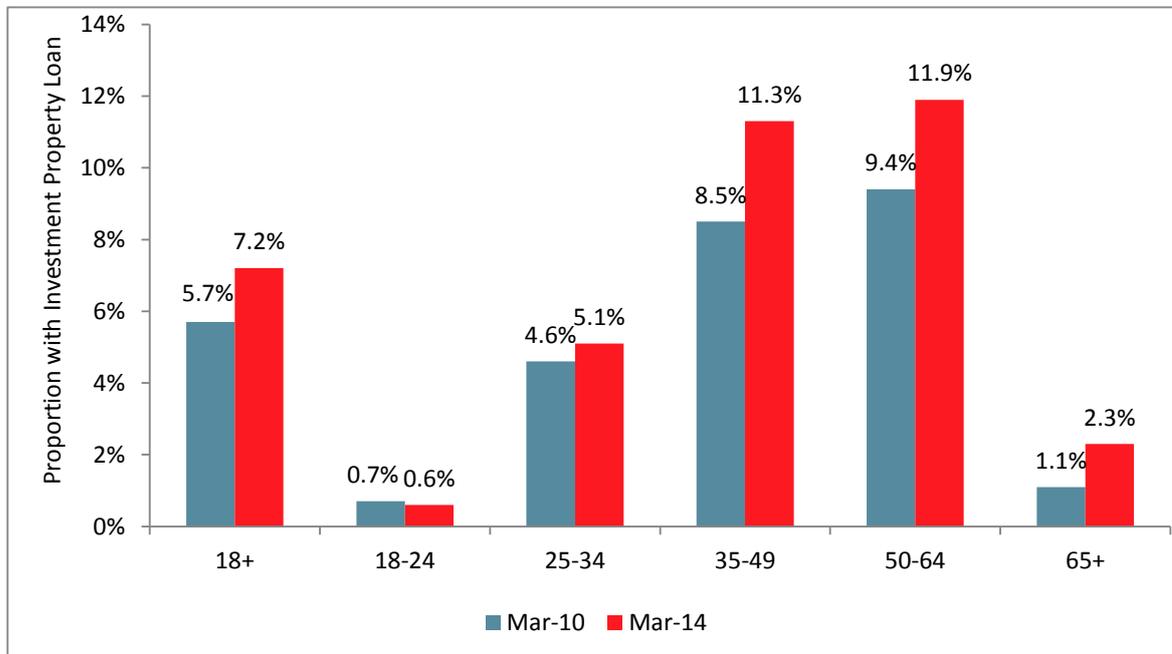
Growth rate in investment property loans outstrips growth in owner-occupied loans

Over the last four years the number of investment property loans in Australia has grown by 37% compared to an increase of only 4% in the number of owner occupied loans. These are the latest findings from the Roy Morgan Research Consumer Single Source survey of approximately 50,000 people per annum.

In 2010 just under a million (954,000) Australians 18+ had an investment property loan compared to an estimated 1.31 million as at March 2014. This growth represents an increase of 37%. Over the same period the number of Australians with an owner-occupied home loan increased from 4.66 million to 4.83 million, an increase of only 4%.

The growth in investment property loans over the last four years has come predominantly from the 35 to 64 age groups which account for 78% of the increase. The result is that 11.9% of the 50 to 64 age group now hold an investment property loan (compared to 9.4% in 2010) and 11.3% of the 35 to 49 age group had one (up from 8.5%).

Investment Property Loans by Age



Source: Roy Morgan Single Source (Australia), 12 months to March 2010 n = 49,618; 12 months to March 2014 n = 45,455.
Base: Australians 18+

Within the same time period the proportion of those aged 50 and over with an owner-occupied home loan has increased with the greatest growth being in the 50-64 age group, up from 31.6% to 34.0%. The under-35 age group on the other hand showed a decrease in the number and proportion with an owner-occupied home loan.

FOR IMMEDIATE RELEASE

Roy Morgan's Helix Personas segmentation tool reveals some interesting insight into the difference between those holding investment property loans and those with owner occupied loans. The Helix Community most likely to hold an investment property loan in the 12 months to March 2014 is 'Leading Lifestyles' (36% more likely to hold an investment property loan than the Australian population 18+) while 'Today's Families' are most likely to hold an owner-occupied home loan (45% more likely).

Norman Morris, Industry Communications Director Roy Morgan Research says:

"Going forward, Government policy and the economic climate will play a major role in whether people choose to invest in the property market or take out a home loan. Older Australians will face the prospect of cuts to pensions, and with the proposal for the pension age being increased to 70, this could impact the investment property market.

"Younger Australians may continue to find it difficult to enter the property market either for investment or owner-occupied because for both types they are competing with more cashed-up older property buyers.

"The future of negative gearing, increased property investment by self-managed super funds and interest rates are some of the factors likely to play an important role in the attractiveness of borrowing for investment property in the future."

[Click here](#) to view our extensive range of Australian Banking and Finance Reports and Profiles.

For comments or more information please contact:

Norman Morris Industry Communications Director

Telephone: +61 (3) 9224 5172

Mobile: +61 402 014 474

norman.morris@roymorgan.com

Please click on this link to the [Roy Morgan Online Store](#)

About Roy Morgan Consumer Single Source

Roy Morgan Single Source is based on over 50,000 interviews each year and has been designed and engineered to represent the ideal source model. It provides an integrated understanding of consumers; what they are like, what they consume, what they buy, what they think, what they want, what they watch, read and listen to. The overriding benefit of Roy Morgan Single Source is the strategic insights it offers in the ability to link many aspects. Not only can an organisation's profitable customers be delineated by what they think, do, watch, but so can non customers. Hence brand positioning, product differentiation, merchandising, efficient media planning, market expansion and line extension opportunities can all be considered in the light of the correct understanding of the marketplace.

About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices in each state of Australia, as well as in New Zealand, the United States and the United Kingdom. A full

service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 years' experience in collecting objective, independent information on consumers.

In Australia, Roy Morgan Research is considered to be the authoritative source of information on financial behaviour, readership, voting intentions and consumer confidence. Roy Morgan Research is a specialist in recontact customised surveys which provide invaluable and effective qualitative and quantitative information regarding customers and target markets.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2