

Tuesday, 22 May 2018

Millennials dominate mortgage broker market

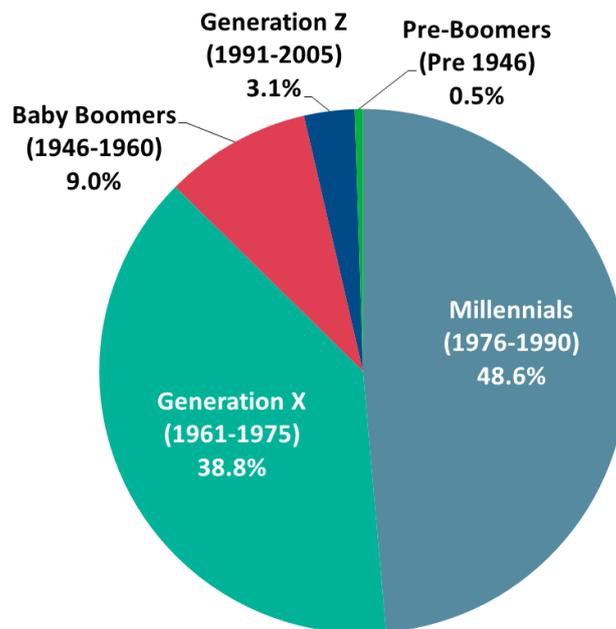
New research from Roy Morgan shows that in the 12 months to March 2018 nearly half (48.6%) of the existing home borrowers who used a mortgage broker over the last five years to obtain their current loan were Millennials. This was well above the share of any other generation.

These are the latest findings from Roy Morgan's Single Source survey of over 50,000 consumers per annum, including over 5,000 home loan customers with a loan held for five years or under.

Millennials and Generation X account for most of the broker market

The following chart shows that with the dominance of Millennials (48.6% broker share), combined with Generation X (38.8%), that together they account for 87.4% of current home borrowers using mortgage brokers where their loan had been held for five years or less. Baby Boomers account for only 9.0% of this market, followed by Generation Z (3.1%) and Pre-Boomers (0.5%).

Composition of Mortgage Broker Market by Generations



Source: Roy Morgan Single Source Australia. 12 months ended March 2018, n = 50,014

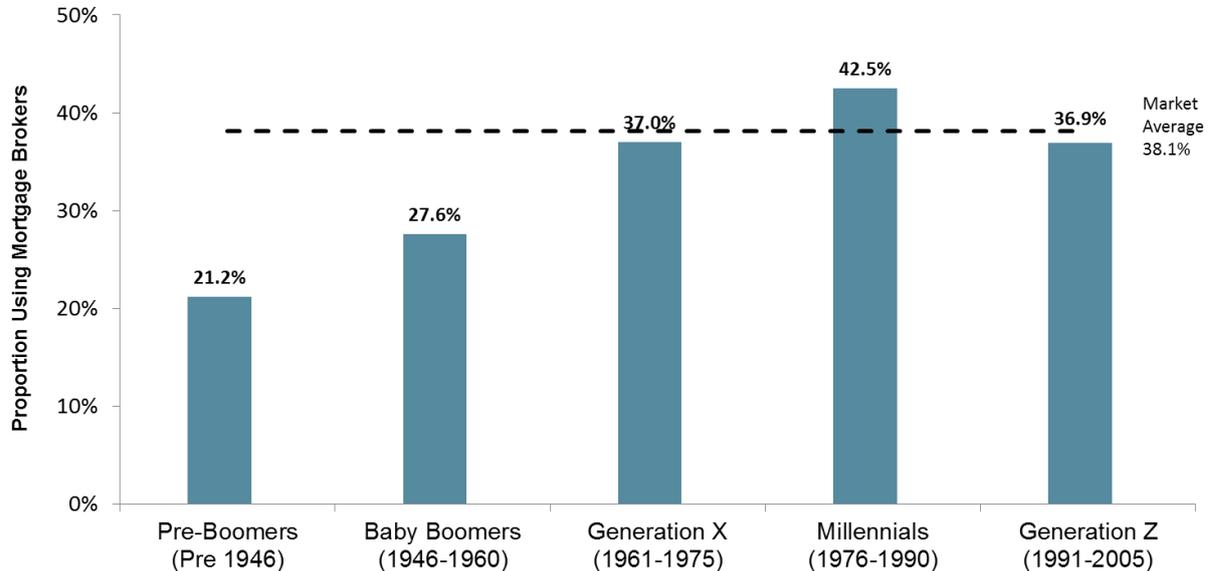
Base: Australians aged 14+ who took out their current home loan in the last 5 years for the home they live in and used a mortgage broker. 12 months ended March 2018, n = 2,091. Percentage based on proportion of loan numbers

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Millennials the most likely to use mortgage brokers

This chart shows that 42.5% of millennials with a current home loan of five years or less used a mortgage broker. In second place was Generation X (37.0%), followed by Baby Boomers (27.6%) and Pre-Boomers (21.2%).

Home Loan Borrowers Using Mortgage Brokers by Generations



Source: Roy Morgan Single Source (Australia) 12 months ended March 2018, n = 50,014

Base: Australians 14+ who took out their current home loan in the last 5 years for the home they live in, n = 5,634

Norman Morris, Industry Communications Director, Roy Morgan says:

“The dominance of millennials in the use of mortgage brokers to obtain their home loan is most likely due to a number of factors. These include the fact that this generation has grown up at a time when mortgage brokers were always there and so that they are seen as a very familiar way of acquiring a home loan.

“This is in contrast to the older generations that they may be less likely to use them and so be more used to going directly to a bank. Another potential reason is that with rapidly rising house prices, combined with the fact that more millennials are likely to be first home buyers, then mortgage brokers may be seen as possibly being a way of borrowing more as they have the potential to get a better interest rate.

“The data regarding mortgage brokers that has been used here is only a fraction of what we have collected on all aspects the home loan market over many years. The [full database](#) enables a detailed understanding of home loan holders currently, as well as trends. They can also be understood in context with all other financial products such as managed funds, superannuation, accounts, credit cards, insurance, direct investments.

“This more holistic understanding of the home loan market is important as home loans do not operate in a ‘silo’ but are part of each households overall financial position.”

To learn more about Roy Morgan’s mortgage broker data, call (+61) (3) 9224 5309 or email askroymorgan@roymorgan.com.

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

About Roy Morgan

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

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

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
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2

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