



Future Focus: Homeownership Report
How COVID-19 has revived and
re-defined the Australian dream

About this report

The ING Future Focus: Homeownership Report explores how: social isolation, record low interest rates and a COVID-softened housing market has impacted the Australian homeownership dream.

About ING

ING changed the way Australians bank 20 years ago by launching the country's first high interest, fee free online savings account. Since then, the bank has brought continued value to customers with home loans, everyday banking, superannuation, credit cards, personal lending and insurance.

ING is Australia's most recommended bank with the highest Net Promoter Score of any Australian bank. Source: Nielsen Consumer & Media View July'19-December '19 (n=11403) when compared by customers of 18 other banks operating in Australia. It is also Australia's 5th largest main financial institution with 6% market share according to RFI XPRT Survey, January-June 2020 (n=562).

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Introduction by Julie-Anne Bosich, ING's Head of Mortgages

COVID-19 has fundamentally changed the way we live our everyday lives. Lockdown taught us to work, exercise, entertain, learn, and parent all under the one roof. It's turned our humble homes into essential multi-purpose lifestyle hubs.

While there is no denying that times are certainly tough, ING research shows homeownership is still on the agenda for many Aussies and the current housing market, record-low interest rates and government schemes are helping people get there.

Many people have also used the lockdown period as an opportunity to take greater control over their finances and it appears millennials in particular are finding savvy new ways to save towards their homeownership goals. The research suggests they're willing to make lifestyle sacrifices and re-think what is really 'essential' in order to own their first home sooner.

Despite the economic and emotional toll COVID-19 has caused, it seems Australians remain optimistic about the future and are emerging from the pandemic re-focused towards their goals and ready to find new pathways to achieve the great Australian dream.



Julie-Anne Bosich

The Great Australian Dream

1 in 4 Aussies set to buy a home within the next two years

The COVID-19 pandemic has undeniably changed the way we live and increased the role personal property plays in people's lives.

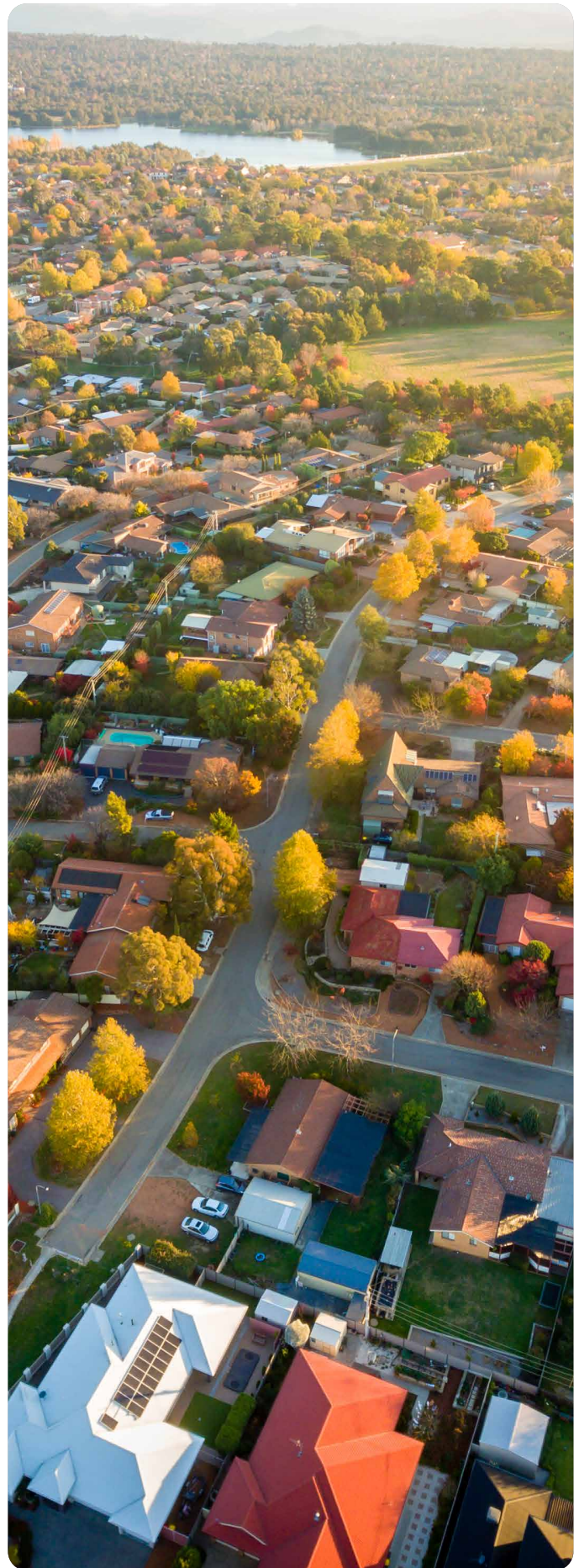
Research, commissioned by ING, shows more than half (61%) the nation's adult population think homeownership is important right now. In fact, 2.37 million* Aussies and one in three (32%) millennials plan on buying a property within the next two years.

Low interest rates (39%), a more affordable housing market (33%) and new government schemes (32%) are key factors contributing to a sense that buying a home in the post-COVID market is more achievable than it was previously.

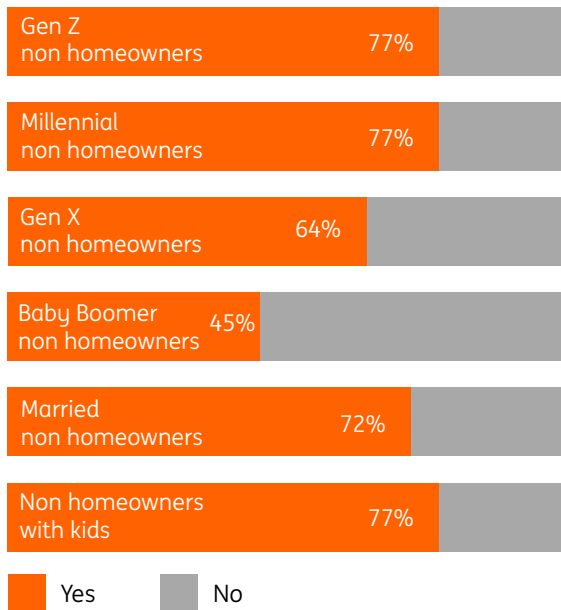
Australians looking to buy within the next two years say they are tired of renting (45%) they want greater stability and security (22%), and recent events have shown them the importance of getting on the market to protect their future (19%).

Rather than holding out for their forever home or planning a property portfolio, it appears that Australians are setting more realistic homeownership goals to get on the ladder sooner. Most people are setting their sights on owning one home (68%), with few people wanting to purchase an investment property (8%) or flip a house for profit (5%).

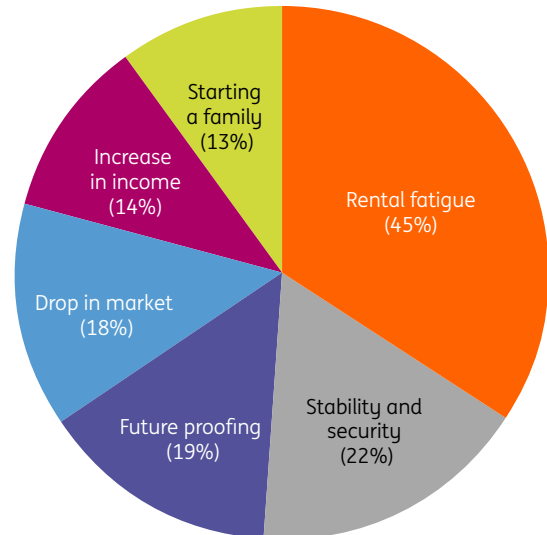
*Calculated using YouGov research and ABS Data of the Australian population 2020



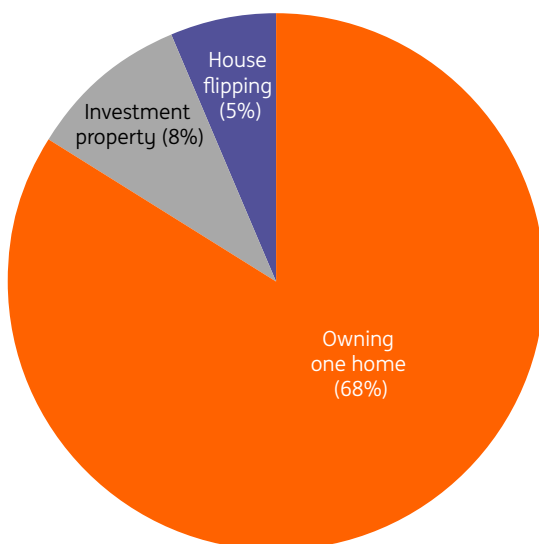
Is homeownership important?



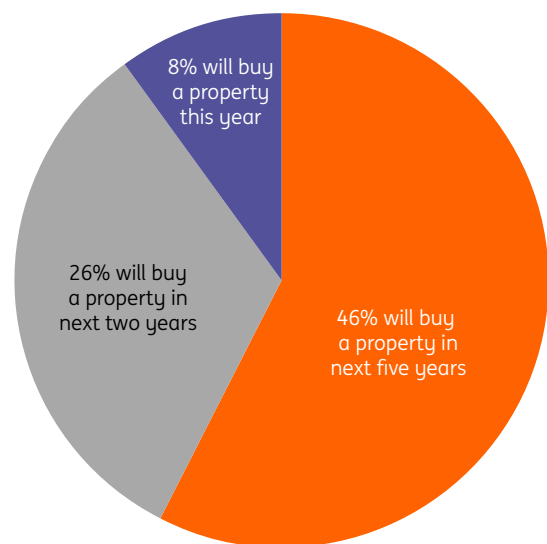
The reasons Aussies will climb the property ladder in next 2 years



Australian homeownership dream



Entering the property market



Average price that Aussies want to spend on a home



The New Pathway to Homeownership

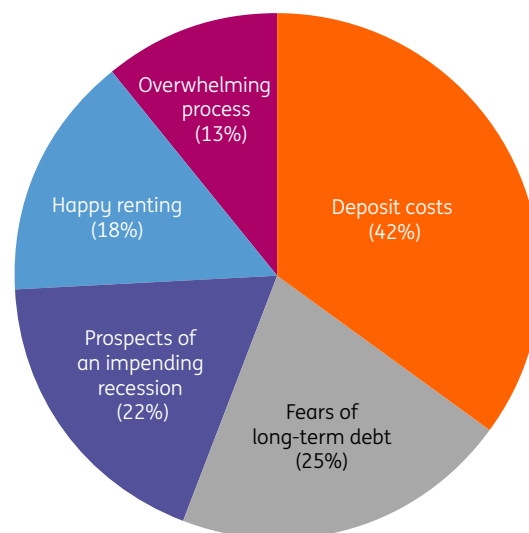
How Aussies are planning to climb the property ladder during a global pandemic

Although financial concerns still remain the number one barrier for prospective first home buyers (according to the research), more than half the nation (69%) say the pandemic has forced them to take more control over their finances and many (42%) say they've been able to save more money while in lockdown.

Social isolation meant the majority of people (65%) surveyed were able to make cost cuts through less commuting, eating in and saving on childcare. Many are also willing to continue to minimise their lifestyle costs post lockdown to own their own home sooner, including: minimising personal shopping (40%), entertaining at home rather than going out (31%), spending less on drinking (25%), reducing date nights (19%), giving up gym membership (17%), and finding a less costly commute (16%).

In addition, domestic travel restrictions and a ban on international flights, means more than half of the nations prospect home buyers (51%) have chosen to redirect travel funds to a future home savings account.

Barriers to entering property market



Sacrifices Aussies are willing to make to save for their future home

 51%

Prospect home buyers are re-directing travel money into future home savings account

 25%

Cut back on drinking

 29%

Fewer overseas travel and holidays

 40%

Reduce personal shopping

 31%

Entertain at home

 19%

Fewer dates

 37%

Cut back on dining out experiences

 23%

Moving in with family

 17%

Give up gym membership

Audience Spotlight:

Savvy millennials take advantage of softer housing market

The report highlights that millennials, more than any other generation, have emerged post lockdown with a positive outlook and renewed focus on homeownership. Research shows the majority of young Aussies aspire to own their own home (77%) and a third (32%) say they'll buy a property in the next two years.

To reach their goal, they say they're re-directing their travel savings (59%), and moving in with their parents (36%) to minimise outgoings.

In order to buy a house sooner half (50%) say that they would consider living on the city fringes and the outer suburbs (45km or more from the city); more than one in five (22%) say that they plan to buy a smaller property in a cheaper area and rent it out until they can afford their forever home; and one in ten (9%) said that they would consider buying a property with a friend or family member to get on the ladder quicker.

What's more, they're willing to make significant lifestyle sacrifices to save for their future home. Almost half (48%) say they will limit their personal shopping (48%), take on a side hustle for extra income (37%), reduce dining out experiences (42%) and drink less (28%), give up their gym membership (21%), and date less (24%).



Millennial House Goals



Agree homeownership is important goal



Aspire to own their own home



Agreed COVID-19 has made ownership more affordable and achievable



Plan to enter market in two years

How Millennials are paving the new pathway to homeownership



Re-directing travel money into future home savings account



Cut back on recreational drinking



Fewer overseas travel and holidays



Reduce personal shopping



Entertain at home



Less dating experiences



Cut back on dining out experiences



Moving in with family



Give up gym membership

The Future Home

A quarter of Australians (25%) now see their home as a complete lifestyle hub

Housebound: how we spent our time during lockdown

For the majority of Australians, the COVID-19 lockdown kept us at home, with many working six or more hours from home on any given day. Outside of working from home, the increased time spent indoors led to a notable uptick in the amount of time people spent getting creative through reading, art or cooking (up 20%), watching TV (up 19%), exercising (up 13%) and gardening (up 13%).



Working*

5.4 hours (up 53%)



Getting creative

2.5 hours (up 20%)



Socialising

1.7 hours (down 8%)



Exercising

1.4 hours (up 13%)



Streaming TV, movies or music

4.3 hours (up 19%)



Gardening

1.6 hours (up 13%)

*Average time spent per day while at home during COVID-19 in any given week



Despite offices, gyms and public spaces now opening up, respondents expect to spend an average of 5.9 hours more at home in the week than they did pre-lockdown. More time will be spent exercising (29%), dining in (22%), socialising (25%), working (17%), kick starting a hobby (17%) and learning online (16%) than ever before.



Having spent an unprecedented amount of time confined indoors during lockdown, more than two thirds of Australians (68%) said they need more space or a different type of space in order to be fully comfortable at home and many (38%) are looking for a change - whether that's redecorating (13%), renovating (10%), or setting up a permanent home office space (9%).



How To Create Your Ultimate Home Hub

Interiors expert, Jen Bishop, shares simple tips on how to create a fit-for-purpose space to improve how you work, entertain and exercise at home – while not breaking the bank.



1. Think big, even when small

While you can't easily create more space in your home, you can make better use of what you've got. Try and get out of the mindset that you need separate rooms for your different activities and think multi-purpose. For example, custom cabinetry, furniture and storage can make a huge difference in smaller homes, enabling you to make the absolute best of every inch.

2. Smooth connectivity

For many Aussies, fast internet has and will continue to be essential for working, socialising and streaming entertainment at home. Keep WIFI boxes in a central location (e.g. living room) for better connectivity throughout the house. You can easily tuck them away on shelves using books, photos and indoor plants like ivy to hide them from plain sight.

3. Ambiance is key when entertaining

Outdoor lighting (this can be solar-powered) and a patio heater are great ways to turn your balcony or backyard into a year-round entertaining area. Inside or out, bar carts have never been more popular and, as well as making a great decorative statement all week long, they're a great cocktail station come the weekend when friends come over.

4. It's easy being green

Houseplants are on trend and they make great decor. For beginners, you can't go wrong with the hard-to-kill devil's ivy (pothos), and if you really want to look like you know what's in, then go for a Monstera – the 'it' plant of the season! Add a herb garden on the kitchen windowsill, and you can't beat a plant in the bathroom (ferns love humidity) to give it a more spa-like feel at the end of a long work day.

5. Working out how to work-out

Avoid your living room looking like a gym by having good-looking storage zone for your rolled-up exercise mat, dumbbells and resistance bands. This can be as simple as an ottoman with a lid or a big basket. If your gear's where you can see it, but without looking messy, you'll be more likely to stick with it!

6. Rise of the home office

Not everyone has a spare bedroom to convert into an office, so it's important to think outside the box here. Do you have unused space in a hallway, on a landing or somewhere in your open plan kitchen/dining area that could accommodate a desk and storage? Investing in built-in cabinetry and a desk nook that you can quite literally shut the door on at the end of the day is a great way to make use of previously dead space.

...And keeping it in all budget

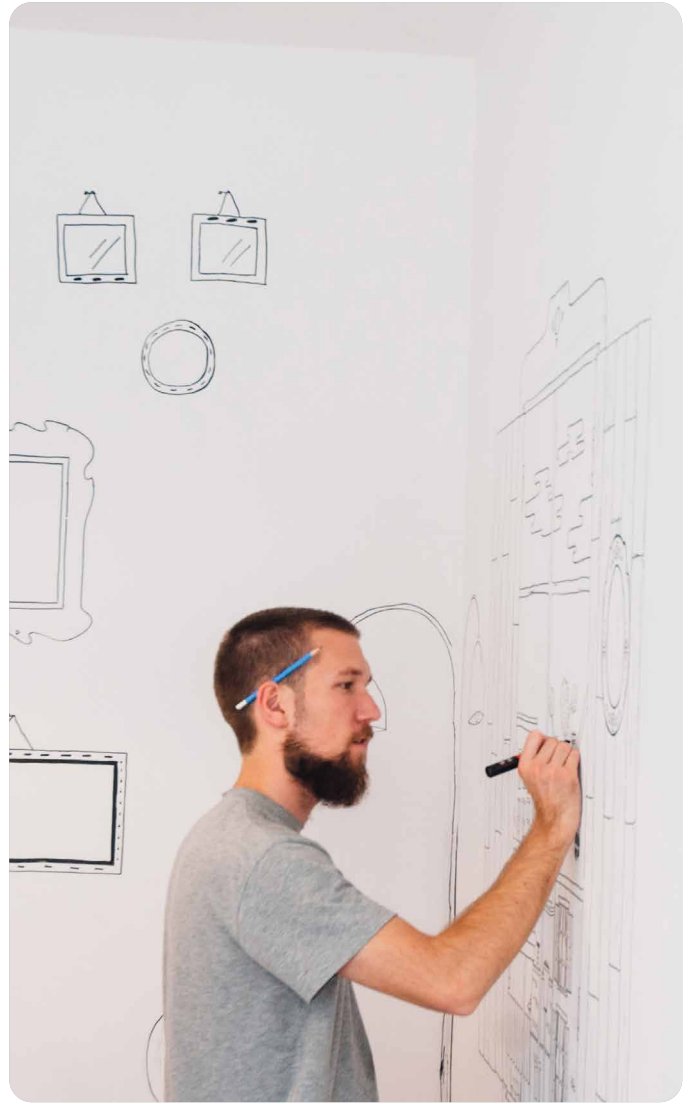
With many understandably nervous to invest in expensive renos right now, it's a great time to embrace the cosmetic makeover. Never underestimate the power of paint in general, whether it's chalk paint to upcycle a piece of furniture, giving a room a fresh white look or even spray painting your fence.

Kickstarting your Australian dream

How to achieve your home buying goals

There are many ways to go about reaching your homeowner goals sooner during this COVID period:

- Review the things you're no longer spending money on and consider re-directing those funds towards a deposit (e.g holiday and travel costs).
- Re-evaluate what you're prepared to sacrifice to save for a home e.g. personal shopping, dining and drinking out and gym memberships.
- Research the home buying government initiatives in your state to determine whether you're eligible.
- Shop around for a low interest rate.
- Think about how COVID has changed your lifestyle and whether that means you need to re-evaluate the type of home you want to buy and where e.g.
 - Would you consider living somewhere cheaper that's further away from where you work?
 - Is that two bedroom apartment you had in mind still appropriate or do you need something bigger to accommodate all the at home socialising and entertaining you've been doing since COVID.



The ING Future Focus: Homeownership Report was conducted by YouGov in June 2020. It comprises two surveys: a nationally representative sample of 1,057 prospective Australian home buyers aged 18+, and a nationally representative sample of 1,056 Australians aged 18+.

Baby Boomers: People born between 1946 and 1964

Gen X: People born between 1965 and 1980

Millennials: People born between 1981 and 1996

Gen Z: People born between 1997 and 2009

Source: YouGov

Following the completion of interviewing, the data was weighted by age, gender and region to reflect the latest ABS population estimates.

