

Buyers hold off on purchasing

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Consumers are delaying property purchases, despite increases in savings and low mortgage stress, a leading consumer sentiment survey has revealed.

The Commonwealth Bank/Mortgage & Finance Association of Australia (MFAA) Home Finance Index for September found the number of respondents that plan to buy property in the next year had fallen to 16.9 per cent.

MFAA chief executive Phil Naylor said the September Home Finance Index saw consumers moving away from buying property but preparing to act when confidence returned.

Over one quarter of home owners are putting away more than 20 per cent of their take-home earnings, up by 4 per cent compared with January 2011.

In September, 78.3 per cent of mortgagees said they were easily making repayments, up 10 per cent from May this year.

“With a recent interest rate cut, high savings and low mortgage stress, prospective home buyers are in a relatively good position,” said Mr Naylor.

“Reticence about buying property seems linked to the perceived state of the economy, not to the personal financial state of consumers.”