

| A MOZO REPORT | RELEASED MARCH 2024

# Home Loan Hacks & Unsung Heroes

Expert tips based on the analysis of over  
475 home loan rates, fees and features

MOZO HOME LOAN REPORT 2024



# 475 home loan rates, fees and features compared

The following report shares home loan rates, hacks and comparisons to help homeowners make their money count for more.

As part of the 2024 [Mozo Experts Choice Awards for Home Loans](#), experts compared the rates, fees and features of over 475 different home loans from 99 lenders across 12 categories to determine the best value loans, best new loans and best green loans.

“We started this awards program 11 years ago, to help Australians make more informed financial decisions and award the providers that are delivering great value products,” said Peter Marshall, Mozo Awards judge.

The data used in this report was collected as part of the award judging process, and a nationally representative survey of 2,554 Australians aged 18 years and over from 12th January to 2nd February 2024, via Researchify.

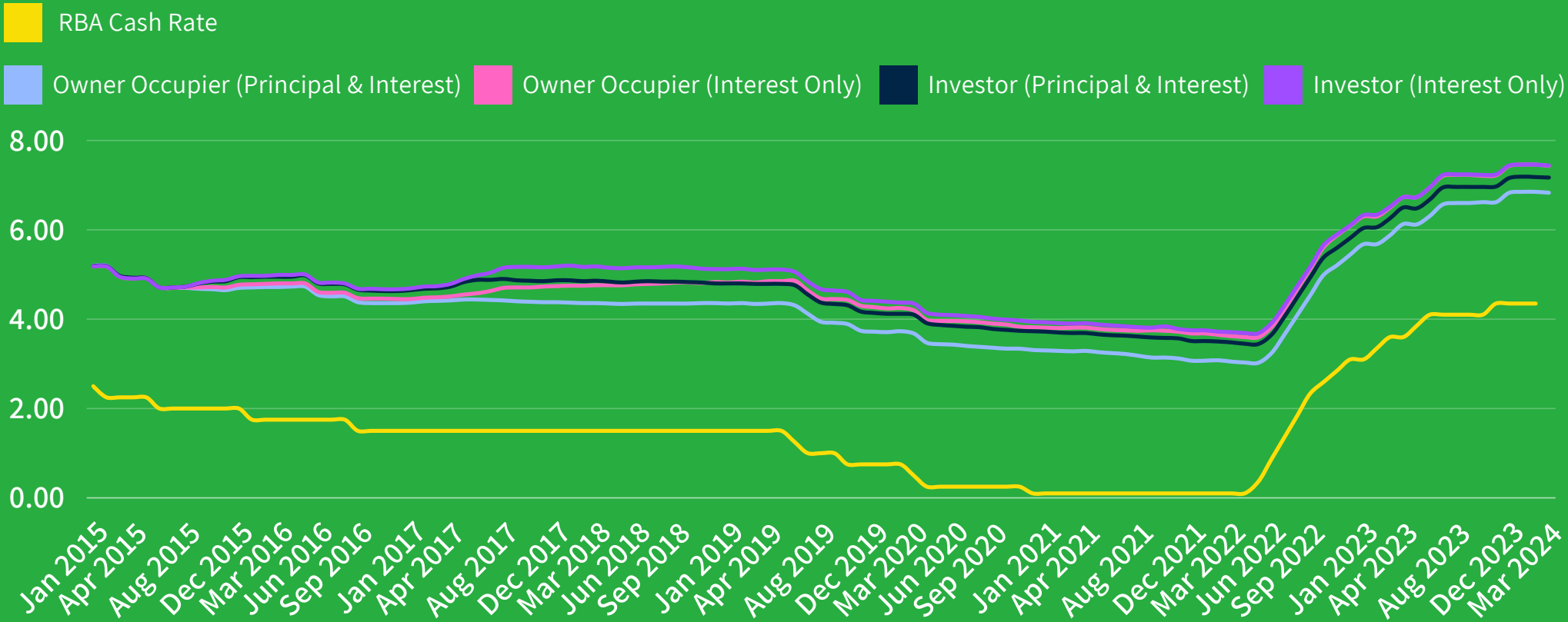


[WINNERS LIST](#)



# Rates rise 4% in just under 2 years

Since May 2022, the Reserve Bank of Australia (RBA) has increased the cash rate by 4%, over 13 rate hikes. It has been the most aggressive rate hiking cycle since the early 1990s. Mozo data shows most banks have passed these interest rate hikes on in full to variable rate mortgage holders, and repayments have skyrocketed as a result.



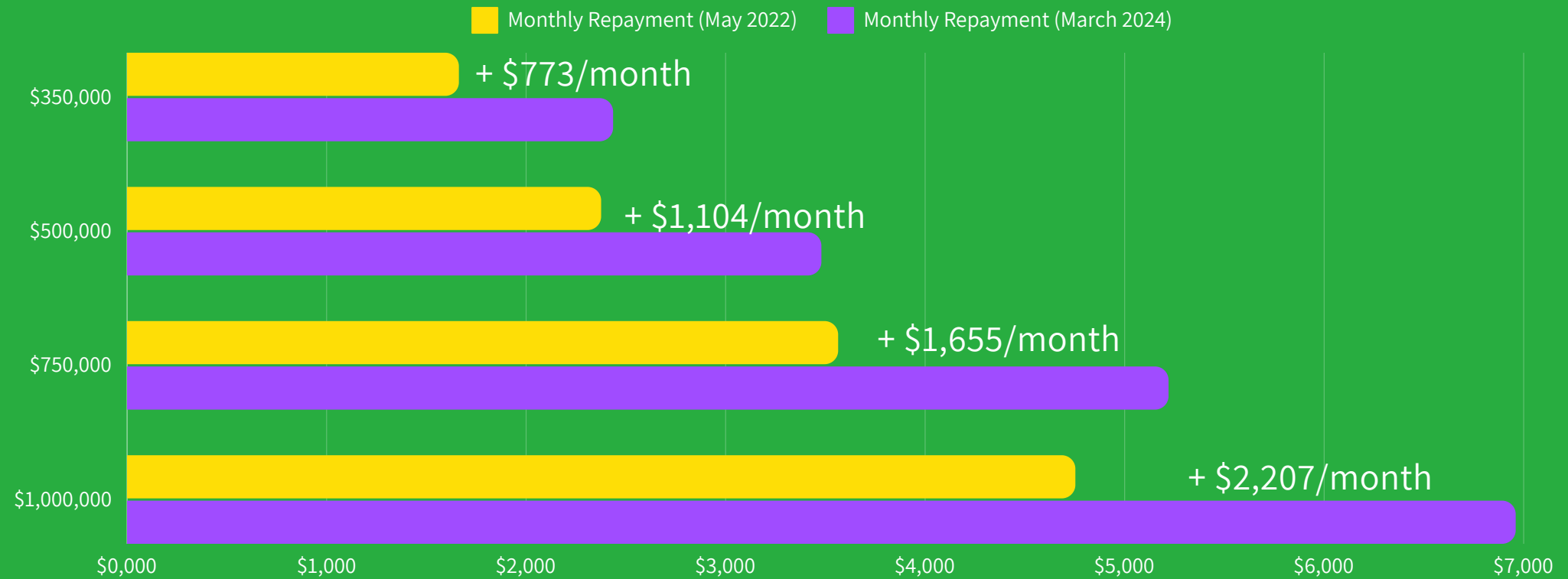
Sources: Mozo/Reserve Bank of Australia. Average Variable Home Loan Rates at a \$400,000 loan amount, 80%LVR, rates from the Mozo database.

[LEARN MORE](#)

# Higher-for-longer: mortgage holders pay \$2,207 more a month



Aussie mortgage holders are now paying thousands of dollars more a month to cover the mortgage\*, and the Reserve Bank of Australia isn't set to cut rates until the latter half of 2024. With many bracing themselves for another year of high repayments, it's no shock many are expressing concern.



\*Source: Mozo database. Based on 25 year terms, Owner Occupier Principal & Interest, LVR <80%. Average variable rate of 3.02%p.a. as of May 2022, and 6.83%p.a. as at March 2024. Accurate as at 12 March 2024.



# 75%



OF AUSTRALIAN MORTGAGE  
HOLDERS ARE CONCERNED ABOUT  
THEIR HOME LOAN REPAYMENTS

Mozo.com.au commissioned a nationally representative consumer research survey via Researchify, surveying 2,554 Australians, aged 18 years and over, from 12th January to 2nd February 2024.



# Concerned yet unaware: 2 in 5 don't know their interest rate

Mozo research found that while 75% of Aussie mortgage holders were openly concerned about their repayments, many were unaware of some critical features that could save them money over time.

2 in 5 (42%) of mortgage holders admitted they didn't know their home loan interest rate, but this is the key feature in determining the cost of your home loan.

1 in 5 (20%) told Mozo that they hadn't compared their interest rate to others on the market since taking out their home loan.

This lack of awareness signals a huge opportunity for Aussies to improve their home loan literacy and save hundreds of thousands of dollars over the life of the loan.





# 6 Home Loan Hacks + Rate Comparisons





01

# LOOK BEYOND THE BIG BANKS

Recent changes to banking legislation has increased competition and encouraged the growth of non-bank lenders, but Australians just can't shake their addiction to the Big Four.

APRA data shows CBA, NAB, Westpac and ANZ own 73% of the owner occupier home loan market, despite having higher rates. The average variable home loan rate from a big four bank is 7.48%, compared to the average variable rate of 6.82% across all lenders in the Mozo database.

The average rate across all Mozo Experts Choice Award Winners for Home Loans was a low 6.10%, which on a \$500k loan equates to a \$436/month repayment saving.

## HOME LOAN SAVING

# \$436/month

BASED ON AVERAGE BIG FOUR RATE OF 7.48%p.a. VS AVERAGE WINNERS RATE OF 6.10%p.a. ON A \$500K OWNER OCCUPIER LOAN, 80% LVR, PRINCIPAL & INTEREST, 25 YEAR TERM



# Unsung home loan heroes

The 2024 winners list reveals the unsung heroes of home loans, and the savings involved in looking at fintechs, regional banks and credit unions for a better deal.

## WINNERS LIST



Of the 98 home loan award winning products, 68% are offered by customer owned banks (67) and 20% are from online lenders (20). Of the 41 winning providers 63% are customer owned banks (26) and 24% are online lenders (10).

People's Choice was crowned Home Lender of the Year (Low Cost Home Loan, Offset Home Loan, Fixed Rate Home Loan, Packaged Home Loan, Investor Fixed Home Loan and Investor Variable Home Loan).



Home Loan Lender  
of the Year 2024

People's  
Choice

Banking for life

unloan  
BUILT BY

BankVic

Tiimely home  
— Formerly tic:toc —

regionalaustraliabank

AUSTRALIAN  
MUTUAL BANK

the capricornian  
savings | loans | insurance

PoliceBank  
The strength of community

Queensland  
Country Bank

Bendigo Bank

Heritage Bank  
People first.

# Variable Rate Home Loans

Mozo research reveals the winners of the 2024 Mozo Experts Choice Awards for Home Loans have significantly lower average rates than the Big Four Banks.



## Average Variable Home Loan Rates (p.a.)\*

BIG FOUR AVERAGE

**7.48%**

AVERAGE RATE

**6.82%**

MOZO WINNERS

**6.10%**

## Monthly Repayments on a \$500k Home Loan\*

BIG FOUR AVERAGE

**\$3,688**

AVERAGE RATE

**\$3,477**

MOZO WINNERS

**\$3,252**



**-\$211**



**-\$225**

\*Based on rates in the Mozo database. \$500,000 Owner Occupier Home Loan, Principal & Interest, LVR 80%, over a 25 year loan term. Accurate as at 13 March 2024.

# Fixed Rate Home Loans



Mozo research reveals the winners of the 2024 Mozo Experts Choice Awards for Home Loans have significantly lower average fixed rates than the Big Four Banks.

## Average Fixed 3-Year Home Loan Rates (p.a.)\*

BIG FOUR AVERAGE

**6.69%**

AVERAGE RATE

**6.30%**

MOZO WINNERS

**5.91%**

## Monthly Repayments on a \$500k Home Loan\*

BIG FOUR AVERAGE

**\$3,436**

AVERAGE RATE

**\$3,314**

MOZO WINNERS

**\$3,194**



\*Based on on rates in the Mozo database. \$500,000 Owner Occupier Home Loan, Principal & Interest, LVR 80%, over a 25 year loan term. Accurate as at 13 March 2024.

02

# BANK WITH AN OFFSET ACCOUNT

Mozo research found that 46% of home loan holders don't use an offset account, and 5% don't even know what an offset is, so there is a big opportunity for Aussies to save a significant amount with an offset.

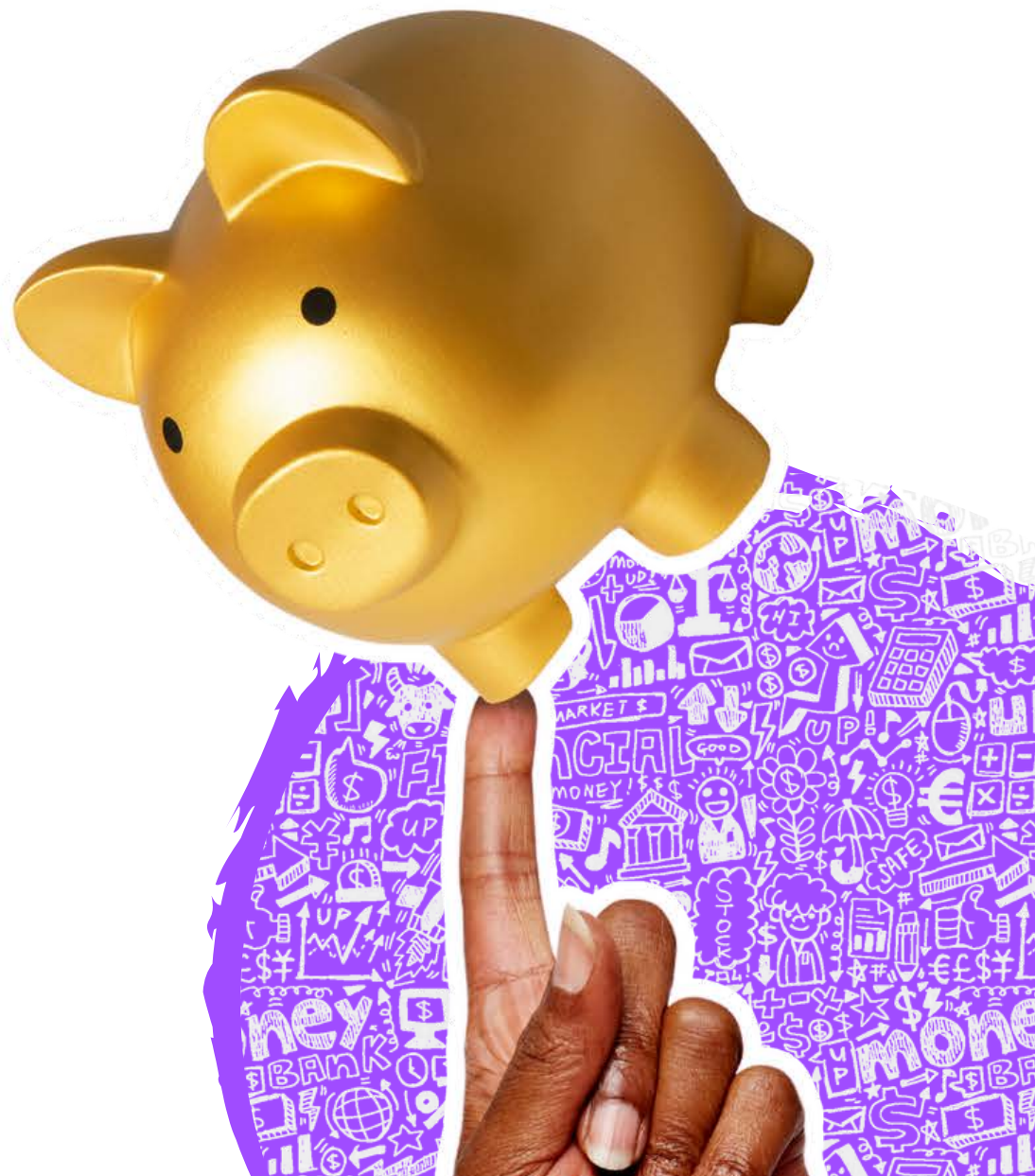
An offset account works just like a bank account linked to your home loan, and comes with a debit card. The major benefit is that the amount in your offset account reduces the amount of principal that you have to pay interest on.

For example, a borrower with a balance of \$50k in an offset account on a \$500k loan is charged interest on \$450k, so paying a rate of 6.82% interest, with \$50k in an offset account could save you \$284 each month.

HOME LOAN SAVING

# \$284/month

MONTHLY SAVING ON A \$500K OWNER OCCUPIER HOME LOAN, LVR 80% PRINCIPAL & INTEREST, WITH 50K IN OFFSET, PAYING AN INTEREST RATE OF 6.82%p.a.



# Offset Home Loans

Mozo research reveals that the winners of the Mozo Experts Choice Awards have lower rates than the Mozo average for home loans with an offset account.



## Average Offset Home Loan Rates (p.a.)\*

AVERAGE RATE

**6.94%**

MOZO WINNERS

**6.11%**

## Monthly Repayments on a \$500k Offset Home Loan\*

AVERAGE RATE

**\$3,515**

MOZO WINNERS

**\$3,255**

**-\$260**

\*Based on rates in the Mozo database. \$500,000 Owner Occupier Home Loan, Principal & Interest, LVR 80%, over a 25 year loan term. Accurate as at 13 March 2024.

# Offset home loan winners

To find the lowest cost home loans that had offset accounts available, Mozo experts compared 181 variable rate home loans offering a 100% offset facility

[WINNERS LIST](#)



03

# COMPARE YOUR RATE REGULARLY

Mozo research found 20% of Aussie mortgage holders had not compared their rate since getting their home loan, but when it comes to saving money on home loan repayments, the interest rate is key.

Aussies who compare their home loan every 6 months were found to have an average home loan rate 0.38% lower than those who hadn't compared since getting their home loan.

Those who compared every 6 months had an average rate of 6.14%, while those who had not compared since taking out their loan were on an average rate of 6.52%.

That's \$118 more a month on a \$500k loan.

## HOME LOAN SAVING

# \$118/month

BASED ON 6.14%p.a. + 6.52%p.a. HOME LOAN RATES, \$500K OWNER OCCUPIER LOAN, PRINCIPAL & INTEREST, LVR 80%, 25 YEAR TERMS





# Aussies could be paying \$1,416 more a year than they need to

Mozo research shows Aussies who compare rates every 6 months have a 0.38% lower rate on average than those who haven't compared since taking out their home loan. That difference in rates equates to \$118 a month, or \$1,416 more a year. When it comes to interest rates on big home loans, every decimal point counts.



How often they compare home loan rates	Average Home Loan Rate (p.a.)	Monthly Repayments on \$500k Home Loan*
Every 6 months	6.14%	\$3,264
Once a year	6.20%	\$3,283
Every 2 years or more	6.48%	\$3,370
I have not compared since getting my home loan	6.52%	\$3,382

\*Data source: Mozo.com.au Based on 25 year terms, Owner Occupier Home Loan, Principal & Interest, LVR <80%.

04

# INCREASE HOW OFTEN YOU PAY

Switching your repayment frequency can be a savvy move to slash interest payments on your mortgage, and could save you thousands of dollars over the loan term.

Looking at a loan of \$500k over 25 years at a rate of 6.82%, switching from 12 monthly repayments of \$3,477 (which results in interest payments of \$542,856) to 26 fortnightly payments of \$1,738.50 (which results in total interest paid of \$431,806), equates to a saving of \$111,050 over the life of the loan.

Though it does mean you pay a little extra now, it is a simple change that gives you a significant saving over the loan term.

Adjusting your repayment frequency can be a powerful hack to help you cut down the interest you pay.

## HOME LOAN SAVING

# \$111,050/term

BASED ON A \$500,000 OWNER OCCUPIER HOME LOAN, 6.82%p.a. INTEREST RATE  
SWITCHING FROM MONTHLY TO FORTNIGHTLY PAYMENTS, OVER A 25 YEAR LOAN TERM.



# Save by paying more often

Switching from monthly repayments, to weekly or fortnightly repayments could save homeowners hundreds of dollars in interest over the loan term.

## Repayments on a \$500k Home Loan\*

MONTHLY

**\$3,477**

FORTNIGHTLY

**\$1,738**

## Total Interest Payable on a \$500k Loan\*

MONTHLY

**\$542,856**

FORTNIGHTLY

**\$431,806**

**-\$111,050**



\*Based on rates in the Mozo database. 6.82%p.a. average rate as at March 2024 \$500,000, Owner Occupier Home Loan, Principal & Interest, LVR 80%, 25 year loan terms.

05

# CONSIDER A SPLIT RATE LOAN

Mozo research found that 7% of Aussie home loan holders didn't know their home loan type, but the type of home loan you have has a big impact on your repayments.

Fixed rate home loans offer a set rate for a fixed term, while variable rate home loans fluctuate according to market conditions, and based on the RBA's cash rate moves.

If you're unsure of whether a fixed or variable rate is best, you could consider a split rate home loan. A split rate home loan combines fixed and variable interest rates, providing stability and adaptability for borrowers.

By dividing the loan, borrowers can enjoy the assurance of fixed rates while benefiting from potential savings through variable rates, allowing home loan holders to "hedge their bets" against RBA interest rate rises or cuts.



# Comparing Home Loan Types

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## Fixed Rate Home Loan

**Average Rate: 6.30%\***

A fixed interest rate stays the same for a set amount of time, called a fixed term. In Australia, the maximum fixed term tends to be 5 years.

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## Variable Rate Home Loan

**Average Rate: 6.82%\***

Variable rates fluctuate at the home loan lenders' discretion, based on market conditions, or when the RBA cash rate changes.

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## Split Rate Home Loan

Splitting your home loan involves dividing it into two accounts, one with a fixed rate and one with a variable rate. The size of each portion will be up to you.



06

# EARN INCOME FROM YOUR HOME

Buying a home is probably one of the most expensive investments you'll ever make, taking decades to pay off, so you may as well put your asset to work.

There are now plenty of services online that can help you rent out a room, a storage space, or your garage/driveway to earn \$400 a month, that you can put towards your mortgage.

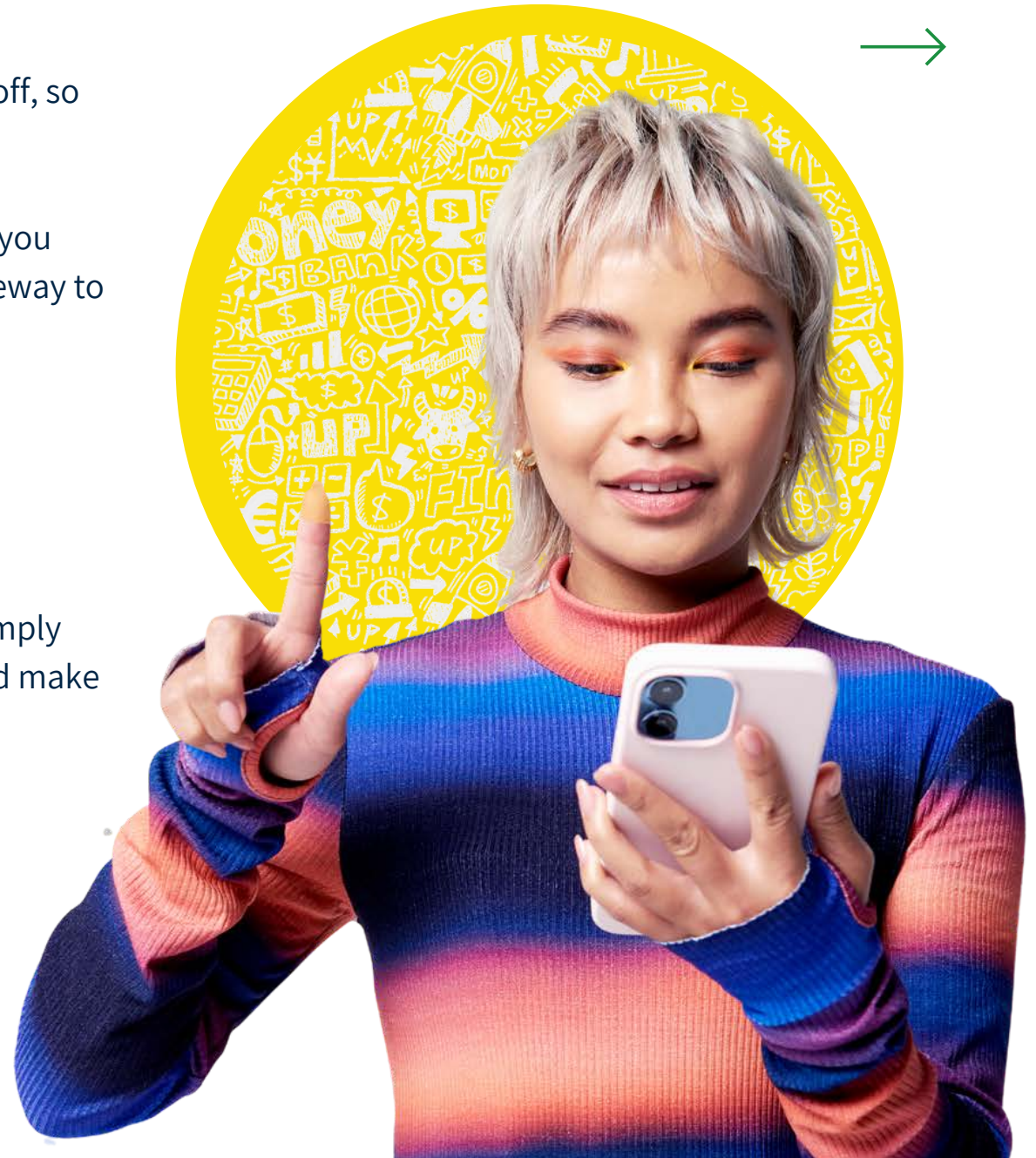
Fancy turning your backyard into a cozy campsite, or hosting a room on Airbnb?

Just remember to chat with your neighbours, and comply with ATO tax regulations, government regulations and make sure you have the right insurance coverage.

## APPROXIMATE EARNINGS

# \$400/month

BASED ON PARKHOUND PRICING DATA FOR SYDNEY AUSTRALIA



# Media Insights & Commentary

[Mozo.com.au](https://mozo.com.au) is one of Australia's leading financial comparison sites.

With a team of banking, insurance, and money experts on hand, Mozo provides industry insights, consumer research statistics and money management tips to major media publications and national broadcast networks.

Mozo is part of [Future PLC](https://futureplc.com), the global platform for specialist media that connects millions of people worldwide with their passions. A key brand in the global Future Wealth portfolio, Mozo has been recognised in Australia for simplifying the money maze with award-winning calculators and comparison tools, to help Australians make their money count for more.



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