

The Gift of Mum and Dad: From loans to legacies

Mozo Bank of Mum and Dad Report 2025

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Mozo's Bank of Mum and Dad Report 2025

For years, the so-called 'Bank of Mum and Dad' has been one of the largest financial backers of first-home buyers in Australia, helping their children break into the property market with loans, rent-free living and upfront cash. However, Mozo's latest research reveals this support is evolving.

As property prices and home loan deposit sizes rise, the 'Bank of Mum and Dad' has turned into the 'Gift of Mum and Dad' with most parents giving financial assistance without expecting repayment.

"In 2021, a third of parents didn't expect repayment, now it's three quarters. That's not a bank, or a loan, that's a legacy," says Rachel Wastell, Mozo's personal finance expert.

"The property ladder is losing those bottom rungs and Aussie parents are stepping in to build new ones, using their own savings."

Mozo surveyed 1,019 Australian parents with adult children to understand what parents are paying for, how they're paying for it and how parents feel about boosting their children onto the property ladder. Mozo also compared 2025 data to 2021 findings to reveal how this generational change in financial support is unfolding.

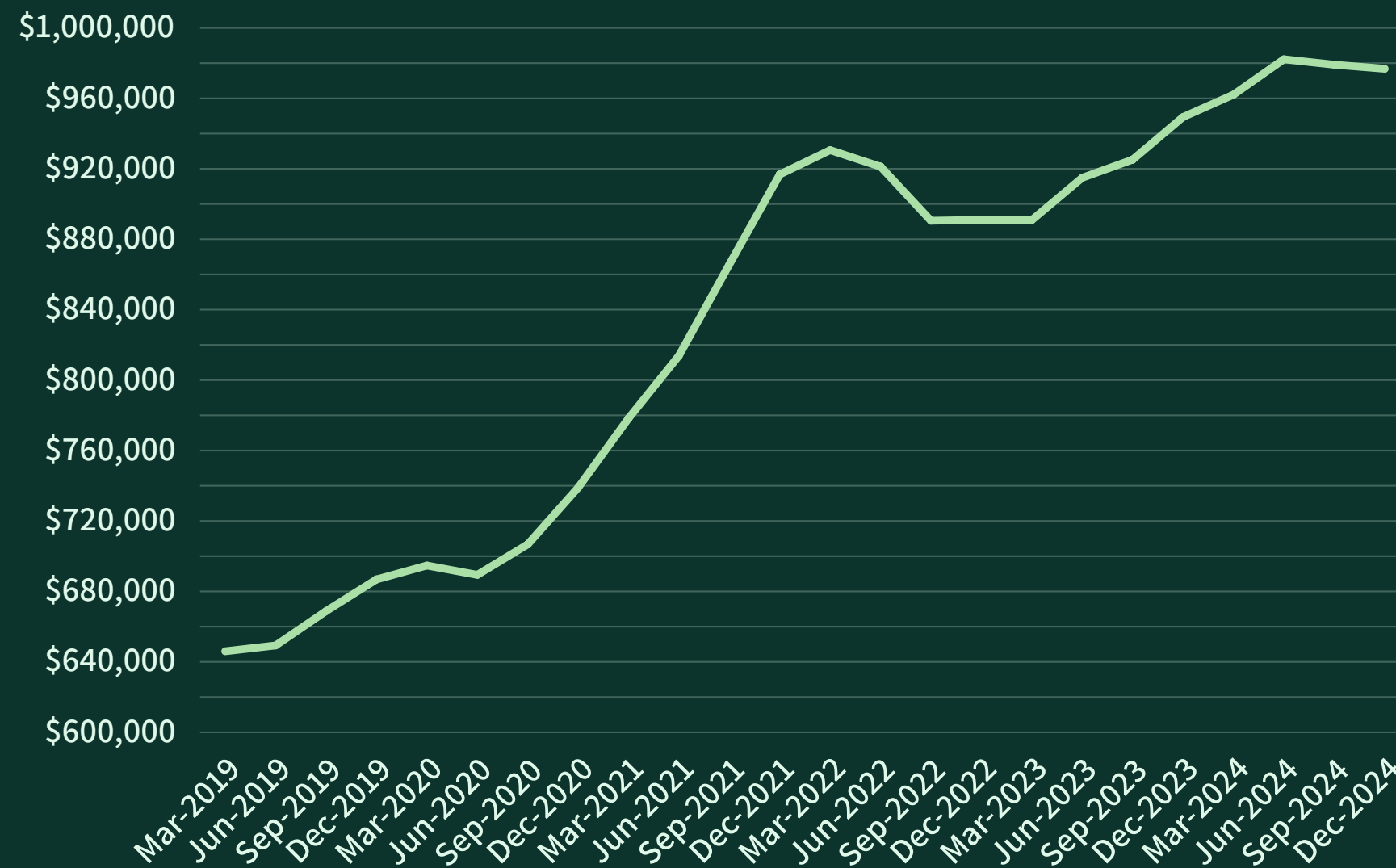


Prices up 51% as deposits surge by \$66k

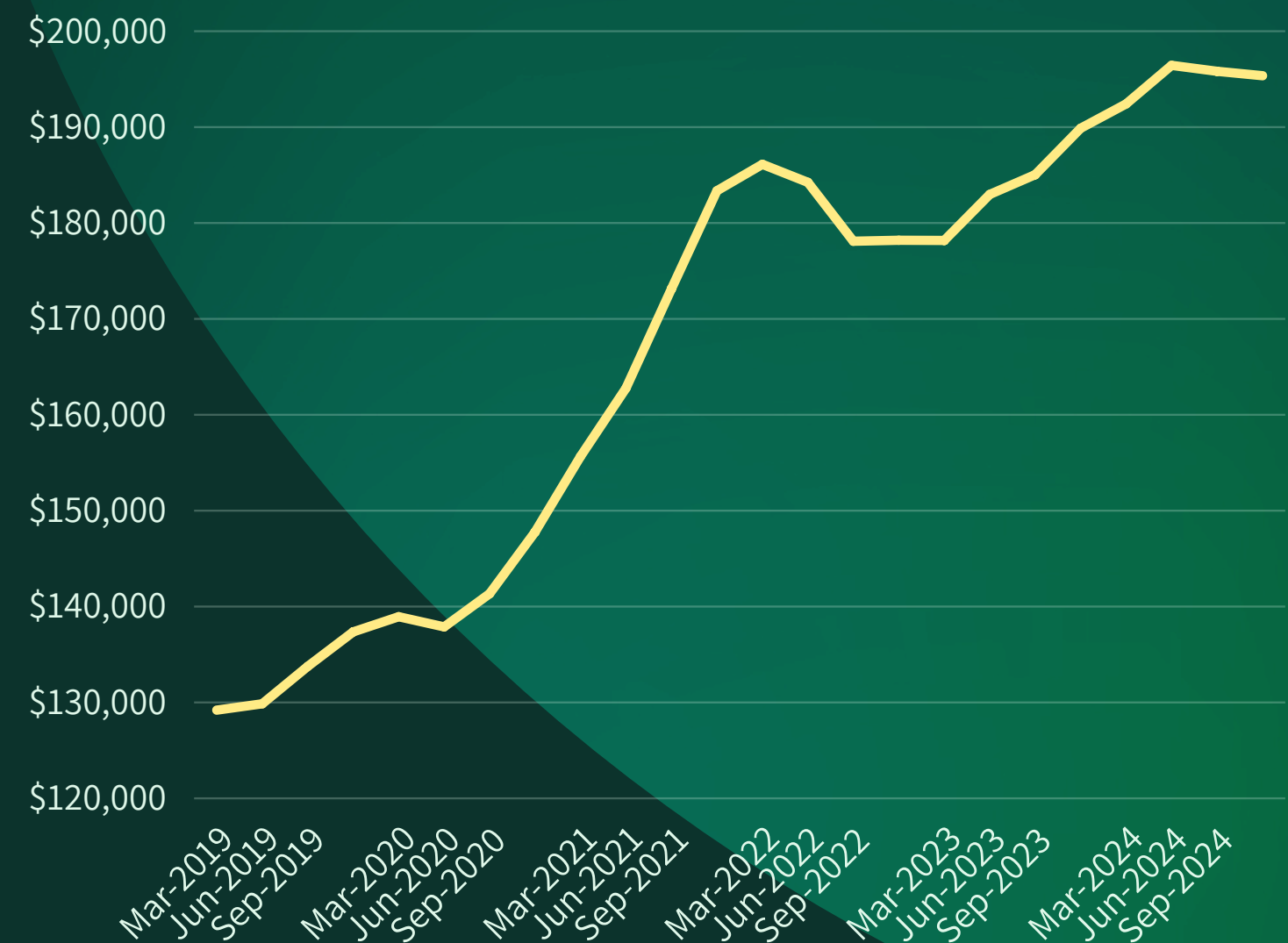
Since March 2019, Australian house prices have skyrocketed by over 51%, rising from \$646,000 to \$976,800 by the end of 2024. For first home buyers, that surge means that a 20% home loan deposit (the amount required to avoid paying LMI) has jumped from \$129,200 to \$195,360 - an increase of \$66,160 - in just five years.

For many first home buyers, saving a deposit is now the biggest financial hurdle and so parents are stepping up, offering financial support to help children achieve this monumental savings task.

Australian Property Prices (2019-2024)



20% Deposit Amount (2019-2024)



The share of parents **not expecting to be repaid** has doubled since 2021.

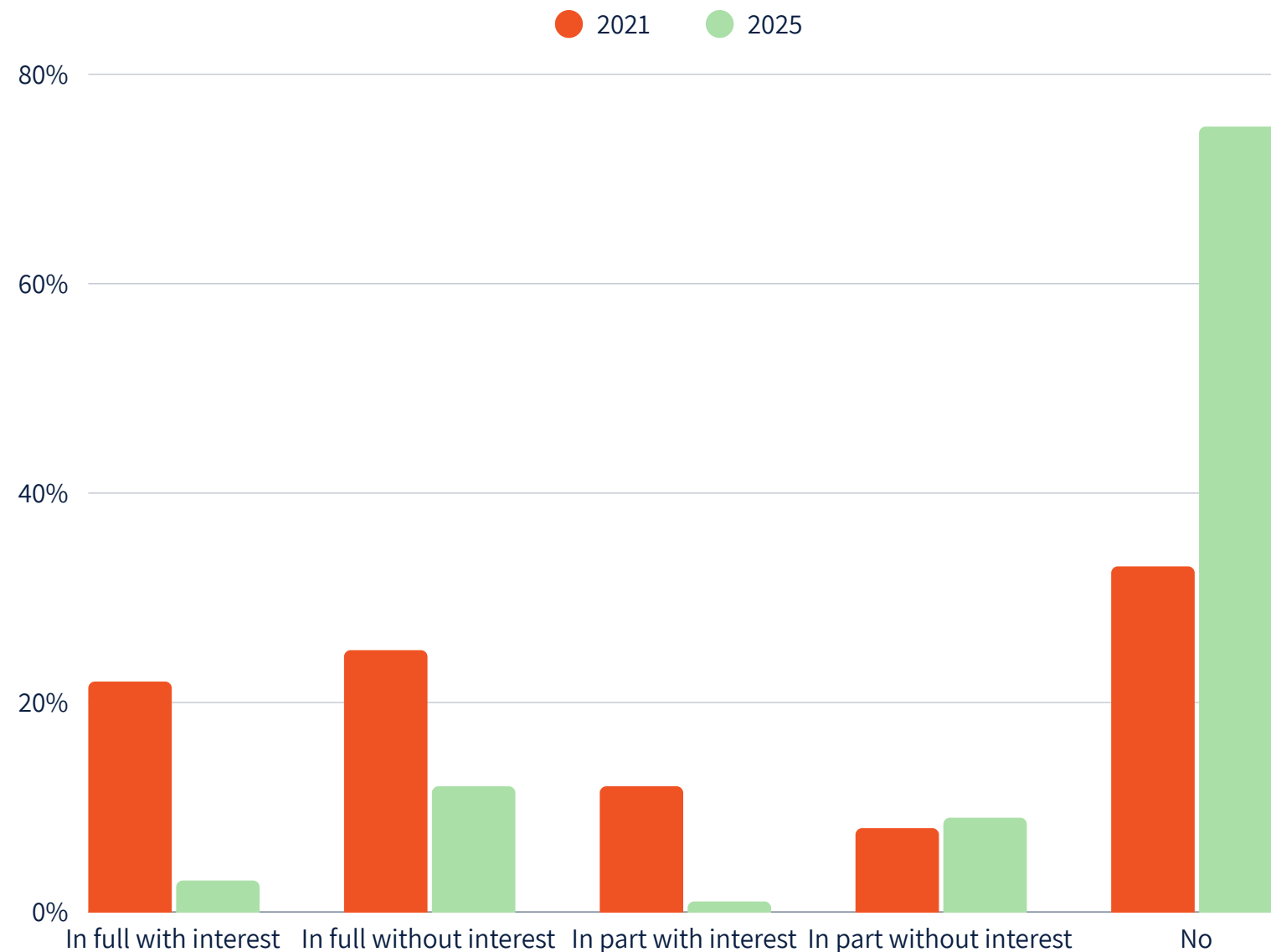


Gifting gains momentum

In 2025, Mozo found nearly half (49%) of parents who provided financial assistance to their children said they did not expect to be repaid, and more than a quarter (26%) explicitly stated that the money was a gift.

That means three-quarters of parents (75%) are offering their kids financial support with no expectation of seeing their money returned.

This marks a stark shift from Mozo's 2021 Bank of Mum and Dad report, when just one third (33%) of parents providing financial assistance didn't expect to see a return on their support.

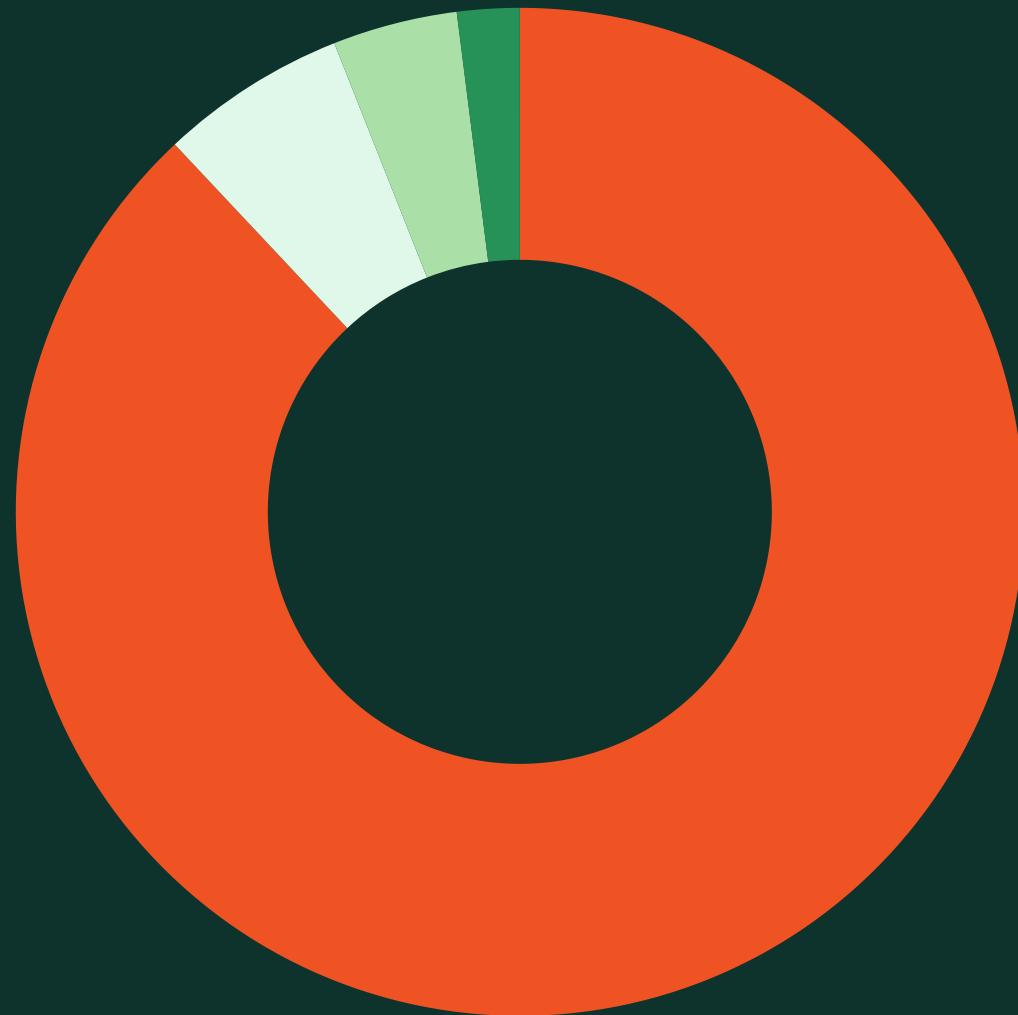


“Do you expect them to pay you back?”



88% expect nothing in return

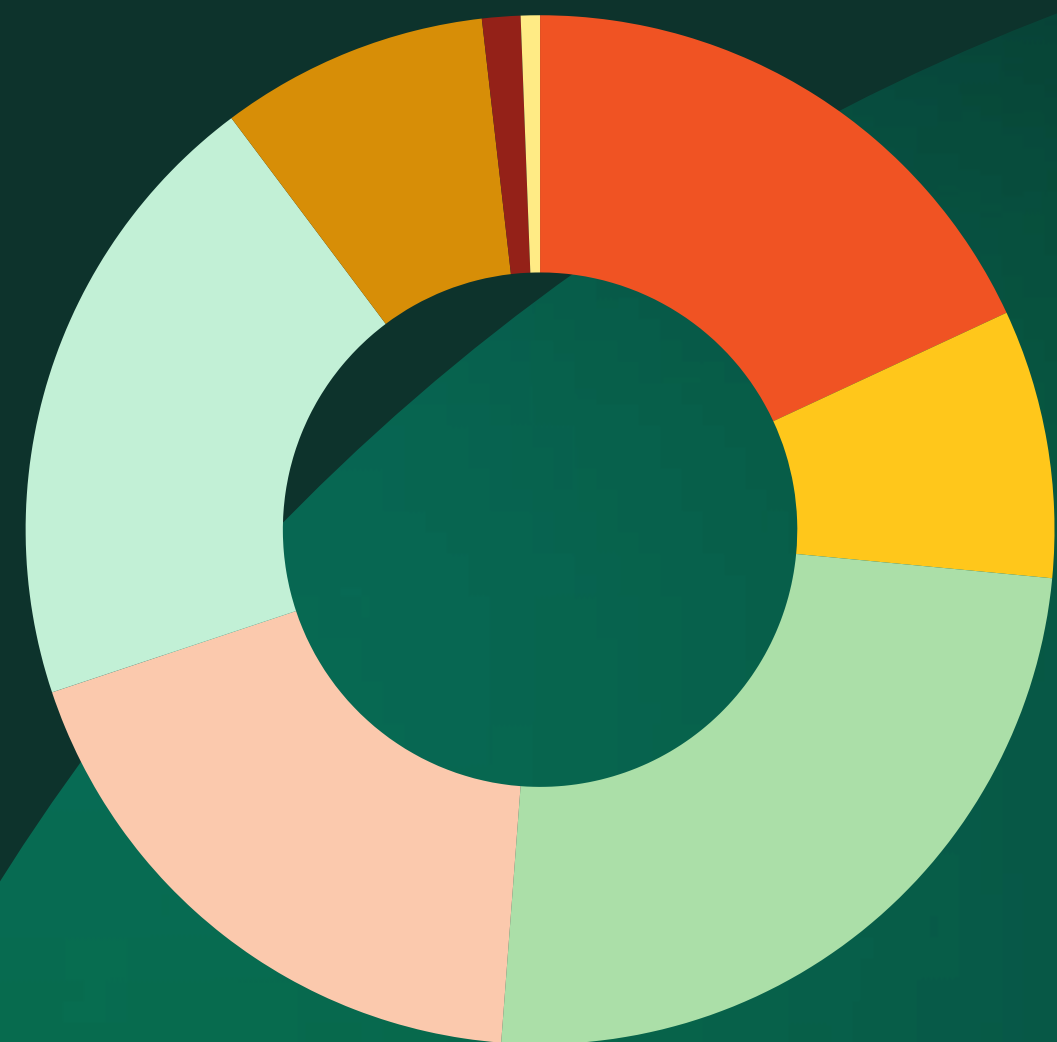
- No, I don't expect anything in return
- Yes, I expect them to take care of me when I am older
- Yes, I expect to be included in the decision-making process
- Yes, I want input into which property they buy



"Do you expect anything in return when you help your children financially?"

1 in 3 would give them 'whatever they want'

- Nothing, I would give them whatever they want
- Life Stage
- Income earned
- Ability to save money
- If they're studying
- Early Inheritance
- Age
- Cultural Pressures



"What do you consider when you decide to give your child money?"

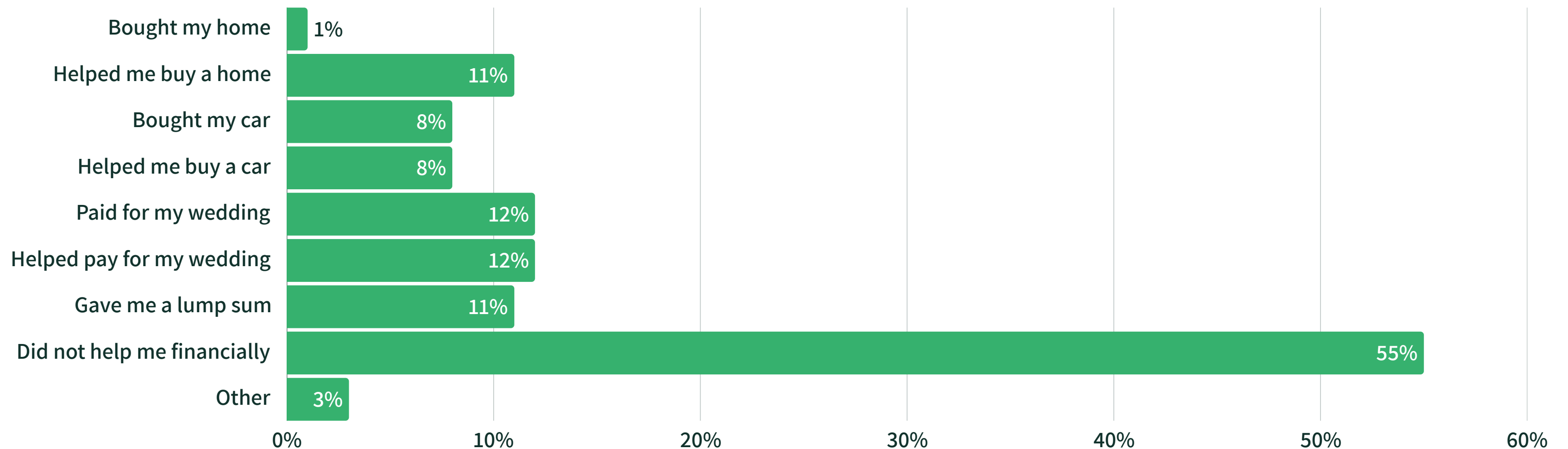


From loans to legacies

Where once it was common for parents to lend money with some form of expected repayment, the increasing willingness of parents to provide money as a gift rather than a loan signals **a growing generational divide**.

In fact, more than half (55%) of parents in 2025 said they never received similar financial help from their own families when they were younger, and the trend of help over gifting is evident.

When you were growing up, did your parents financially help you?



The Bank of Mum and Dad in 2021

33%

of parents who provided financial assistance to their children to buy property said they **did not expect to be repaid**

22%

of parents who provided financial assistance to their children to buy property **expected full repayment with interest.**

25%

of parents who provided financial assistance to their children to buy property **expected full repayment without interest.**



The Gift of Mum and Dad in 2025

75%

of parents who provided financial assistance to their children to buy property said they **did not expect to be repaid**

3%

of parents who provided financial assistance to their children to buy property **expected full repayment with interest.**

12%

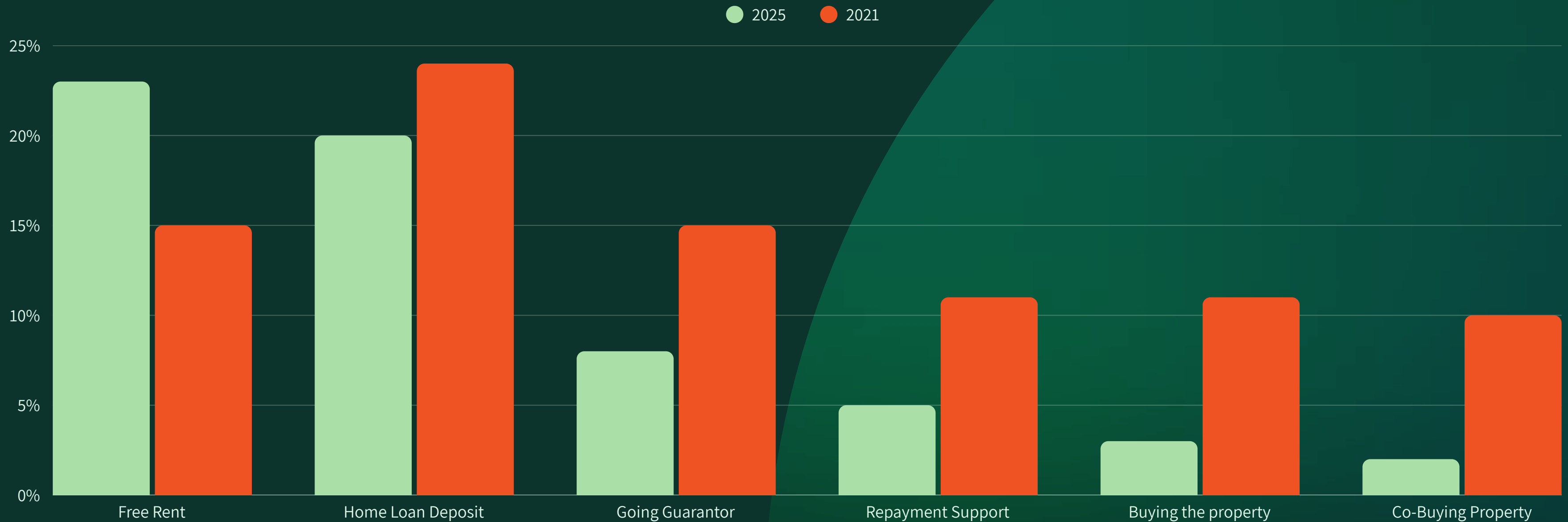
of parents who provided financial assistance to their children to buy property **expect full repayment without interest.**



What are parents funding?

In 2025, parents are stepping back from higher risk financial support like going Guarantor on their children's home loans (down from 15% in 2021 to 8% in 2025) or co-buying property (down from 10% in 2021 to 2% in 2025).

Instead, they're offering safer forms of financial support. 23% provide accommodation rent free, while their children save for a deposit, up from 15% in 2021 and 20% are contributing to the home loan deposit. This is slightly less than 2021, but still the second most popular way parents are helping out financially. Buying a property on behalf of children is no longer a popular option, with just 3% paying for the purchase compared to 11% in 2021.



Mozo commissioned a nationally representative survey of 1,019 Australian parents 18 years and over with adult children, with information collected via Pure Profile in January 2025. Mozo also conducted a nationally representative survey of 1007 Australians aged 18 years and over via Researchify between 15 June – 11 July, 2021.

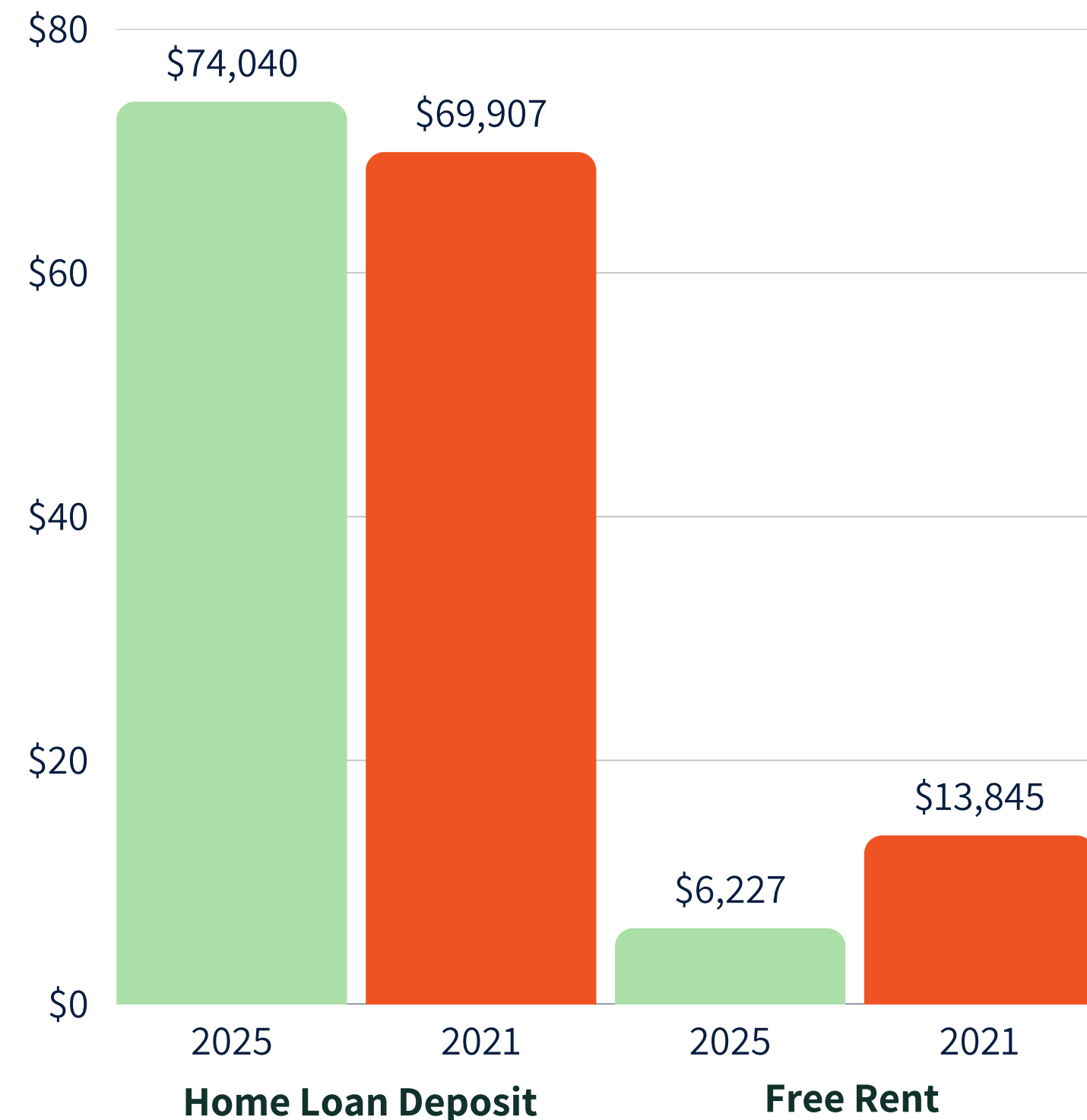
How much are they spending?

With property prices rising, parents are digging deeper into their own finances to help their children buy a home. The average amount gifted for a home deposit has increased from \$69,907 in 2021 to \$74,040 in 2025, an increase of more than \$4,000.

In 2025, nearly a quarter (23%) of parents allowed children to live at home rent-free while they saved for a deposit, up from just 15% in 2021. But, interestingly, the average cost has halved, dropping from \$13,845 in 2021 to \$6,227 in 2025.

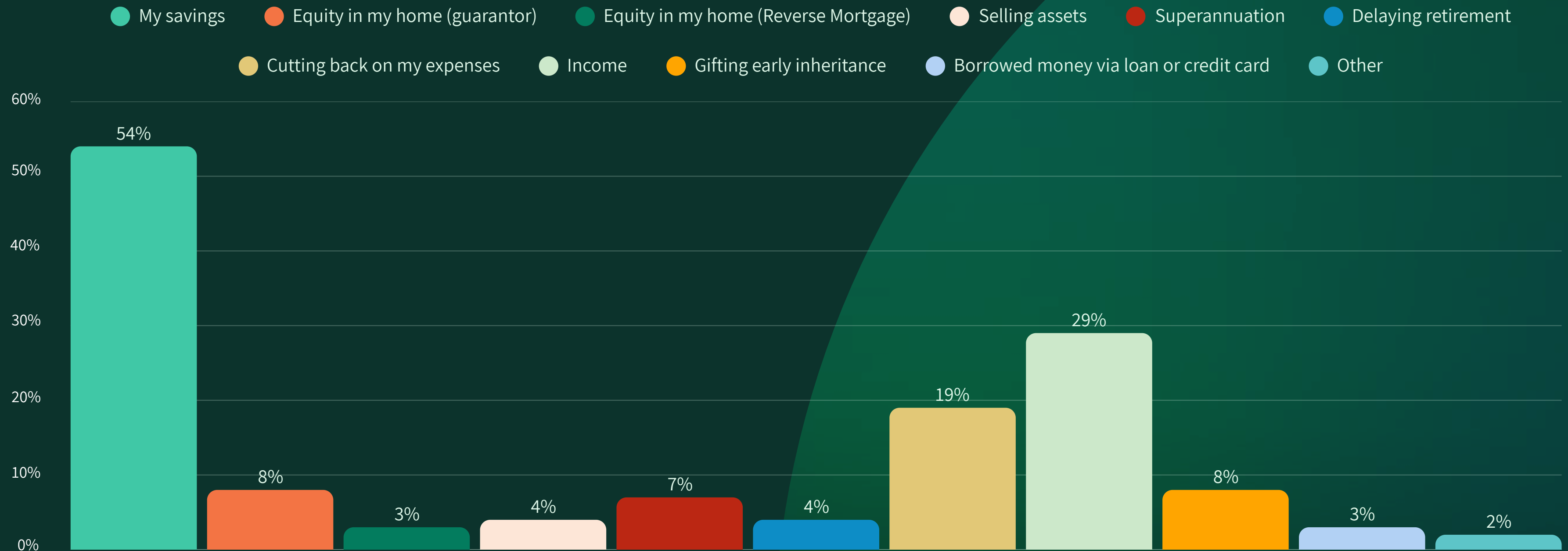
The shift suggests that while the trend of providing free accommodation to children is more common, parents may be opting for a “set them up and send them off” approach.

Perhaps parents are offering this support for shorter periods, or with tighter budgets, as larger upfront gifts become the norm.



How are they funding it?

Despite this growing financial commitment, most parents are willing to make sacrifices to assist their children. More than half (54%) have dipped into their savings to provide financial aid, while nearly one third (29%) used their income. One fifth (19%) cut back on their expenses to help fund their child's homeownership aspirations.



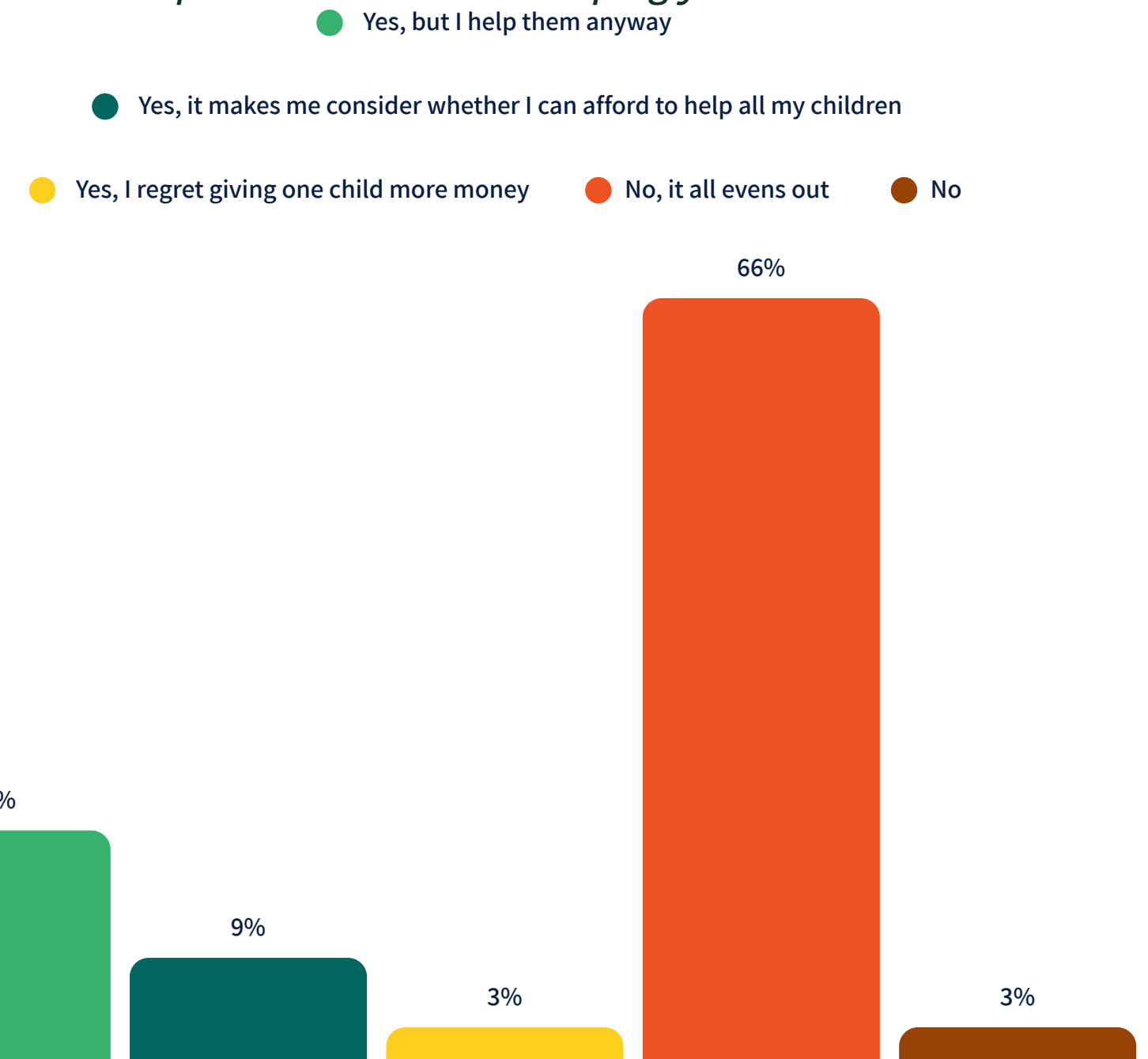
Are parents supporting all children **equally**?

The vast majority (83%) of parents told Mozo that all of their children receive equal financial support, regardless of whether they live nearby or interstate. However, when it comes to considering the financial repercussions of helping one child over others, opinions are more varied.

20% of parents admitted they considered the impact that might have on their other children, but help them anyway, 9% said it makes them consider whether they can afford to help their other children, and 3% said they regretted supporting one child more money, as they now have less to help others.

Overall, most (66%) believe their children receive different support at different times and that it all “evens out” in the end.

When you help one child with a financial problem, do you think about the repercussions of then helping your other children?

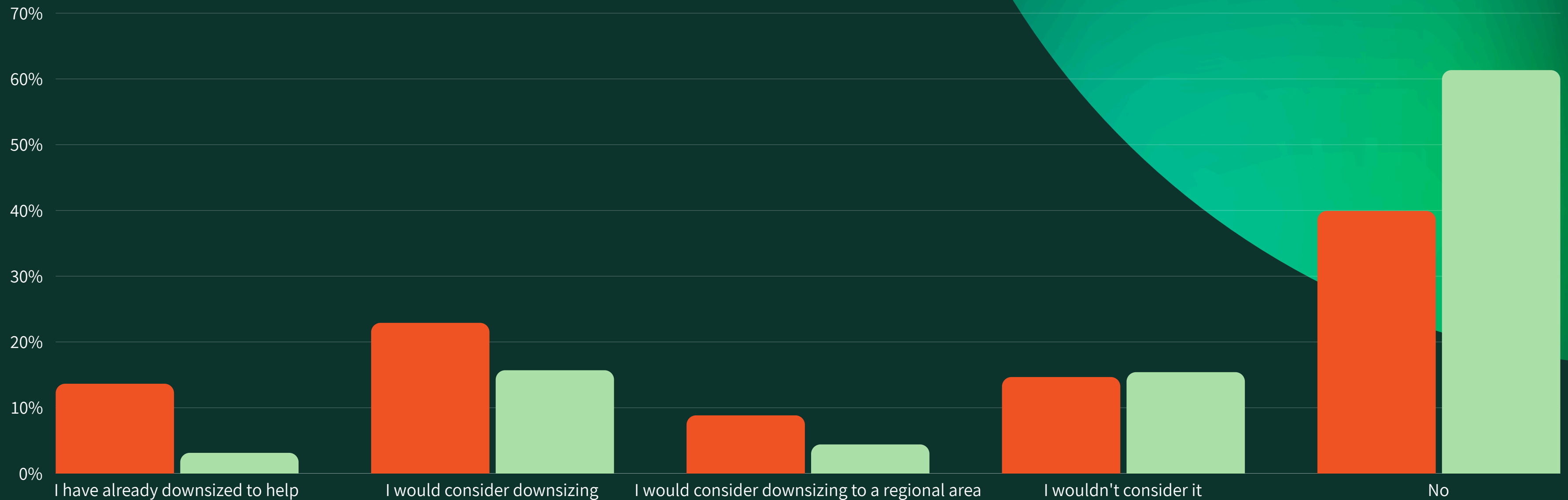


Parents are less willing to **downsize**

While more parents are gifting financial support in 2025, fewer are willing to sacrifice their own living arrangements to do so, with Mozo research howing a growing reluctance from Australian parents to downsize for the sake of their children's homeownership goals.

In 2025, 76% of parents said they wouldn't consider downsizing to help financially, up from 55% in 2021, while just 3% had already downsized to help their children financially in 2025, compared to 14% in 2021.

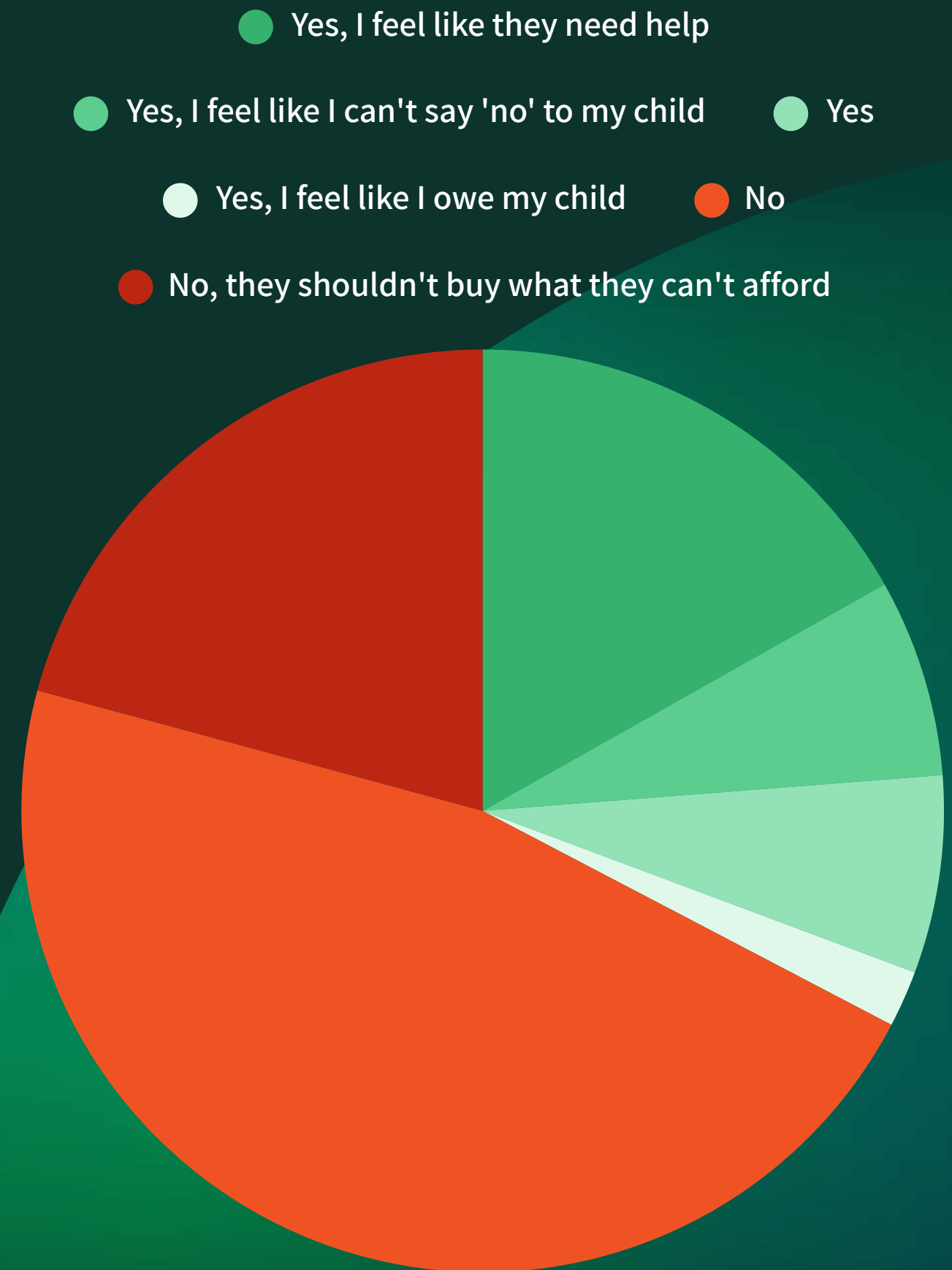
● 2021 ● 2025



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1 in 3 feel emotional pressure to financially support their children

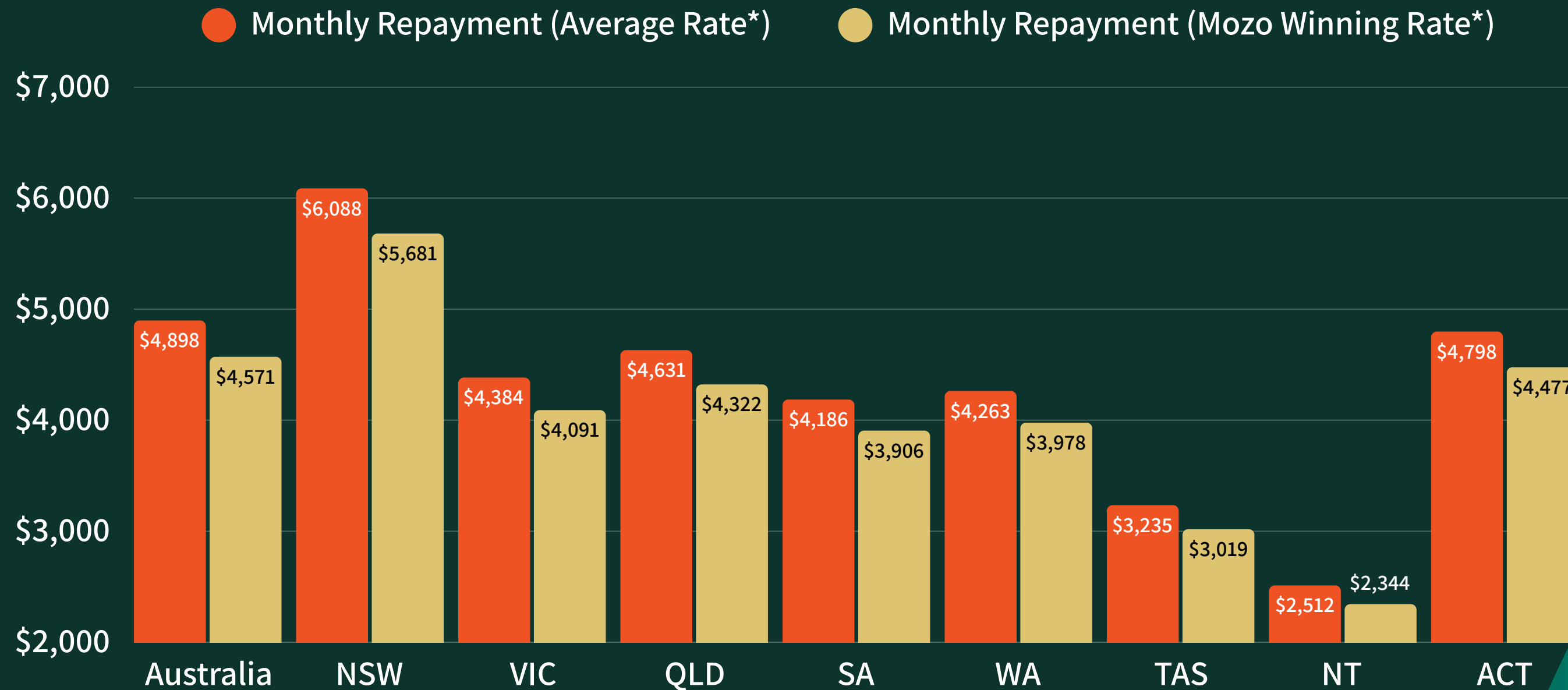
“Do you feel emotional pressure to say 'yes' to your child when they ask you for money?”



Gifts won't save you from high rates

Even with help from Mum and Dad for a deposit, picking the wrong home loan could cost you thousands of dollars.

Switching to a Low Cost home loan, like the winners of the Mozo Experts Choice Awards, could help buyers cut repayments by over \$300 a month, or \$4,000 a year, based on the mean price of residential dwellings in Australia.



[WINNERS LIST](#)



Source: Mozo.com.au based on repayments for a \$500,000 owner occupier home loan with principal and interest repayments, 80% LVR, 23 April 2025, over 30 years. Average variable rate of 6.42% p.a. used as per the Mozo database and the Mozo Experts Choice Award Low Cost Home Loan winners average variable rate of 5.77%p.a. Home loan sizes based on the current mean price of residential dwellings as per the ABS Total Value of Dwellings March 2025 release.

How much do you need to buy in 2025?

Mozo’s analysis shows that in order to afford the ABS mean residential dwelling price of \$976,800, at an average home loan rate of 6.42%p.a., buyers need to manage monthly repayments of \$4,898.

When you factor in the 3% serviceability buffer mandated by APRA this pushes the repayments buyers must prove they can afford to over \$6,500 per month.

Taking this scenario, the data shows a solo applicant would require a minimum annual income of \$149,244 to be able to afford the average home, which effectively prices out many single income earners, even those earning well above the national average.

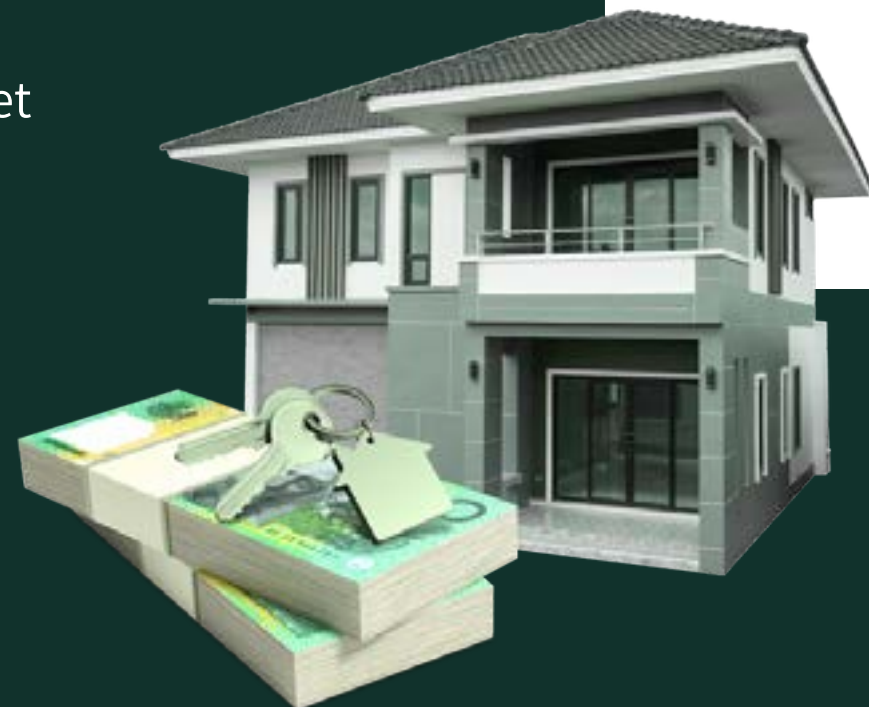
Location	20% Home Loan Deposit Amount	Monthly Repayment (6.42% p.a.)	Monthly Repayment with Buffer (+3%)	Annual Income (minimum, pre tax)
Australia	\$195,360	\$4,898	\$6,525	\$149,244
NSW	\$242,820	\$6,088	\$8,110	\$178,825
VIC	\$174,840	\$4,384	\$5,840	\$133,714
QLD	\$184,720	\$4,631	\$6,170	\$143,665
SA	\$166,940	\$4,186	\$5,576	\$130,130
WA	\$170,020	\$4,263	\$5,679	\$139,727
TAS	\$129,040	\$3,235	\$4,310	\$107,177
NT	\$100,180	\$2,512	\$3,346	\$102,711
ACT	\$191,360	\$4,798	\$6,392	\$148,059

No Gift?

Boost your buying power without the Bank of Mum and Dad.

Not everyone has access to the Bank of Mum and Dad to get a foot on the property ladder, but that doesn't mean you're out of options.

First home buyers that don't have the luxury of a gifted deposit, here are three smart money moves you can make that could get you one step closer to home ownership.



1

FIRST HOME SUPER SAVER SCHEME (FHSSS)

First home buyers who are looking to supercharge their savings might want to start making voluntary superannuation contributions (up to \$15,000/year, \$50,000 total) into their super fund via the FHSSS. When it's time to buy your first home, first home buyers can withdraw these additional contributions, and receive a 30% tax offset on the withdrawal.

2

CASH IN ON GOVERNMENT HOUSING SCHEMES

From the national First Home Guarantee to state based grants and stamp duty concessions, there are a wide range of government housing schemes available to help first home buyers. While each state and territory offers different perks, checking what's available in your area could open up new opportunities for you, including the chance to avoid paying LMI if you can't save a 20% deposit.

3

CONSIDER RENT-VESTING OR GOING REGIONAL

If buying where you want to live feels like it's out of reach, it might be time to think outside the box. Regional areas can offer more affordable entry points, and some areas also come with extra government incentives, like the Regional First Home Buyer Guarantee. There is also the option of rent-vesting, where you continue to rent where you want to live (but can't afford), while purchasing an investment property in an area you can afford (but don't want to live).



Mozo Research Methodology

This research report was compiled using a nationally representative survey of 1,019 Australian parents 18 years and over with adult children, with information collected via Pure Profile in January 2025.

This follows on from a nationally representative survey of 1007 Australians aged 18 years and above Mozo conducted via Researchify between June and July 2021. In the 2025 survey, Mozo asked survey respondents a mix of identical questions asked in the 2021 survey - to determine the evolution of the Bank of Mum and Dad - and new questions that were added to contextualise the findings for 2025.

Where percentages in the report total greater than 100%, survey respondents were able to select more than one answer, and in some cases numbers and percentages have been rounded.

The estimated potential savings calculations included in this report were conducted using rates collected as part of the Mozo Experts Choice Awards 2025 judging process for Home Loans and the ABS Total Value of Dwelling March 2025 release.



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