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HIA supports next steps for First Home Loan Deposit Scheme

“Housing is a national priority and HIA welcomes the Senate passing legislation that will facilitate the next step in making the First Home Loan Deposit Scheme a reality,” stated Graham Wolfe, HIA Managing Director.

“The Bill’s passage means that the National Housing Finance and Investment Corporation (NHFIC) will be able to offer the deposit guarantees that underpin the First Home Loan Deposit Scheme.

“The legislation also establishes a new housing research function within NHFIC, which is supported by \$25 million in funding, to examine housing demand, supply and affordability.

“HIA has long argued that there needs to be a national approach to helping first home buyers enter the market and to address the time that saving a deposit now takes.

“First home buyers are concerned about the time it takes to save a 20 per cent deposit and the added upfront cost of mortgage insurance when seeking a loan with less than 20 per cent deposit.

“Along with stamp duty and securing finance, the time it takes to save a home deposit remains one of the main barriers to people’s home ownership aspiration.

“This Scheme can make a real difference. HIA estimates show that the Scheme could save an average first home buyer with less than 20 per cent deposit tens of thousands of dollars over the life of their loan.

“Helping 10,000 first home buyers a year achieve their home ownership dream sooner, by providing a guarantee to support eligible buyers approach a lender with a deposit of 5 per cent or more, will take some of this pressure off.

“Independent research shows that half of all renters believe they will never afford to buy a home even though over 90 per cent of renters would like to. Renters will also benefit from the Scheme as more new houses and more home owners mean more supply and less pressure on rental prices.

“It is widely accepted that long term, secure and stable housing tenure helps people achieve many of their life goals. Home ownership matters to the wellbeing of the economy and the community.

“HIA will continue to work with the Government to see the Scheme rolled out from 1 January 2020,” concluded Mr Wolfe.

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