

MEDIA RELEASE



1 July 2020

First home buyers receive another boost: HIA

The release today of 10,000 new guarantees under the First Home Loan Deposit Scheme will provide another boost for home buyers looking to move into their first home.

“The First Home Loan Deposit Scheme recognises the importance of making the pathway to home ownership reasonable and timely for first home buyers,” said HIA Chief Executive Industry Policy, Kristin Brookfield.

The First Home Loan Deposit Scheme allows home buyers to access a home loan with a smaller (5 per cent) deposit with 27 lending bodies operating under the Scheme to provide home loans at market rates.

“Buying a first home is the beginning for many in settling into a good financial routine and building a lifetime in a place they already love or will grow to love.

“The deposit gap remains the largest impediment for most people in accessing a home loan and starting their home ownership story. Recognising that many people have the capacity to meet regular loan repayments, but are struggling to save the ‘extra’ needed to make a 15 per cent deposit, is the key to this Scheme.”

“The take up of the first tranche of 10,000 places over the last 6 months has proven the Scheme meets a real need. It proves that there are many people willing and able to buy a home, but the financial rules and tighter lending criteria have been in their way.

The positive response to fully take up the first 10,000 guarantees is expected to be repeated with this new allocation, helping another 10,000 households save time and money.

“While people aged under 35 make up the lions share of the guarantees, over 20 per cent of the first tranche were provided to people over 35, with 11 per cent aged over 40.

“It’s also interesting to see that more than half of the applicants were singles, and earned on average just over \$60,000 a year, which is well below the income cap of \$125,000.

“The homes bought are also below the maximum price thresholds for each region, which suggests there are houses available to first home buyers in every state and territory.

“With the existing first home owner grants available for new homes, stamp duty exemptions in most states and territories, the HomeBuilder grant and the guarantees under this Scheme, first home buyers are well placed to achieve their home ownership dream. The additional state grants available in Tasmania, Western Australia and the Northern Territory, also provide an even greater incentive to act.”

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