

# MEDIA RELEASE



3 November 2020

## New home deposit guarantee will help first home buyers: HIA

The Housing Industry Association (HIA) welcomes the news that banks will start accepting loan applications for the New Home Guarantee under the First Home Loan Deposit Scheme.

“The emphasis on new builds and an increase on the price caps for new homes means that it has never been a better time for Australians to think about building or buying a newly built home,” said Kristin Brookfield, HIA Chief Executive Industry Policy.

“In the 2020-21 Federal Budget, the Australian Government announced an additional 10,000 places in the Scheme for the 2020-21 financial year to support economic activity and create jobs in the residential building sector.

“Today’s announcement that banks are now open for business and accepting applications is great news.

“The First Home Loan Deposit Scheme has proven to be a success since its inception with the first two allocations being well subscribed but it was obvious new home buyers were being disadvantaged by some of the scheme rules.

“The release of new fact sheets that outline the price caps, the time to take up the guarantee and the time to build, will help first home buyers move into a new home.

The Government has also changed the eligibility criteria for the scheme to ensure a broad demographic can now access it. These changes include:

- providing an additional 10,000 places for new homes only,
- the places are only available until 30 June 2021 to stimulate building activity,
- property price caps have been increased in all states and regions, and
- timing under the scheme is better suited to support off the plan purchases and new building contracts.

“The Scheme provides critical support for first home buyers to overcome the deposit savings trap and achieve home ownership sooner.

“The time it takes to save a deposit is always a challenge for first home buyers, but today more than ever, combining this with tougher lending restrictions had meant first home buyers have been waiting years to achieve their home ownership dream.

“HIA has always argued Australians still hold close to their hearts the dream of owning their own home.

“Increasing the number of applicants able to access the Scheme will not only help to boost the economy, but will clearly help lower and middle income workers move into a home of their own much sooner.”

### Media contacts

Kristin Brookfield,  
Joe Shanahan,

Chief Executive Industry Policy  
National Media & Government Relations Manager

0409 853 053

0410 449 556