

Media Release

Mr Tim Pallas MP

Treasurer

Minister for Economic Development

Minister for Industrial Relations



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HELPING THOUSANDS OF VICTORIANS BUY THEIR OWN HOME

The Victorian Government is helping more Victorians buy their own home with the launch of the Victorian Homebuyer Fund (VHF).

Stable, affordable housing has always been important, but the pandemic has heightened financial pressures for Victorians and highlighted the value of having a secure, safe place to call your own.

The VHF shared equity arrangement will make it easier for more people to buy a home by reducing the amount of money eligible participants need to enter the market and relieving Victorian homebuyers from the extra financial burden of Lenders' Mortgage Insurance.

The \$500 million VHF is expected to support more than 3,000 Victorians become homeowners, and is an expansion of the Government's successful \$50 million HomesVic Shared Equity Initiative, a pilot program that supported more than 335 households to buy their first home.

Eligibility criteria under the VHF will be broader than the HomesVic pilot, making shared equity accessible to more Victorians. Under the new scheme, they no longer need to be first home buyers, can buy in a broader range of locations and can have higher household incomes than compared to the earlier pilot.

The VHF is available to Australian citizens or permanent residents over the age of 18 years, who currently don't have an interest in a property and who meet the income thresholds.

Eligible participants only require a 5 per cent deposit and the Government provides up to 25 per cent of the purchase price, in exchange for an equivalent share in the property.

Aboriginal and Torres Strait Islander homebuyers can buy with a deposit as low as 3.5 per cent and receive a Government contribution of up to 35 per cent, in exchange for an equivalent share in the property.

Homeowners can buy out the Government's share at market value over time if they choose, with funds then reinvested to help other aspiring homebuyers get into the property market.

Eligible participants can purchase in any location in Metropolitan Melbourne and are provided with a broad range of regional options when searching for their home. The value of the property cannot exceed \$950,000 in Metropolitan Melbourne and Geelong, while the price cap in Regional Victoria excluding Geelong is \$600,000.

Victorian Homebuyer Fund participants are still eligible for other Victorian Government housing schemes, including the First Home Owner Grant and first home buyer stamp duty concessions or exemptions. For further information, visit vic.gov.au/homebuyer.

Quotes attributable to Treasurer Tim Pallas

"It can take years to save for a deposit – through our Victorian Homebuyer Fund, more than 3,000 Victorians are expected to enter their own home sooner."

"The pandemic has underscored the value of a secure, safe home to call your own – that's what this program will provide for thousands of Victorians."

"This will make it easier to secure your own home and we're proud to play our part in helping Victorians realise this dream – because there's no place like home and we want every Victorian to know that feeling."

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