

# Media Release

**Mr Tim Pallas MP**

Treasurer

Minister for Economic Development

Minister for Industrial Relations



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## SHARED EQUITY OPENS DOORS FOR WOULD-BE HOMEOWNERS

The Andrews Labor Government is calling on aspiring homeowners to investigate their eligibility for a landmark shared equity scheme that has seen hundreds of Victorians take the keys to new homes in just months.

Launched last October, the \$500 million Victorian Homebuyer Fund has already approved more than \$75 million in shared equity funding, allowing 500 Victorians to settle on their properties.

Hundreds more approvals have been made allowing participants to make offers on properties in Melbourne, Geelong and dozens of other locations around the state. The scheme has the capacity to help up to 3,000 applicants achieve their home-ownership dream.

The median price of properties purchased under the scheme is around \$630,000 and the median state equity contribution sits around \$150,000. For single households, the Fund is mostly supporting people with annual incomes of between \$40,000 and \$80,000.

Demand has been strongest in the 25-44 age group with most approvals so far in Melbourne and Geelong.

Research shows it takes first home buyers an average of eight years to save a 15 per cent deposit for a typical home in greater Melbourne.

The Fund reduces the required deposit for participants to just 5 per cent and contributes up to 25 per cent towards the purchase price of the property in exchange for an equivalent share in the property. The higher joint equity has the added benefit of relieving homebuyers from the costs of obtaining Lenders' Mortgage Insurance.

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.

Homeowners can buy out the Government's share at market value over time, with payments reinvested to help other aspiring homebuyers get into the property market. The maximum purchase price cannot exceed \$950,000 in Melbourne and Geelong, and \$600,000 in regional Victoria.

Eligible regional locations total 42 and include Bendigo, Mildura, Shepparton, Ballarat, Daylesford, Warragul, Sale, Gisborne, Portland, Echuca and Bairnsdale, chosen based on factors including population forecasts and jobs growth.

Participants must earn no more than \$125,000 for singles or a combined \$200,000 for multiple person households.

Victoria is leading the way in helping people into home ownership – a recent Grattan Institute report detailed the merits of shared-equity schemes and called for the establishment of a national scheme.

For more information on the Fund, visit [sro.vic.gov.au/homebuyer](https://sro.vic.gov.au/homebuyer).

### Quotes attributable to Treasurer Tim Pallas

*"We know it can take years to save for a home deposit and this is a really practical way that we can help Victorians get into their own homes sooner."*

*"More than 500 people have already received the keys to move in – that's a brilliant outcome."*

### Quotes attributable to homeowner and Victorian Homebuyer Fund member Nicole Davenport

*"Buying our new home has meant that my daughters can stay close to their school and their friends and I can remain connected to my friends and community activities."*

*"I honestly thought home ownership was always going to be out of the question, so to secure a new home with a garden and plenty of room for everyone, including our pets, is just a dream come true."*

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