

# Media Release

**Mr Tim Pallas MP**

Treasurer

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## **\$1.1 BILLION HOMEBUYER FUND BOOST TO DELIVER MORE DREAMS**

The Andrews Labor Government is super-sizing the popular Victorian Homebuyer Fund – committing \$1.1 billion to triple the size of available support and help thousands more Victorians realise their dream of owning a home.

The new funding will add to the \$500 million existing investment in the shared equity scheme that makes home ownership more achievable for many Victorians. So far, the fund has helped more than 2,000 Victorians buy a home with an additional 1,000 applicants approved to start house-hunting knowing they have a secure funding partner.

Through the shared equity scheme, eligible participants require only a five per cent deposit and the Victorian Government provides up to 25 per cent of the purchase price of the home – reducing the size of participants' mortgage repayments and also saving lenders mortgage insurance.

Participating 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 scheme is open to homes valued below \$950,000 in Melbourne and Geelong, and \$600,000 in regional Victoria.

The new investment will open the door to home ownership to a further 7,000 people, taking the total to 10,000.

More than half of the Victorian Homebuyer Fund's successful homeowners are first home buyers, who are also eligible for other significant Andrews Labor Government grants and stamp duty exemptions and concessions.

More than 230 Victorian Homebuyer Fund purchasers are based in regional Victoria, including Krista and Ken Navarro who settled on their \$595,000 home in the Ballarat suburb of Invermay Park in March.

The couple paid a five per cent deposit and benefited from a \$148,750 Homebuyer Fund equity contribution. They did not pay lenders mortgage insurance and as first home buyers also qualified for a stamp duty exemption, saving a further \$30,000.

Melbourne couple Harley Bougoure-Latchford and Samruai Raikuea credited the Fund for helping them realise their homeownership ambitions, recently settling on their \$901,000 home in the south-eastern suburb of Skye.

The couple paid a 9.5 per cent deposit and benefited from a \$225,250 Homebuyer Fund equity contribution. Because of the Fund's contribution, they did not pay lenders mortgage insurance, saving approximately \$28,000.

The typical Victorian Homebuyer Fund member to date has paid an average deposit of \$35,000 on a property purchase price of around \$650,000, with the Fund contributing shared equity of \$155,000.

The Victorian Homebuyer Fund was launched in October last year, and Victoria is working co-operatively with the Commonwealth Government as it prepares its Help To Buy shared-equity scheme, which will add to the choices available to families and individuals.

The Labor Government's support for first-home buyers last financial year topped \$1.1 billion, with \$801 million paid in stamp duty exemptions and concessions to more than 44,000 purchasers, \$223 million paid in \$10,000 First Home Owner Grants and \$150 million contributed in Victorian Homebuyer Fund shared equity.

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The extension of the Fund will be aided by a new lending partner, Indigenous Business Australia (IBA), which will be supporting more Aboriginal and Torres Strait Islander participants into the scheme.

For more information go to [sro.vic.gov.au/homebuyer](https://sro.vic.gov.au/homebuyer).

**Quotes attributable to Treasurer Tim Pallas**

*“The Victorian Homebuyer Fund has been popular for a reason – it helps people get into their own homes quicker with help from a secure partner.”*

*“Thousands more Victorians will now be able to realise their dreams with this new injection. Combined with the First Home Owner Grant and first home buyer stamp duty relief, it can make a massive difference.”*

**Quotes attributable to Skye homeowner Harley Bougoure-Latchford**

*“It’s our first home that we purchased – without the scheme, it wouldn’t have been possible for us. It was just fantastic to be approved.”*

*“We’ve got a pretty busy schedule with two full-time workers and kids’ schooling – the house came ready to go, nice and modern, with a backyard for the kids.”*

**Quotes attributable to Ballarat home owner Krista Navarro**

*“We’ve always been diligent savers but it’s very difficult for families to buy now.”*

*“The scheme helped us get into a fantastic family home in Ballarat that’s ideal for our young twins, and we didn’t have to completely wipe our savings.”*