

Media Release

Mr Tim Pallas MP

Treasurer

Minister for Industrial Relations

Minister for Trade and Investment



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PARTNERSHIP OPENS DOOR TO HOME OWNERSHIP FOR THOUSANDS

Victorians looking to buy a home have been encouraged to consider a government-backed scheme that has helped thousands of people by drastically reducing the up-front purchase costs.

The Andrews Labor Government's \$1.6 billion Victorian Homebuyer Fund contributes up to 25 per cent of a home's purchase price, reduces the required deposit to just five per cent and eliminates the need for buyers to pay costly premiums for lender's mortgage insurance.

The fund contribution means that on average buyers backed by the scheme pay a deposit of \$35,000 on a \$630,000 property, while the fund contributes more than \$155,000. The fund contribution on a home valued at the maximum \$950,000 would be up to \$237,500.

More than 2,500 Victorian families and individuals have taken possession of the keys to their new home since the fund was launched in October 2021, including Carnegie resident Vicki Stegink.

Ms Stegink realised her goal of owning her own home when she settled on a \$641,000 apartment, paying a five per cent deposit and receiving a 25 per cent Victorian Homebuyer Fund equity contribution.

Because of the fund's contribution, Ms Stegink did not pay lender's mortgage insurance, saving about \$20,000, and as a first home buyer she also benefitted from a \$24,000 stamp duty concession.

Separate to the Homebuyer Fund, the Labor Government provides grants and stamp duty rebates and concessions for tens of thousands of first-home buyers each year. In 2021, this support topped \$1 billion.

More than half of the people who have purchased a home through the Fund are first-time home buyers.

The Government recently boosted the Homebuyer Fund by \$1.1 billion, creating the capacity to support 10,000 people. Some 1,200 Victorians are currently looking for a home with pre-approval from the fund, which means there are thousands of positions still available.

Participants in the scheme can buy back the Government's share in the property over time. Applicants can earn up to \$128,000 or \$204,000 as a couple, while the maximum purchase price is \$950,000 in metropolitan Melbourne and Geelong, and \$600,000 in other parts of regional Victoria.

To provide a greater level of support to the Indigenous community, Aboriginal or Torres Strait Islander Victorians only require a 3.5 per cent deposit and are eligible for a 35 per cent shared equity contribution.

For more information on the fund, go to sro.vic.gov.au/homebuyer.

Quotes attributable to Treasurer Tim Pallas

"The Homebuyer Fund means families, couples and single people who may have been priced out of the market can get a foot in the door quicker, backed by the state."

"This initiative makes a real difference and combined with first-home buyer supports, it means more Victorians are realising their dreams of owning their own home."

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Quotes attributable to Carnegie homeowner Vicki Stegink

“I feel really fortunate to have had support through the Victorian Homebuyer Fund – it's safe to say I would still be renting if it wasn't for the scheme.”

“Even with very diligent budgeting, it's so hard for young people to keep up with the property market, and this was the leg-up that made it possible for me.”