

Media Release



For immediate release – 3 November 2022

WELCOME HOME: FHLDS HELPS 1 IN 7 FIRST TIME BUYERS GET FOOT IN THE DOOR

The Real Estate Institute of Australia (REIA) has welcomed the National Housing Finance and Investment Corporation's Trends and Insights Report on the First Home Loan Deposit Scheme (the Scheme) released today (3 November 2022).

REIA President, Hayden Groves, said any measures to help achieve Australians achieve home ownership from all regions and all ages are welcome with growing headwinds of inflation and interest rate rises.

"The latest ABS figures show the number of new loan commitments to owner-occupier first home buyers fell 8.3 per cent in September 2022.

"We saw a record number of Australians achieve their first home ownership dream during the COVID-19 pandemic and have seen that ease off in recent times.

"Programs like the FHLDS will need to remain front and centre as interest rate rises and inflationary pressures create more challenges for first home buyers, and we welcome the support the Scheme provides now for a significant 1 in 7 Australian home buyers.

Mr Groves said the Scheme is doing its job despite both housing and rental affordability decreasing.

"Since May, repayments on a \$500,000 mortgage have increased by almost \$700 each month and household saving is forecast to slump below pre-pandemic levels," he said.

"Nevertheless, the Scheme is doing its job. It is great that nearly 1400 recipients have transitioned out of the scheme into conventional loans and more than 40,000 Scheme recipients, are ahead of their repayments.

"Only fifteen guarantees were 60+ day in arrears which is less than 0.04% of all settled loans to date."

According to the report, Government guarantees supported around 1 in 5 first home buyers in Queensland.

"Nearly thirty per cent of all FHLDS guarantee issues were to Queenslanders and with 37 per cent of all FHG guarantee recipients residing in Queensland."

Mr Groves said the schemes have been instrumental in supporting first home buyers, including key workers, but cautioned that this market is finding the future less certain.

"We welcome the new and existing initiatives that will support more Australians achieve their first home ownership dream, other factors need to be addressed such as housing supply and stamp duty.

"REIA will continue to work with government to find meaningful ways of supporting the entire housing market urging for a National Housing and Homelessness Plan and the National Housing Supply and Affordability Council to tackle all aspects of the market."

ENDS

For any further information please contact Olwyn Conrau, REIA Media Consultant, 0413 600 350, olwyn.conrau@reia.com.au

Media Release



Established in 1924, REIA is a federated body of State & Territory Real Estate Institutes representing 85% of Australian real estate agencies. We are a national advocate for the Australian real estate industry which is made up of 46,793 Australian businesses that employs 133,360 Australians. For more information visit www.reia.com.au