



Australian Government



**NHFIC**

National Housing Finance  
and Investment Corporation

# HGS

—  
Home Guarantee Scheme  
Trends and Insights Report  
2022–23



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# About the Australian Government's Home Guarantee Scheme and recent policy commitments

**The Australian Government operates several programs to support eligible home buyers to purchase a home sooner.**

On 1 July 2022, the First Home Buyer Guarantee (FHBG), the New Home Guarantee (NHG) and the Family Home Guarantee (FHG) were brought under the new banner of the Home Guarantee Scheme (HGS or Scheme). Additionally, on 1 October 2022, the Regional First Home Buyer Guarantee (RFHBG) was launched under the Scheme.

During 2022–23, 50,000 places were available to eligible home buyers across the FHBG, FHG and RFHBG. The NHG closed to new applications on 30 June 2022.

In April 2023, the Government announced an expansion of the Scheme's eligibility criteria. From 1 July 2023, the Scheme opened to eligible permanent residents as well as Australian citizens, non-first home buyers who have not owned a property in the last 10 years and any two applicants broadly (i.e., that is, friends, siblings and other family members) as well as married or de facto couples. Additionally, the FHG was expanded to eligible single legal guardians with at least one dependent child as well as eligible single parents.

More information about the Scheme is available on the NHFIC website, including about eligibility, participating lenders and price caps.

Figure 1: Guarantees under the Scheme administered by NHFIC during 2022–23<sup>1</sup>

Name	Operating in 2022–23			New Home Guarantee
	First Home Guarantee	Family Home Guarantee	Regional First Home Buyer Guarantee	
	Introduced from 1 January 2020 for major banks and 1 February 2020 for non-major lenders	Introduced 1 July 2021	Introduced 1 October 2022	Introduced 2 November 2020
Purpose	To help first home buyers purchase their first home sooner	To help single parents with dependants purchase a family home sooner	To help regional home buyers purchase a home sooner in a regional area	To help first home buyers purchase a new home sooner
Minimum deposit	5%	2%	5%	5%
Scheme places made available in that financial year				
2019–20	10,000	-	-	-
2020–21	10,000	-	-	10,000
2021–22	10,000	10,000 over a 4-year period	-	10,000
2022–23	35,000	5,000	10,000	-

Source: NHFIC

1. Previously known as First Home Loan Deposit Scheme (FHLDS).



# Introduction

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NHFIC's annual Trends and Insights Report provides the fourth annual snapshot of the operation of the Scheme. The report covers the 12-months from 1 July 2022 to 30 June 2023 (2022–23), as well as broader trends since the Scheme's initial implementation on 1 January 2020.

The insights in this report should be considered in the context of changes in the broader macroeconomic environment. This report includes data insights at a time when first home buyers experienced the most rapid increase in interest rates in 30 years, after an extended period of unusually low interest rates.

As this report shows, despite the higher interest rate environment, the Scheme continues to support tens of thousands of first home buyers to move into home ownership sooner than they otherwise would. Growing evidence suggests the Scheme is operating effectively as a temporary support, with thousands of buyers under it already achieving sufficient financial gain to relinquish their government guarantees – despite the Scheme only operating for a few years.

The report includes insights into:

- **Who** – the profiles of first home buyers and single parents accessing the Scheme
- **What** – the types of properties bought under the Scheme, and in what locations
- **How** – the way the Scheme is supporting key workers and other participants to buy their first home

NHFIC will continue to monitor how the Scheme is assisting Australian households to move into home ownership sooner.

# Key points

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- **Scheme share of the First Home Buyer market has grown significantly.**  
Across Australia, close to 1 in 3 of all first home buyers in 2022–23 were supported by the Scheme – a significant increase from the 1 in 7 during 2021–22. This increase in demand for the Scheme is likely due to a combination of the increased number of available Scheme places in 2022–23, the widened eligibility within the Scheme and first home buyer's facing a more challenging purchasing environment.
- **Guarantees issued in 2022–23 increased sharply, owing to the larger number of places available, supporting around 41,700 Australians into home ownership.**  
More than 32,500 guarantees were issued in 2022–23, an increase of around 39% on 2021–22, where 23,300 guarantees were issued. Nearly two-thirds of all available Scheme places were taken up in 2022–23.
- **The RFHBG has helped to support strong demand in regional areas across Australia.**  
Around 10,860 guarantees were issued to buyers in regional areas in 2022–23, across all schemes up from around 7,390 in 2021–22. Around 37% of all guarantees issued under the Scheme in 2022–23 were for first home buyers in regional areas.
- **Each year, an increasing proportion of younger buyers participate in the Scheme.**  
More than 1 in 2 of all places under the FHBG and RFHBG in 2022–23 were taken up by people under the age of 30, up from around 1 in 3 in 2019–20, the first year the Scheme was in operation. First home buyers aged 18–24 have seen a large increase in engagement, representing around 14% of all purchases in the FHBG in 2022–23, up from just 3% in 2019–20.
- **The Scheme is helping a growing number of key workers to purchase a home.**  
Around 7,721 guarantees were issued to key workers in 2022–23, up 37% from 5,650 in 2021–22. In 2022–23, more than 1 in 4 of all guarantees under the FBHG were issued to key workers such as teachers, nurses and social workers.
- **Uptake is strongest in Qld, with demand in WA also robust.**  
Qld and WA continue to experience strong demand for the Scheme among all the states and territories relative to their share of population and wider first home buyer lending. Qld's share of places in the FHBG was around 25%, relative to a population share of 20%. In NSW, demand for FHBG and RFHBG was proportionally higher relative to NSW's share of first home buyer purchases.
- **Nearly 10,000 households have already transitioned out of the Scheme.**  
More than 9,700 guaranteed loans (just over 12% of total guarantees issued) have been released under the Scheme since inception. Most buyers who transition out of the Scheme have accumulated enough equity to achieve an LVR of less than 80% and therefore no longer require a guarantee. For these buyers, the Scheme has acted as a gateway to traditional home ownership.
- **Arrears under the Scheme remain low and below broader market benchmarks.**  
Arrears under the Scheme remain at very low levels (less than 0.1%). This is considerably less than the market average for high LVR lending. Given the macroeconomic environment, in the coming year, arrears may rise in line with the broader home loan market.

# Trends and insights

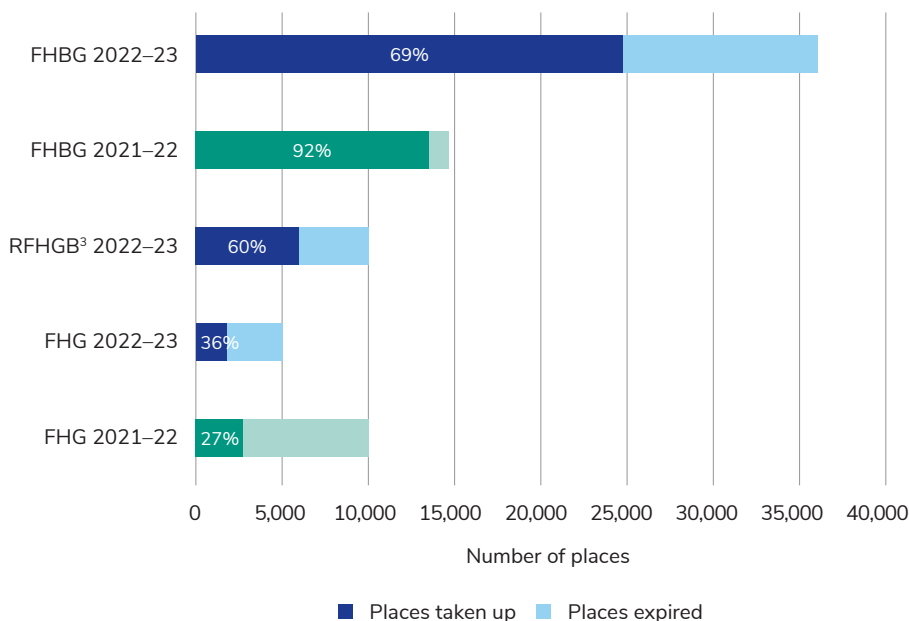
In 2022–23, 32,500 guarantees were issued, supporting more than 41,700 Australians to purchase a home. Almost two-thirds (64%) of available places across the Scheme were taken up.<sup>2</sup> The number of guarantees issued was 39% higher compared with the previous financial year, when around 23,300 guarantees were issued.

Figure 2: Take-up of HGS places by guarantee type and financial year (as at 30 June 2023)



**32,500**

home purchases across Australia supported by the schemes



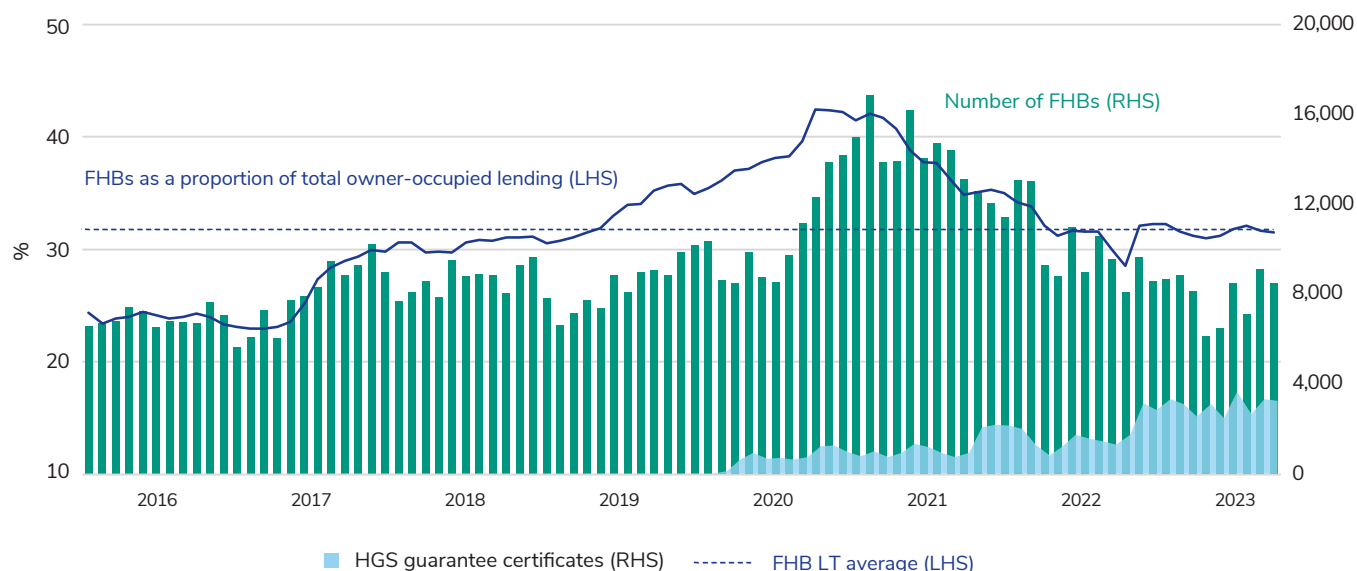
Source: NHFC

<sup>2</sup> The NHFC Investment Mandate Amendment (Removal of Limit on Major Bank Guarantees) Direction 2023 was released on 15 June 2023. The major banks reached their limit of available places under the NHFC Investment Mandate before the end of 2022–23.  
<sup>3</sup> RFHGB was not available in 2021–22 and launched 1 October 2022.

Across Australia, close to 1 in 3 of all first home buyers in 2022–2023 were supported by the Scheme. This is a significant increase from 2021–2022, when the Scheme supported 1 in 7 first home buyers.

The dramatic change is likely due to a combination of the increased number of available Scheme places in 2022–23, the widened eligibility within the Scheme and first home buyer’s facing a more challenging purchasing environment. During the pandemic, first home buyer activity rose to very high levels following large fiscal and monetary stimulus. In 2022–23, first home buyers as a proportion of lending was around long-run average levels.

Figure 3: First home buyer loan commitments in Australia, February 2016 to June 2023

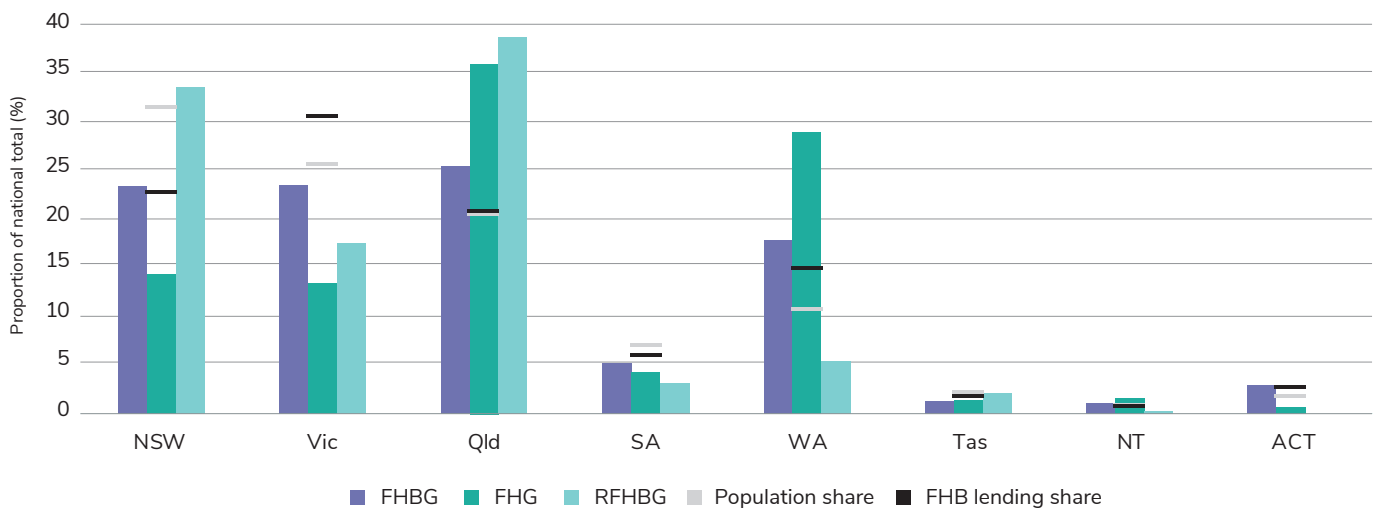


Source: ABS / NHFIC

## Uptake by state and territory

Relative to population share and total first home buyer lending activity, Qld and WA continue to experience the strongest demand for the Scheme. Qld had the highest concentration of guarantees out of all the states and territories in 2022–23, with around 25% of all FHBGs, compared with a population share of 20% and overall first home buyer lending share of 21%.

Figure 4: Distribution of 2022–23 guarantees under HGS compared with first home buyer loan commitments and population



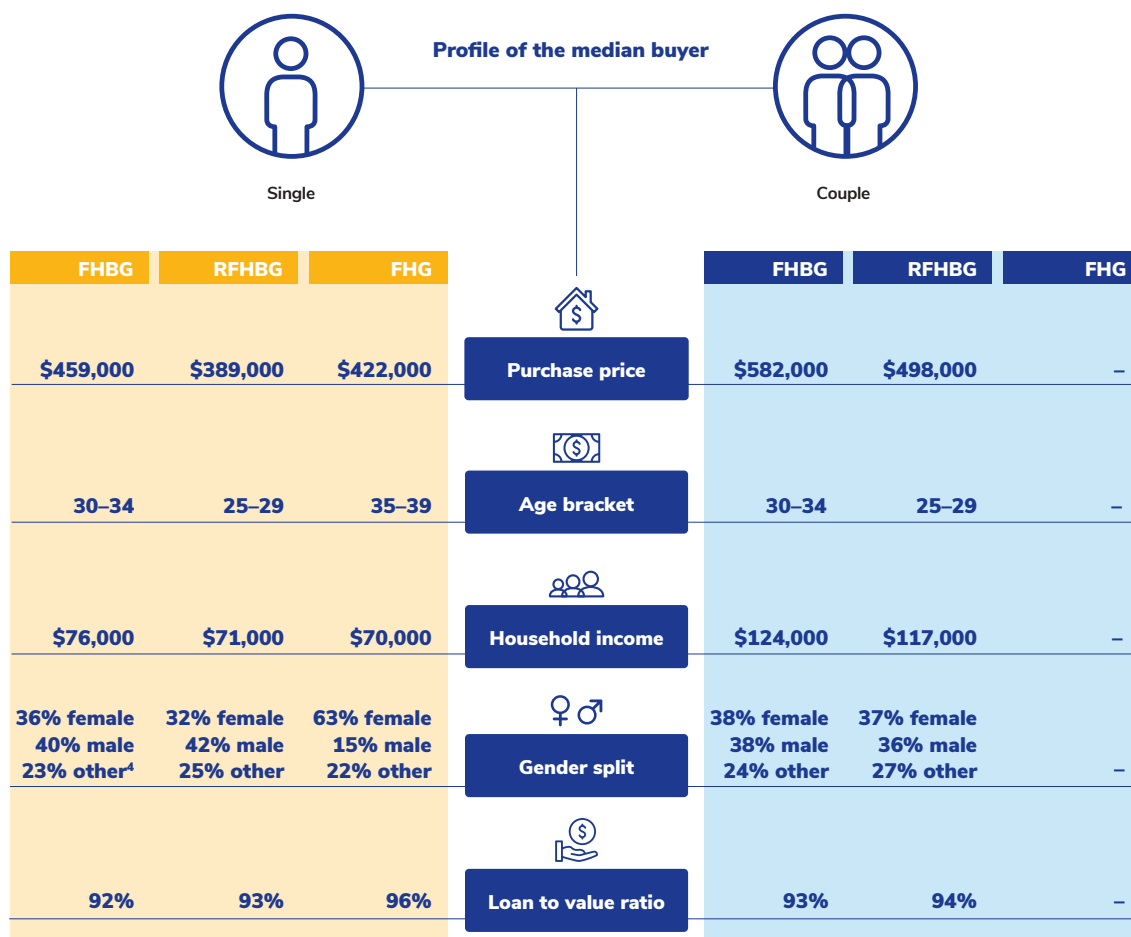
Source: ABS / NHFC



## Participant profiles

In 2022–23, the typical profile of a FHBG recipient was a household with a prime inhabitant aged 30–34 years, with income of around \$76,000 for singles and \$124,000 for couples. The average purchase price under the FHBG was around \$459,000 for singles and \$582,000 for couples. The new RFHBG, operating only in regional areas of Australia, has attracted younger buyers with an average age of 25–29 years. RFHBG participants typically purchased properties at a lower price point than the other guarantee types, with an average price of around \$389,000.

Figure 5: Profile of the median HGS buyer



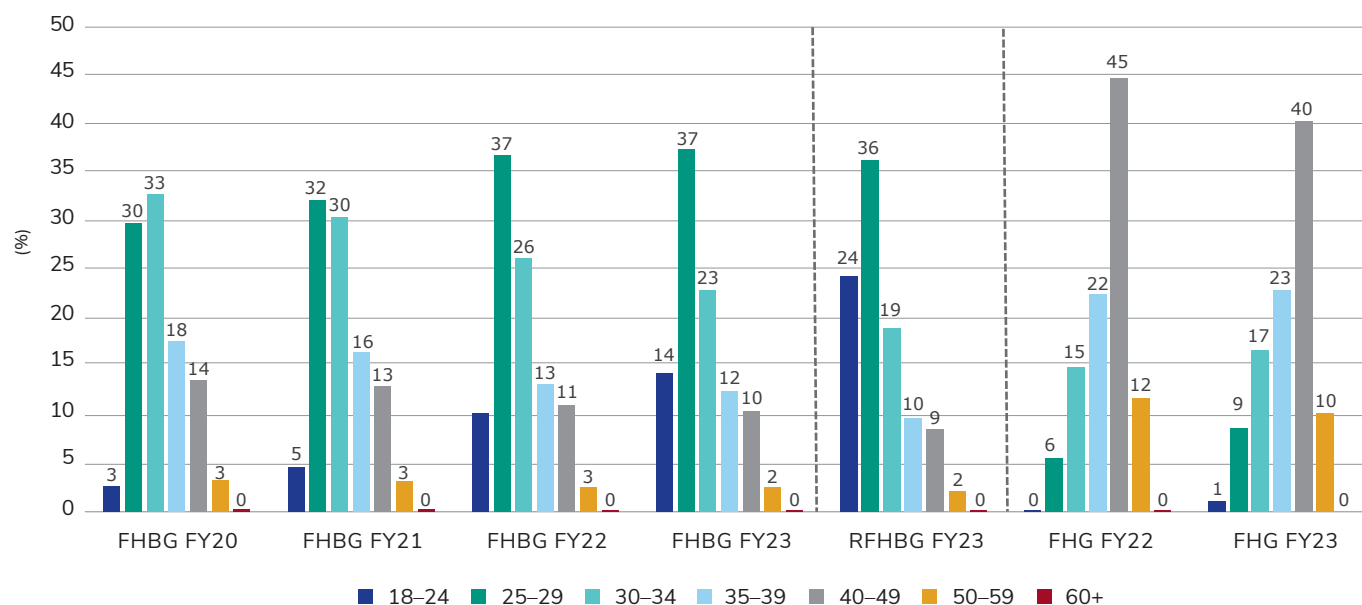
Source: NHFIC

<sup>4</sup> People who identify as non-binary or do not identify as male or female as well as those who prefer not to disclose their gender.

## Age groups

An increasing proportion of younger buyers have participated in the Scheme each year since its inception. At least 1 in 2 of all places under the FHBG and RFHBG in 2022–23 were taken up by people under the age of 30, up from around 1 in 3 in 2019–20, the first year the Scheme was in operation. In particular, the FHBG has had increased engagement from first home buyers aged 18–24, representing around 14% of all purchases in 2022–2023, up from just 3% in 2019–20.

Figure 6: Distribution of guarantees under HGS – by age range<sup>5</sup>



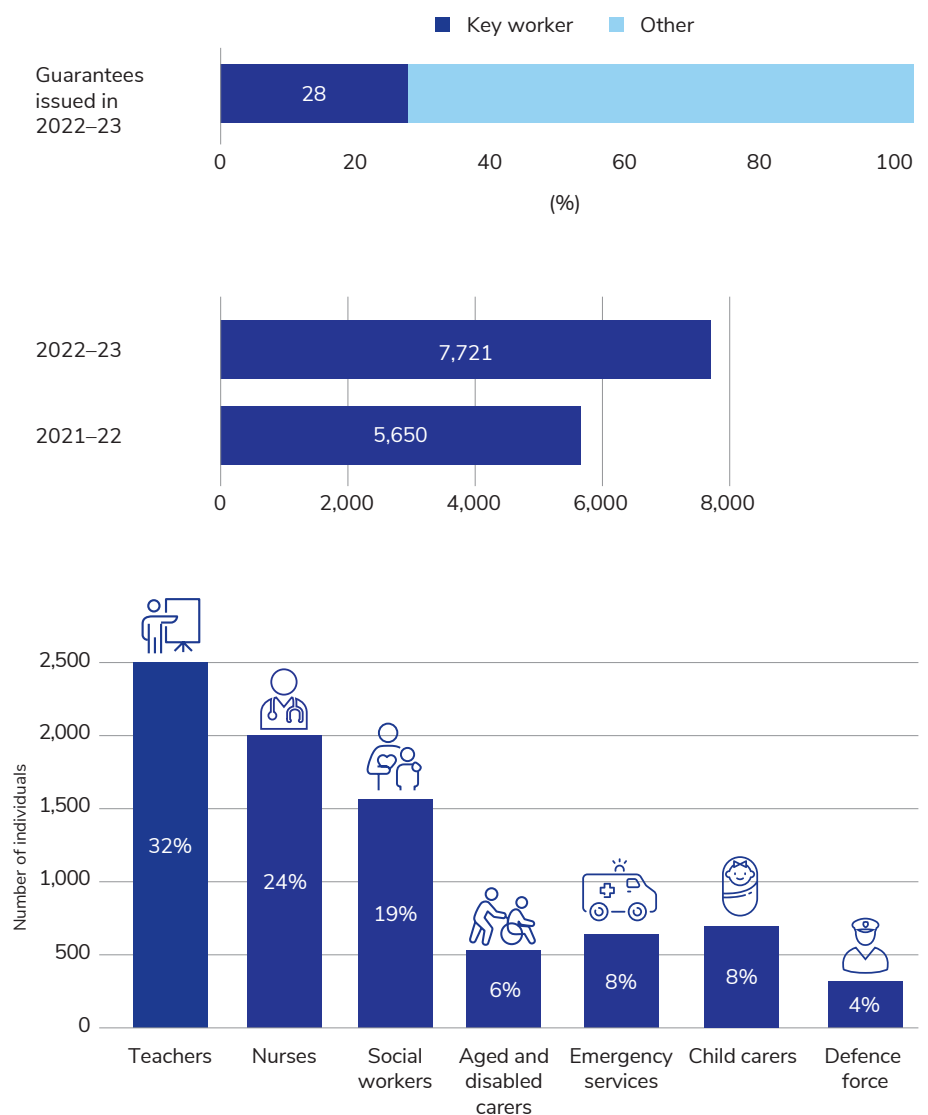
Source: NHFC

<sup>5</sup> The distribution by age is based on individual buyers, rather than scheme places. Those who submitted their scheme application as a couple have been treated as two separate individuals.

## Key workers

More than 1 in 4 of all guarantees under the FBHG were issued to key workers such as teachers, nurses and social workers in 2022–23. Around 7,721 guarantees were issued to key workers in 2022–23, up 37% from 5,650 in 2021–22. Of the key worker cohort, most applicants continue to be teachers, nurses and social workers.

Figure 7: Key workers<sup>6</sup> supported by HGS



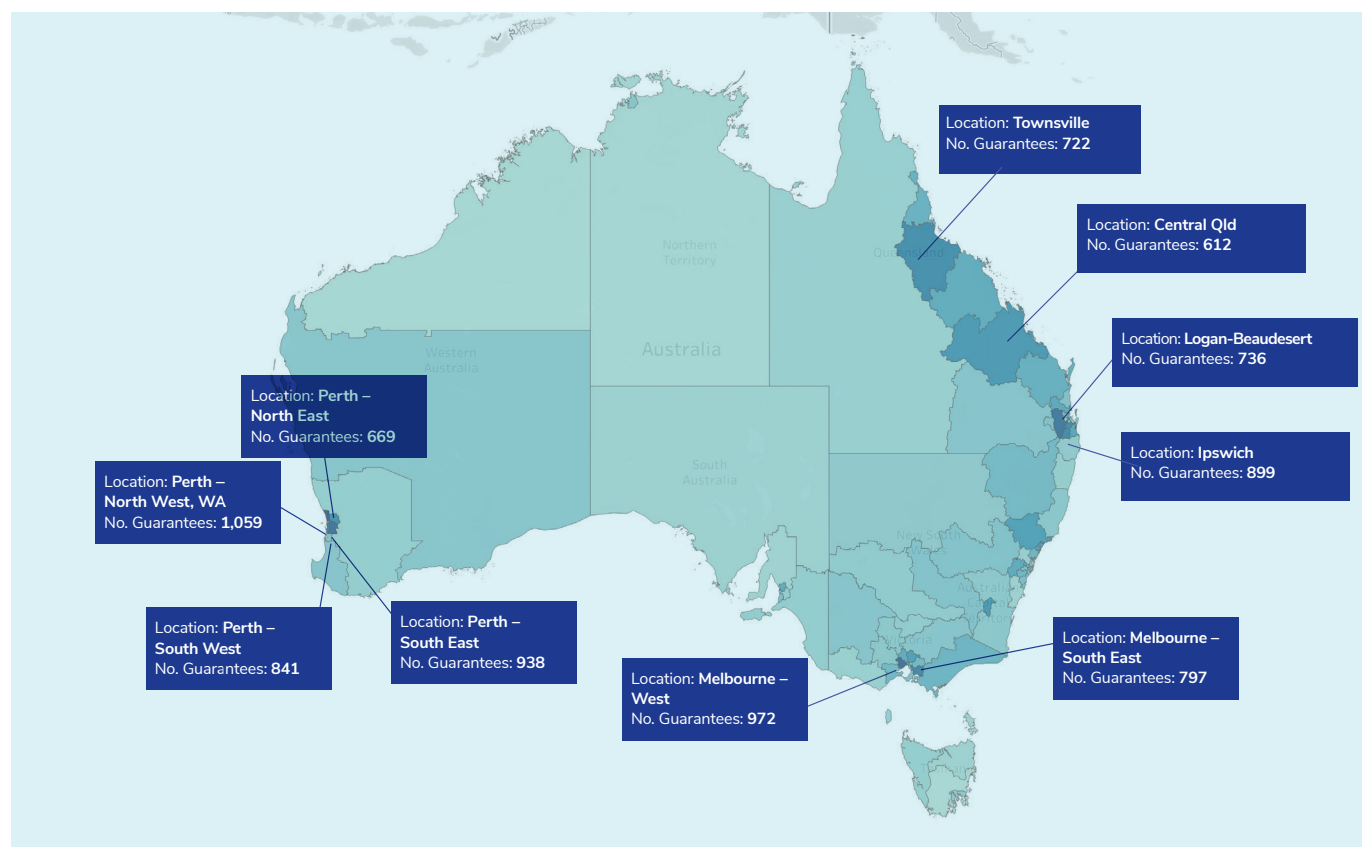
Source: NHFIC

<sup>6</sup> Occupations classified as key worker are: teachers; nurses; childcare workers; carers and aides; defence force members, firefighters, police, and other emergency service workers; ambulance officers and paramedics; and social and welfare professionals.

## Location

Regions located in Greater Perth, Melbourne, Greater Brisbane and regional Qld received the largest number of guarantees under the Scheme in 2022–23. Demand was highest in Perth's outer suburbs, in particular across the North-West region. Other well-supported regions were Perth's South-East and South-West regions (938 and 841 respectively), Melbourne's West (972) and Ipswich, Qld (899). In 2022–23, 8 of the top 10 regions were also in the top 10 regions for 2021–22: Melbourne's west, Perth's north-east, south-east, north-west and south-west, and Townsville, Ipswich and Logan–Beaudesert in Qld.

Figure 8: Top 10 regions<sup>7</sup> by number of guarantees issued under the HGS in 2022–23



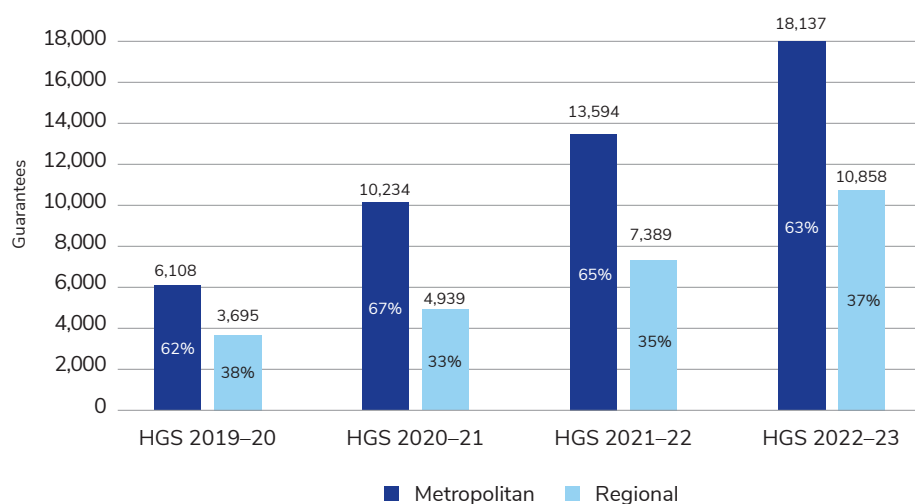
<sup>7</sup> Refers to Statistical Area Level 4 regions, as defined by the Australian Statistical Geography Standard (ASGS): Edition 3 – Main Structure and Greater Capital City Statistical Areas, July 2021, published by the Australian Bureau of Statistics.

Table 1: Postcodes nationally by number of Guarantees, 2022–23, across the Scheme

Postcode	Indicative Suburb <sup>1</sup>	Guarantees
4740	Mackay Harbour, Qld	286
6112	Armadale, WA	219
4207	Beenleigh, Qld	216
4350	East Toowoomba, Qld	202
3064	Craigieburn, Vic	185
4305	Ipswich, Qld	182
6171	Baldivis, WA	181
6164	Hammond Park, WA	178
3029	Truganina, Vic	177
4680	Gladstone, Qld	174

1 Postcodes can contain multiple suburbs, one is selected for illustrative purposes here.  
Source: NHFIC

The introduction of the RFHBG on 1 October 2022 has supported an increase in the number of purchases under the Scheme in regional areas. Almost 10,860 guarantees were issued in regional areas in 2022–23, up from around 7,390 in 2021–22.

Figure 9: HGS Guarantee Certificate allocations by metropolitan or regional area<sup>8</sup>

Source: NHFIC

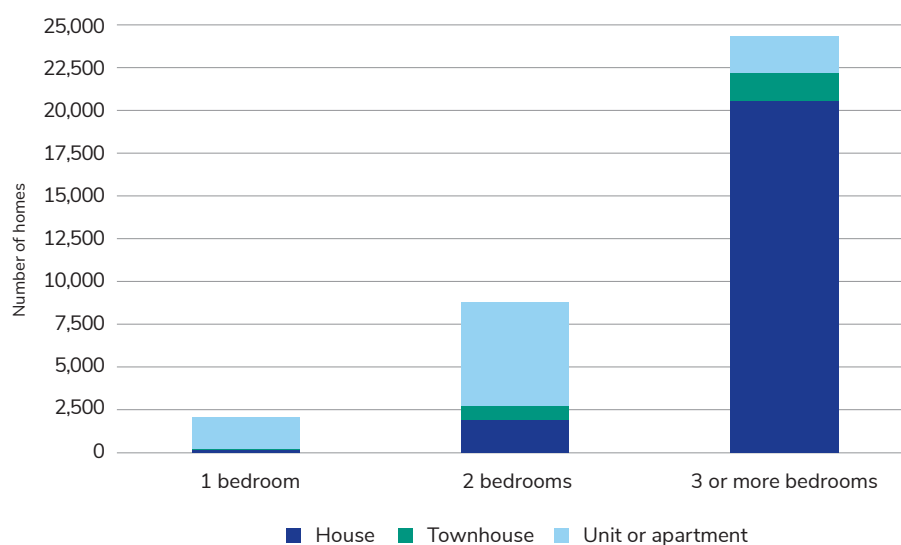
## Type of home

Similar to 2021–22 buyers supported by the Scheme prefer larger family-sized homes, with 68% of purchases<sup>9</sup> being homes with 3 or more bedrooms.

Since inception of the Scheme in January 2020, almost 25,000 Scheme-supported purchases (or 69%) were identified as homes with 3 or more bedrooms. At the other end of the spectrum, 23% of purchases were of apartments with 2 or fewer bedrooms.

Single buyers were more likely to purchase smaller dwellings – 90% of 1-bedroom dwellings were purchased by singles, as were 75% of 2-bedroom dwellings. Half (50%) of 3-bedroom dwellings were purchased by couples, despite couples making up just 41% of purchases overall.

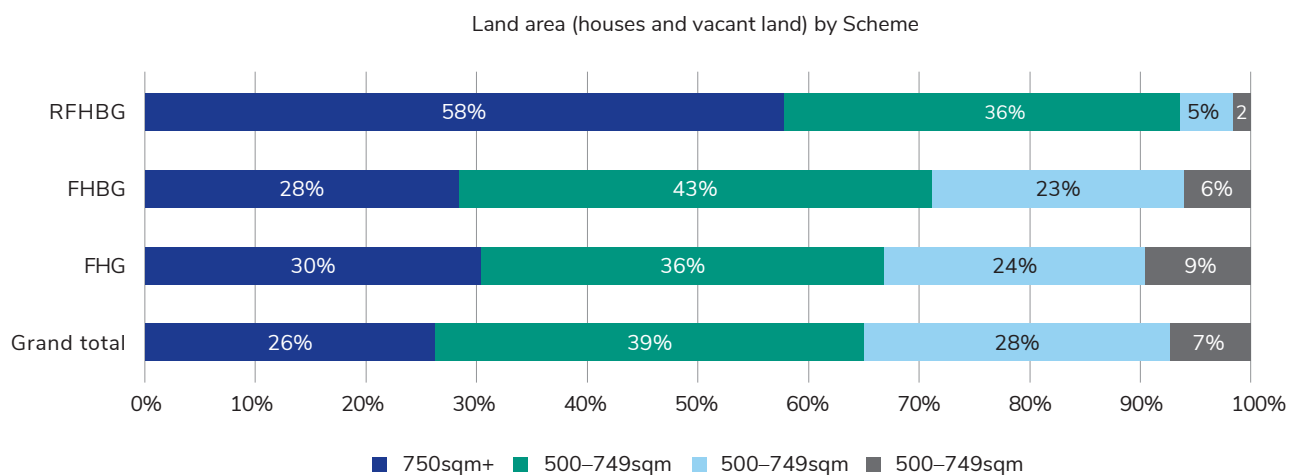
Figure 10: Characteristics of homes purchased under the HGS, number of bedrooms



Source: NHFIC / CoreLogic

Most buyers under the Scheme purchased properties with a land size greater than 500sqm, reflecting the preference for larger detached dwellings. Around 65% of properties purchased had a land size of greater than 500sqm, with 26% of properties having land sizes of more than 750sqm.

Figure 11: Characteristics of homes purchased under the HGS, land area<sup>10</sup>

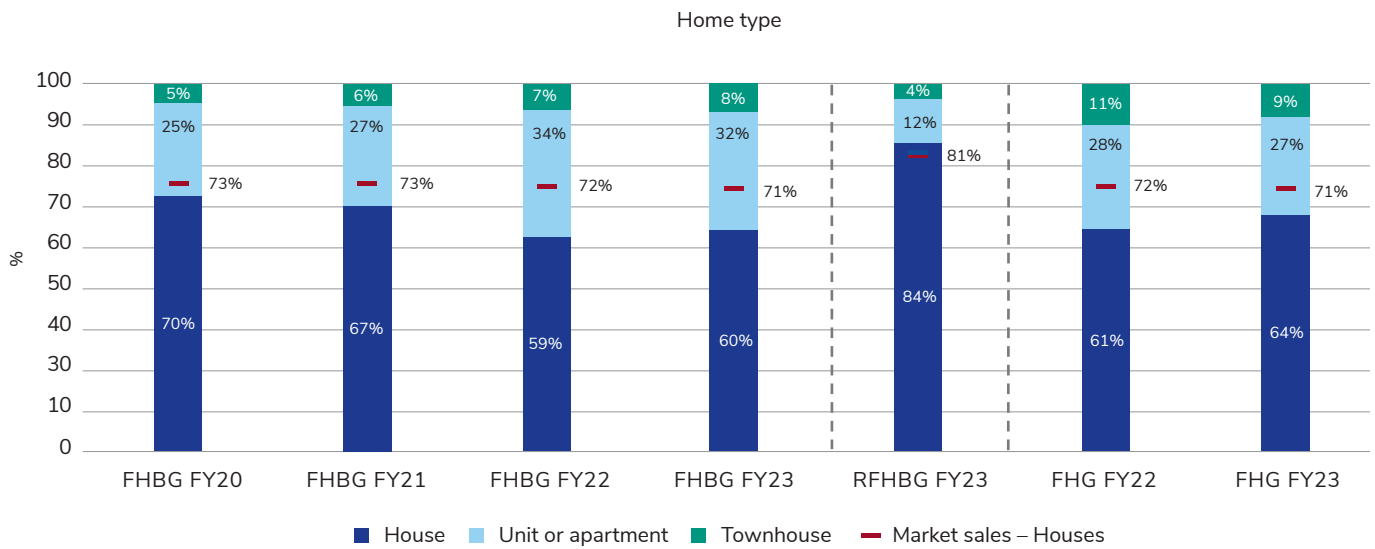


Source: NHFIC / CoreLogic

<sup>10</sup> Refers to detached houses and vacant land only.

Relative to the broader market, medium to high density housing types are over-represented in the Scheme, including across both regional and metropolitan geographies. This could be due to price caps or the range of eligible properties available. Houses made up around 65% of all Scheme purchases in 2022–23, lower than the 71% national sales average.

Figure 12: Characteristics of homes purchased under the HGS, housing type



Source: NHFIC / CoreLogic



## Financial aspects of the Scheme

A central objective of the Scheme is to help home buyers get into the market sooner. NHFIC has previously estimated that those buyers without alternative financial means or access to the Scheme would have otherwise delayed their home purchase by around 5 years to save the entire 20% deposit.

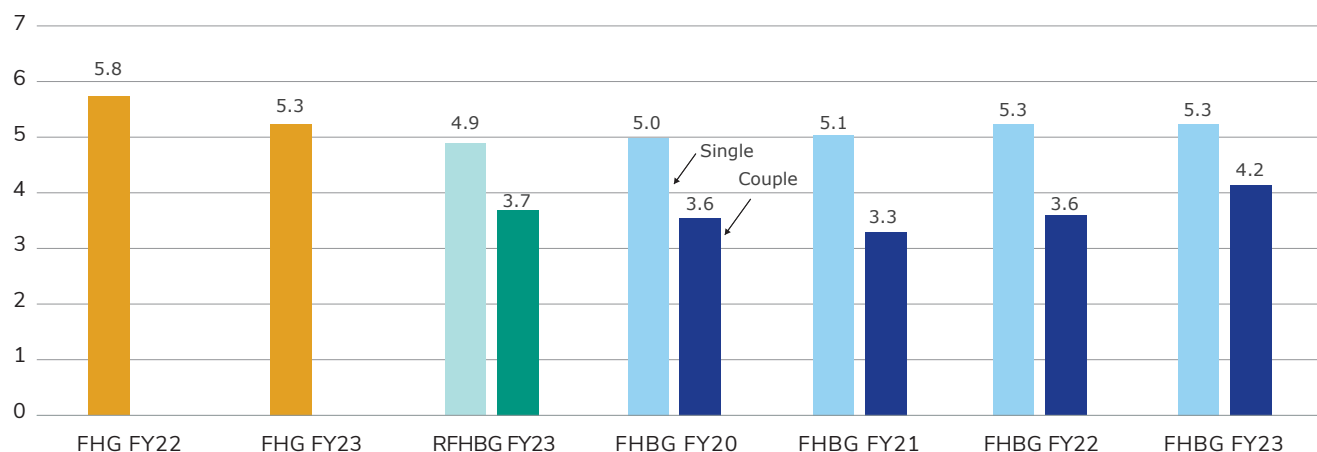
The following section examines a range of financial aspects of the Scheme, including serviceability, the repayment status of first home buyers and the amount of fixed versus variable loans.

### Serviceability

The median debt-to-income (DTI) ratio for single applicants under the FHBG was 5.3 times their gross annual income, consistent with the previous year. For couples entering the FHBG, DTI has risen modestly, from 3.6 in 2021–22 to 4.2 in 2022–23. DTI ratios for RFHBG applicants in its first year (2022–23) were slightly lower than those seen in the broader FHBG. This is consistent with the lower average purchase prices noted across the RFHBG.

For purchasers under the FHG, DTI ratios in 2022–23 were somewhat lower than in the previous year, falling to 5.3, in line with the FHBG, from a high of 5.8 in the previous year.

Figure 13: Debt to Income



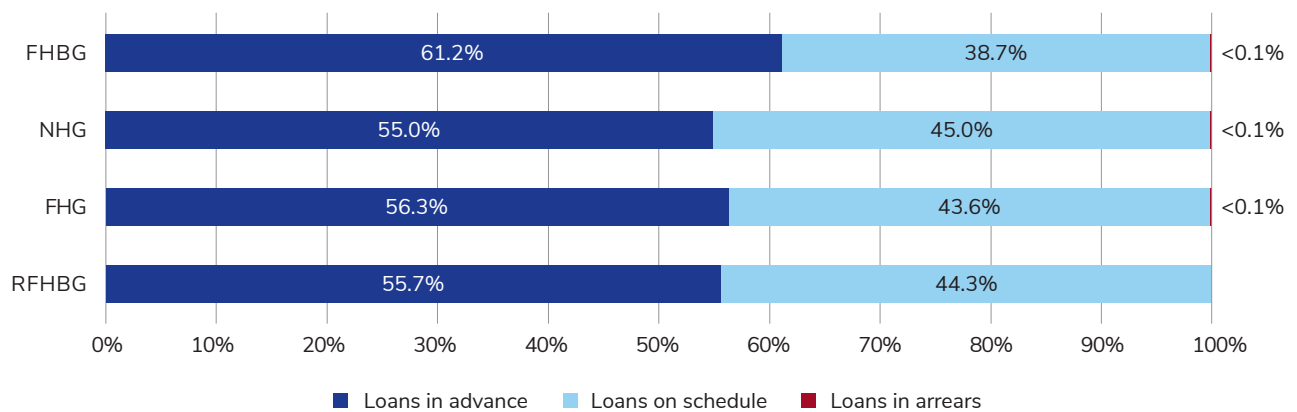
Source: NHFIC

Table 2: 2022-23 Scheme – LVR & Debt-to-income ratios

2022–23 Scheme	FHBG	FHG	RFHBG
Average LVR	93%	96%	93%
Debt-to-income ratio	4.9	5.6	4.4

The Scheme continues to have very low levels of arrears (less than 0.1%). This is considerably less than the market average for high LVR lending. Given the macroeconomic environment, in the coming year, arrears may rise in line with the broader home loan market.

Figure 14: HGS portfolio repayment status as at 30 June 2023



Source: NHFIC

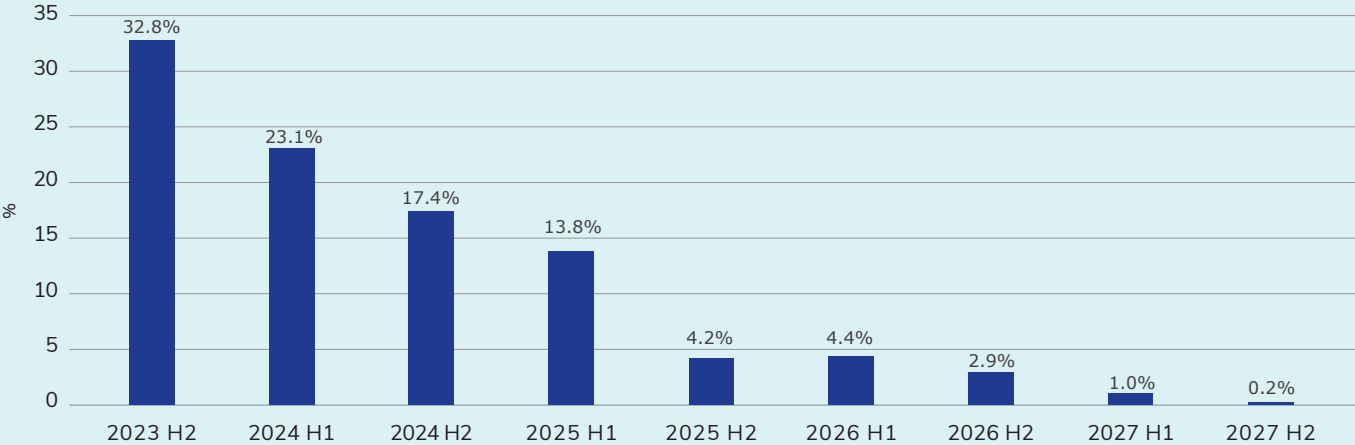
## Fixed rate expiry schedule

The “mortgage cliff” has received a lot of focus. Commentators express concern about the expiry of a large number of fixed-rate mortgages secured in the last couple years at record low interest rates, which will now be subject to much higher market rates.

NHFIC’s data shows that Scheme loan holders will experience a more graduated expiration of fixed-rate loans across 2023 and 2024 calendar years compared to the broader market.

Around 33% of fixed rate mortgages under the Scheme will expire in the second half of 2023. In the broader market, 40% of fixed-rate mortgages of concern will expire in 2023. Whereas, the expiry of around 40% of current fixed-rate mortgages under the Scheme will taper off across 2024.

Figure 15: Fixed rate expiry schedule as at 30 June 2023



Source: NHFIC

### Released guarantees

Most buyers who transition out of the Scheme have accumulated enough equity to achieve an LVR of less than 80% and therefore no longer require a guarantee. For these buyers, the Scheme has acted as a gateway to traditional home ownership.

More than 9,700 guaranteed loans (at least 12% of total guarantees issued) have been released under the Scheme since inception. Most released guaranteed loans were originated in 2019–20 and 2020–21.

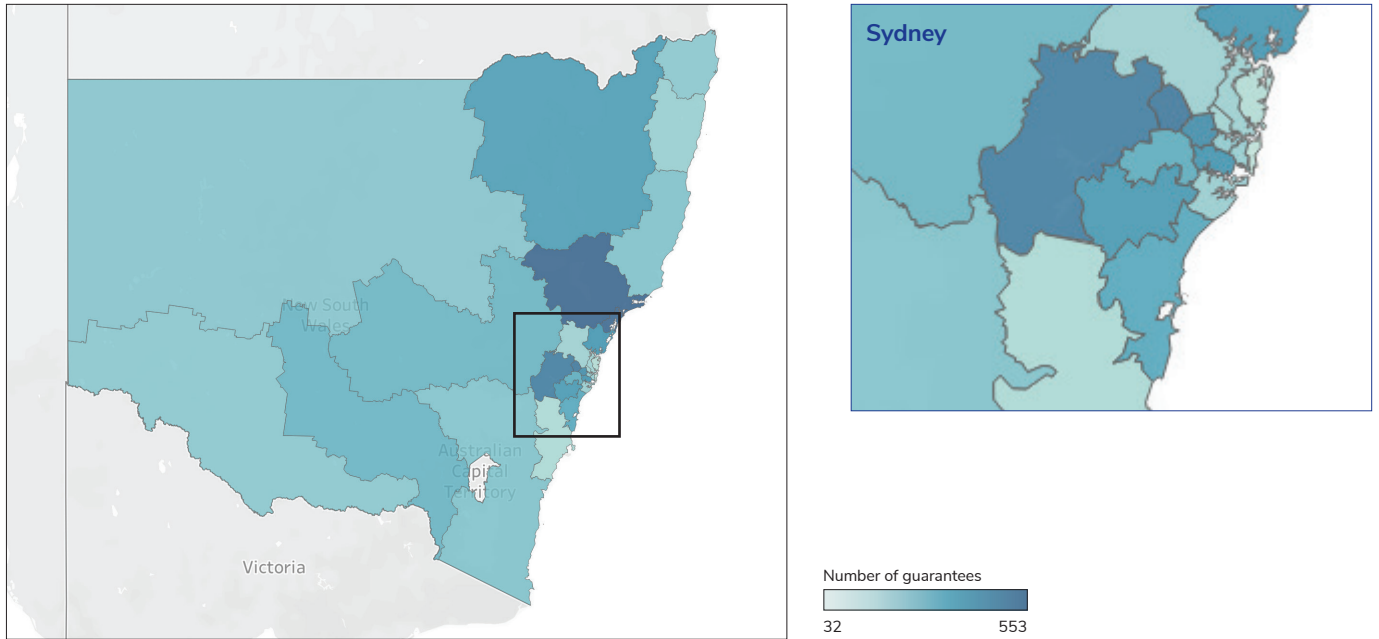
Table 3: Released loans

Loan origination year	Released loans
FY20	3,154
FY21	5,403
FY22	1,123
FY23	50
<b>Total</b>	<b>9,730</b>

Source: NHFIC

# Guarantees issued by state/territory 2022–23

## New South Wales

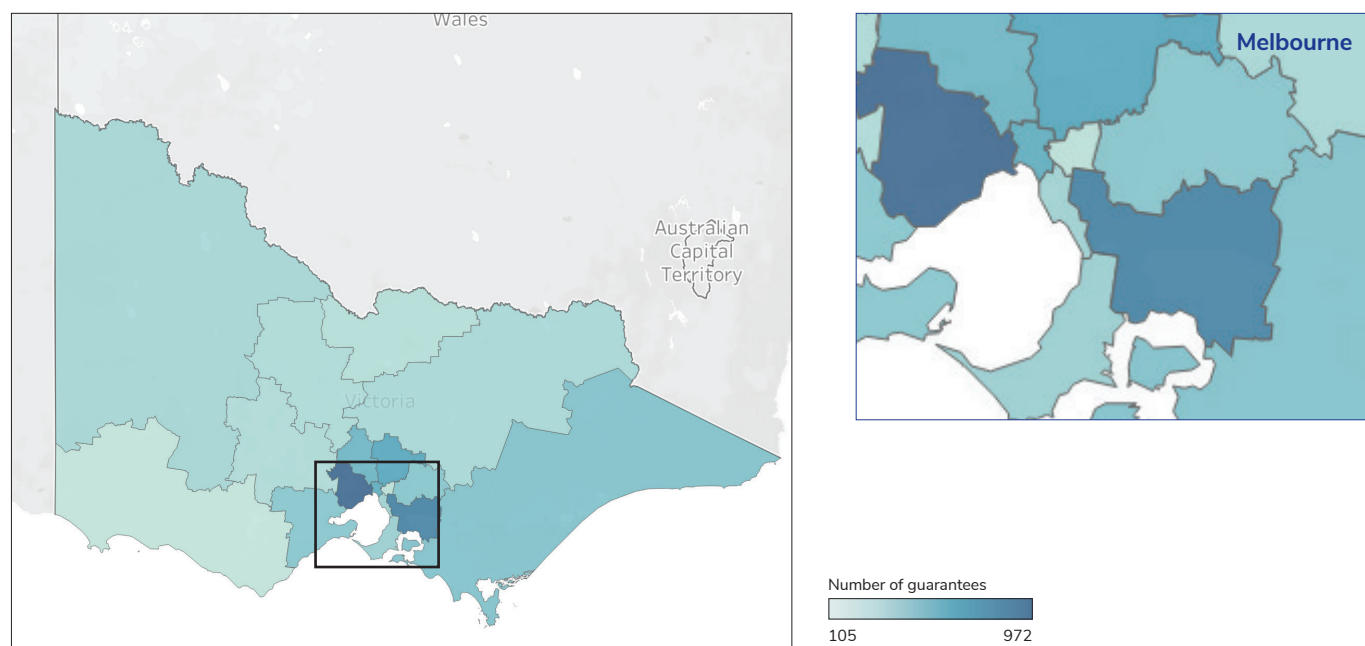


NSW		Guarantees	Average purchase price	Average deposit paid
FHBG	Greater Sydney	3,410	652,510	49,188
	Rest of NSW	1,492	534,595	37,761
FHG	Greater Sydney	101	557,965	35,615
	Rest of NSW	122	460,690	24,633
RFHBG	Rest of NSW	1,674	528,917	38,018

### Top 10 postcodes by number of guarantees in 2022–23

Postcode	Guarantees
2170	166
2560	142
2340	117
02650	106
2148	105
2750	104
2250	100
2155	96
2747	94
2320	88

## Victoria

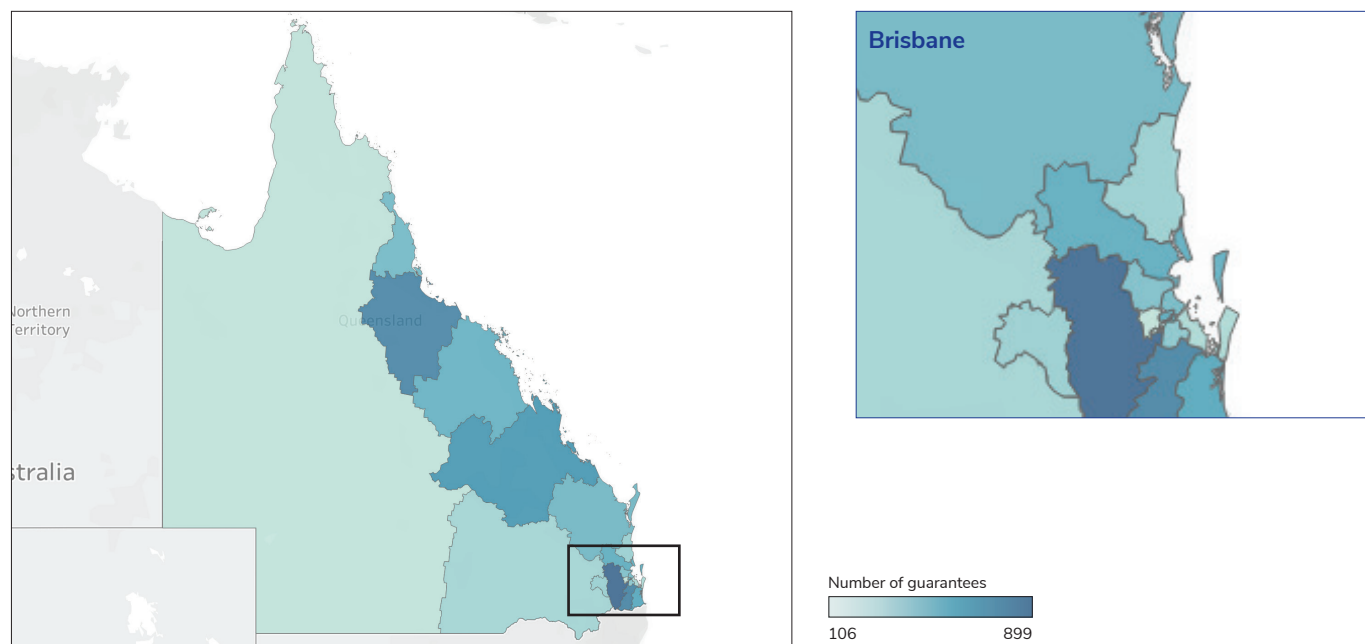


Vic		Guarantees	Average purchase price	Average deposit paid
FHBG	Greater Melbourne	4,089	537,870	45,105
	Rest of Vic	846	461,690	34,557
FHG	Greater Melbourne	129	486,417	29,759
	Rest of Vic	80	366,367	20,089
RFHBG	Rest of Vic	860	440,941	33,514

### Top 10 postcodes by number of guarantees in 2022–23

Postcode	Guarantees
3064	185
3029	177
3977	170
3810	137
3978	135
3030	124
3338	90
3429	79
3337	74
3350	71

## Queensland

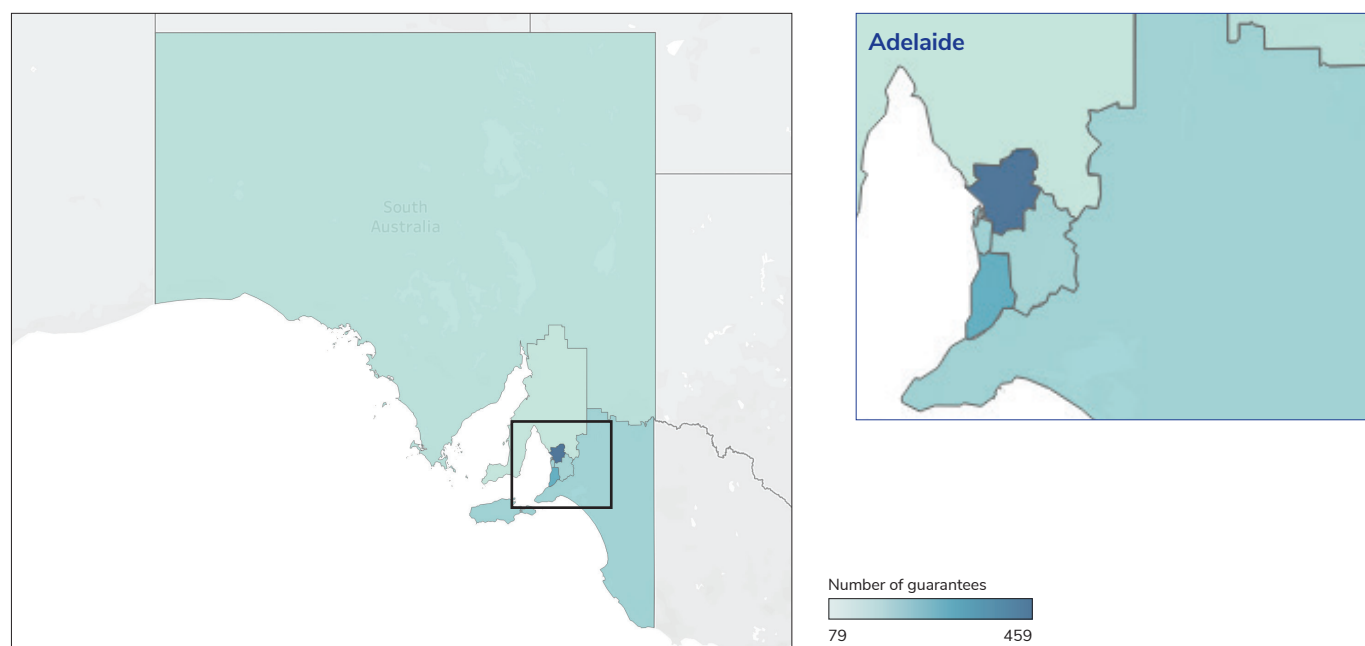


Qld		Guarantees	Average purchase price	Average deposit paid
FHBG	Greater Brisbane	3,702	480,081	35,055
	Rest of Qld	1,664	400,245	27,159
FHG	Greater Brisbane	235	422,167	17,817
	Rest of Qld	337	349,279	14,187
RFHBG	Rest of Qld	1,946	399,613	26,992

### Top 10 postcodes by number of guarantees in 2022–23

Postcode	Guarantees
4740	286
4207	216
4350	202
4305	182
4680	174
4818	154
4701	147
4510	146
4300	139
4670	136

## South Australia



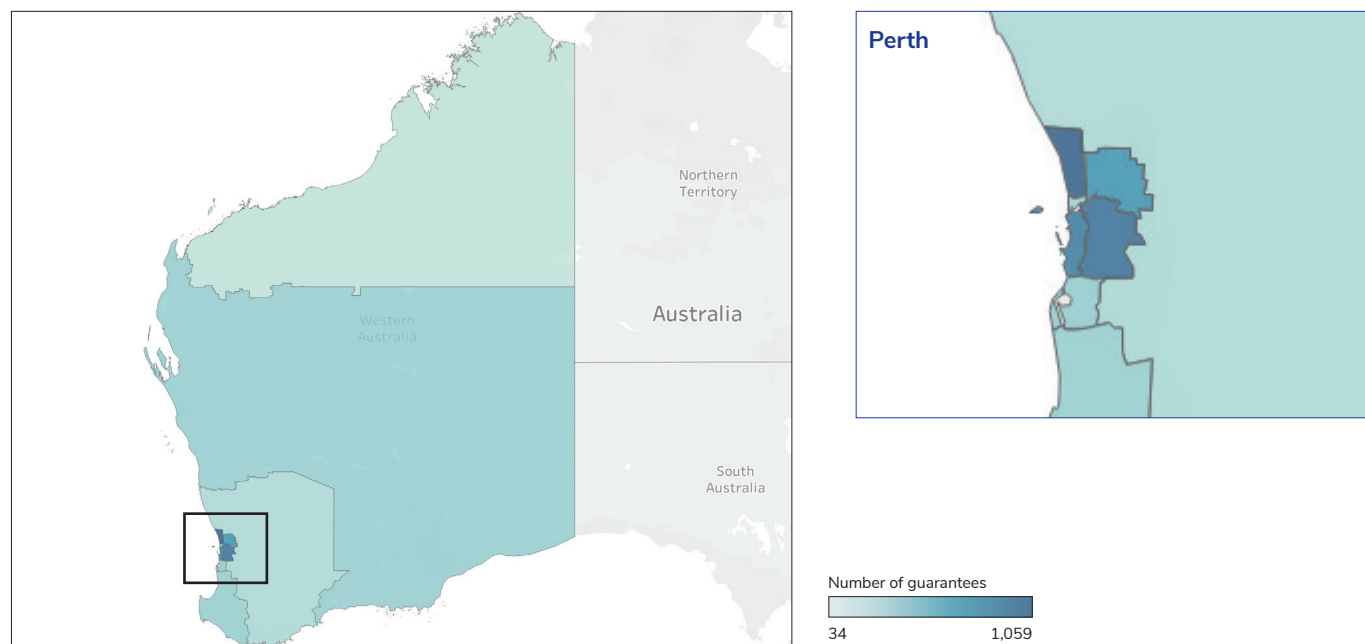
Vic		Guarantees	Average purchase price	Average deposit paid
FHBG	Greater Adelaide	973	434,801	34,376
	Rest of SA	145	298,011	19,823
FHG	Greater Adelaide	41	396,747	18,277
	Rest of SA	24	263,214	10,620
RFHBG	Rest of SA	158	296,076	20,488

### Top 10 postcodes by number of guarantees in 2022–23

Postcode	Guarantees
5114	55
5162	47
5251	41
5108	39
5169	39
5115	36
5290	35
5540	31
5608	26
5113	25



## Western Australia

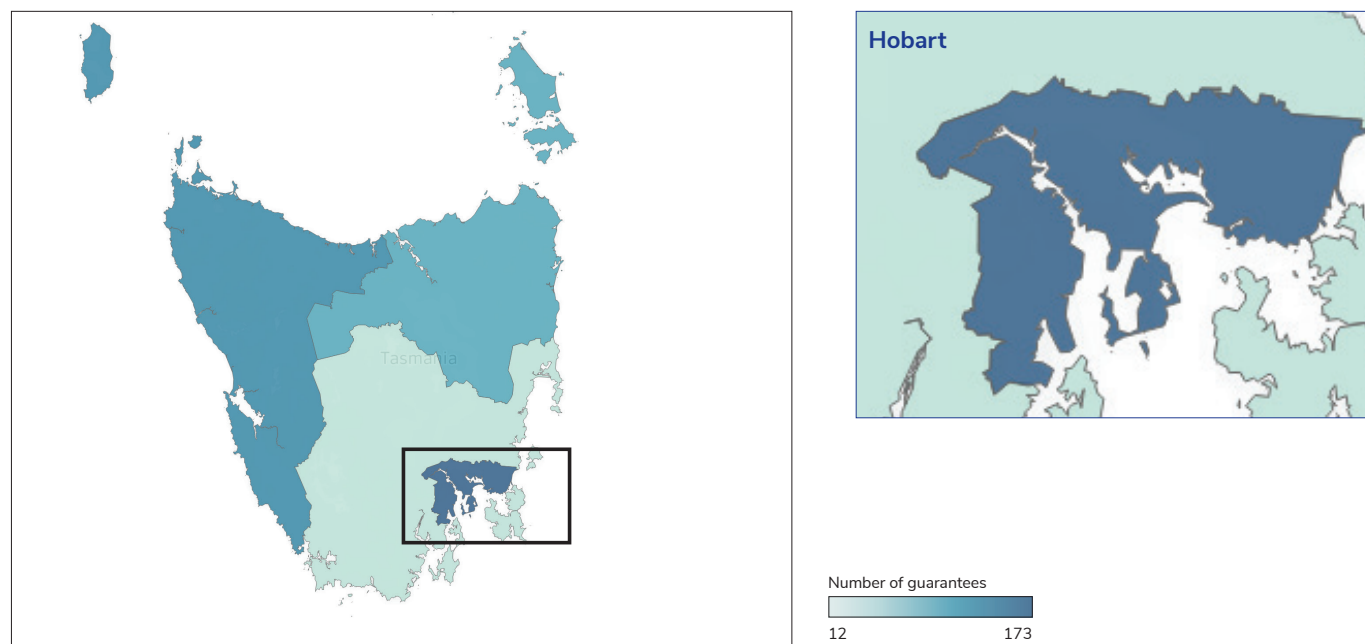


WA		Guarantees	Average purchase price	Average deposit paid
FHBG	Greater Perth	3,499	377,006	30,086
	Rest of WA	263	316,536	22,523
FHG	Greater Perth	398	322,547	17,042
	Rest of WA	58	300,776	11,479
RFHBG	Rest of WA	269	321,554	22,985

### Top 10 postcodes by number of guarantees in 2022–23

Postcode	Guarantees
6112	219
6171	181
6164	178
6055	156
6069	152
6061	135
6210	127
6056	110
6110	103
6122	103

## Tasmania

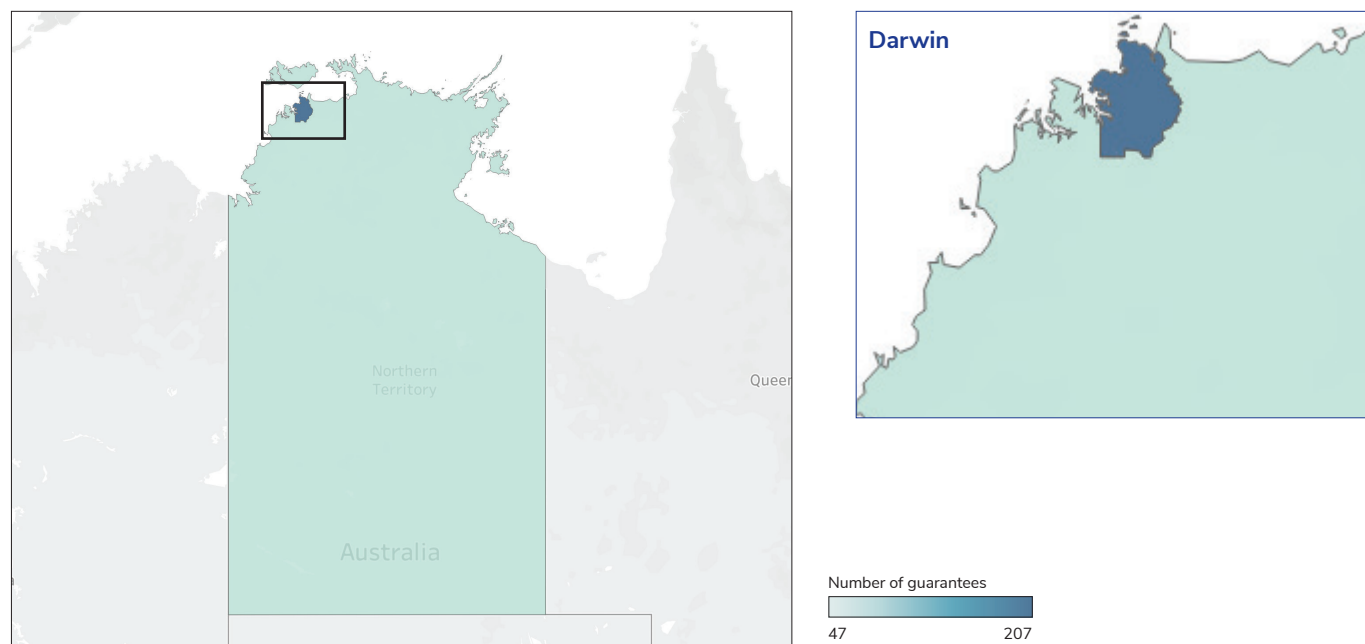


WA		Guarantees	Average purchase price	Average deposit paid
FHBG	Greater Hobart	166	503,863	36,491
	Rest of Tas	101	371,572	23,253
FHG	Greater Hobart	7	477,571	25,512
	Rest of Tas	15	346,433	14,371
RFHBG	Rest of Tas	105	377,371	24,590

### Top 10 postcodes by number of guarantees in 2022–23

Postcode	Guarantees
7310	35
7320	35
7011	28
7250	26
7030	21
7010	17
7248	16
7140	15
7315	14
7016	13

## Northern Territory



NT		Guarantees	Average purchase price	Average deposit paid
FHBG	Greater Darwin	187	392,051	29,020
	Rest of NT	35	393,843	23,364
FHG	Greater Darwin	20	301,600	14,659
	Rest of NT	4	326,500	8,908
RFHBG	Rest of NT	8	450,500	23,781

### Top 10 postcodes by number of guarantees in 2022–23

Postcode	Guarantees
0832	80
0810	37
0820	27
0830	24
0870	24
0812	16
0800	13
0850	13
0828	6
0875	5

## Australian Capital Territory



ACT		Guarantees	Average purchase price	Average deposit paid
FHBG	Australian Capital Territory	601	558,559	44,237
FHG	Australian Capital Territory	10	526,300	25,818

### Top 10 postcodes by number of guarantees in 2022–23

Postcode	Guarantees
2611	67
2617	63
2615	58
2913	49
2602	48
2905	39
2612	38
2900	28
2912	28
2906	27