

A young man and woman are sitting on a wooden bench in a bright room with large windows. The man is on the left, wearing a grey polo shirt and blue jeans, looking towards the woman. The woman is on the right, wearing a white t-shirt and blue jeans, smiling and petting a black and white dog. The background shows a window with blinds and a potted plant on the left.

# FIRST HOME LOAN DEPOSIT SCHEME

Trends & Insights

National Housing  
Finance and Investment  
Corporation



Australian Government



National Housing Finance  
and Investment Corporation

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## About the First Home Loan Deposit Scheme

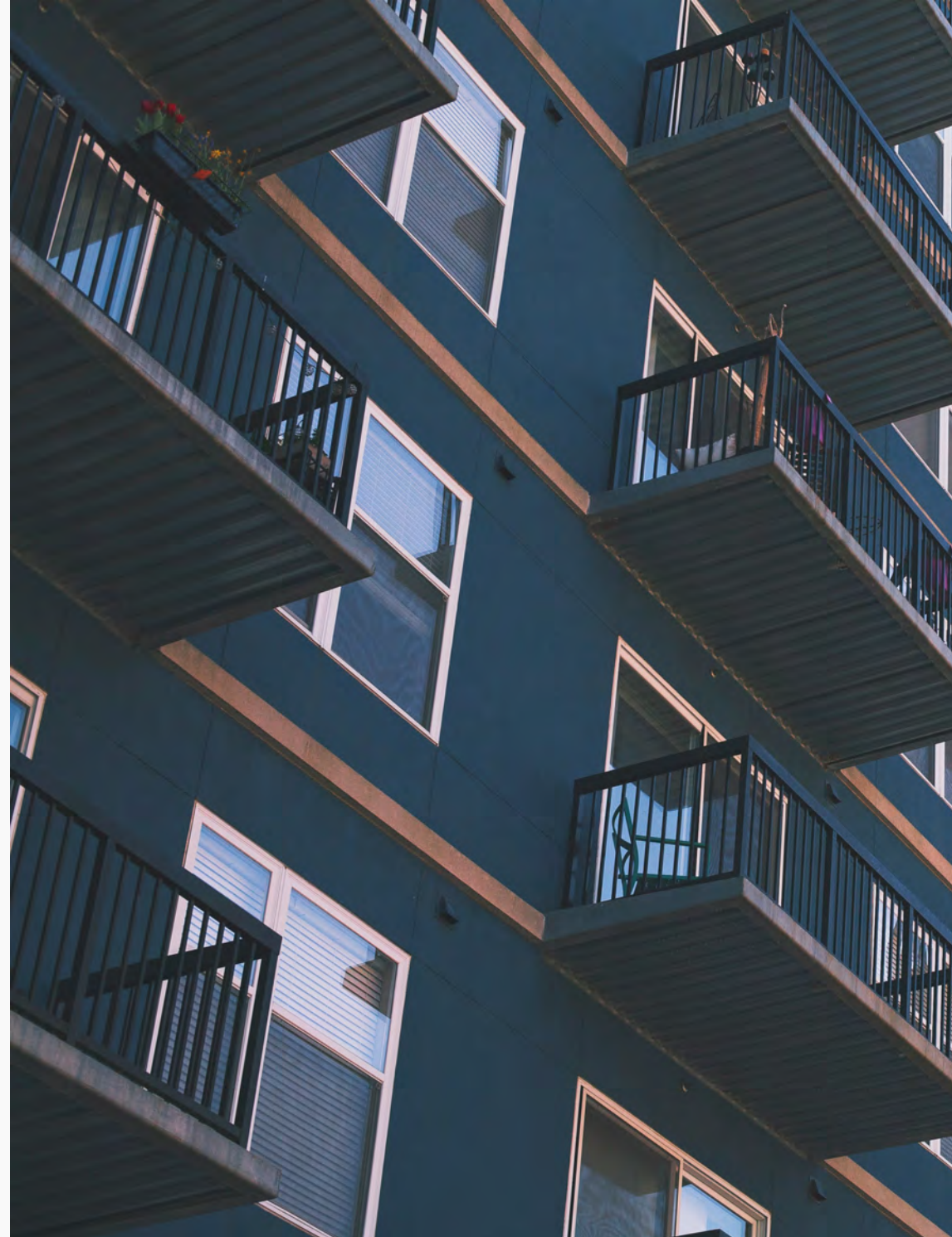
The First Home Loan Deposit Scheme is an Australian Government initiative to support eligible first home buyers purchase their first home sooner. Under the Scheme, eligible first home buyers can purchase a home with a deposit of as little as 5 per cent. This is because NHFIC guarantees a Scheme lender up to 15 percent of the value of the property financed by an eligible first home buyer's home loan.

10,000 Scheme places were released to participating lenders from 1 January 2020. An additional 10,000 Scheme places were released from 1 July for the 2020-21 financial year.

Buyers must satisfy certain eligibility requirements, including that they have a taxable income under \$125,000 if they are a single applicant (\$200,000 for a couple), and that the intended

purchased property is subject to the property price caps set by the Australian Government, which differ across Australia.

In practice, the Scheme operates in three main stages. First, the lender reserves a guarantee for the first home buyer and the loan is pre-approved, which allows the buyer to make their purchase or plan their build. Second, if the first home buyer successfully purchases a property or enters a building contract, the guarantee is issued. In the final stage, the guarantee is activated when settlement of the property has been confirmed.





# 1. OVERVIEW

Many Australians aspire to own their own home. Home ownership provides security of tenure. It is also an important vehicle for wealth accumulation, and the largest asset most Australians hold.

However, buying a home has become more challenging for some. For example, in the early 1990s, it took an average household around six years to save a 20 per cent deposit to buy a typical dwelling. More recently, it takes around nine to 10 years.<sup>1</sup>

Many people can afford to service a mortgage once they have passed the initial hurdle of saving a deposit.<sup>2</sup>

On 1 January 2020, the Australian Government's First Home Loan Deposit Scheme (FHLDS or the Scheme) commenced. The Scheme provides a guarantee that, subject to eligibility and lender credit criteria, first home buyers can purchase a home with a deposit of as little as 5 per cent of the value of the property.

The Scheme is limited to 10,000 guarantees per financial year.

This report provides the first detailed snapshot of the FHLDS for the first six months of its operation, from 1 January 2020 to 30 June 2020. As at 30 June 2020, 10,000 Scheme places had been allocated. Of these, 6,814 participants had either signed a contract or settled on their home, while the remaining 3,186 were at the loan pre-approval stage and still looking for a property.

The Scheme has experienced strong demand and supported a broad cross-section of Australians purchasing their first home. This includes people of all ages across metro and regional areas around Australia, and those who have moderate taxable incomes. The Scheme is also supporting key workers, such as teachers and nurses, to access the housing market sooner.

1. Grattan Institute, 2018. *Housing affordability: re-imagining the Australian dream*. Available at <https://grattan.edu.au/wp-content/uploads/2018/03/901-Housing-affordability.pdf>
2. Reserve Bank of Australia, 2017. *The property ladder after the financial crisis: the first step is a stretch but those who make it are doing OK*. Available at <https://www.rba.gov.au/publications/rdp/2017/pdf/rdp2017-05.pdf>

## 2. KEY INSIGHTS

The Scheme has helped homeowners purchase their first property, acting as a support mechanism for the first home buyer market. It has assisted first home buyers across the income, age and demographic spectrum.

- The Scheme supported one in eight of all first home buyers who purchased a home in Australia between March and June 2020 (the first four months for which comparable settlement data was available).<sup>3</sup>
- Guarantees for single applicants were concentrated in the 25-to-34 age range and in moderate income brackets – those earning \$60,000 to \$80,000 – compared to the \$125,000 eligibility income threshold under the Scheme.<sup>4</sup>
- Guarantees for couples were also most prominent in the 25-to-34 age range, but at higher income levels – the \$90,000 to \$125,000 income bracket – compared to the \$200,000 income threshold for couples.<sup>5</sup>
- Although people accessing the Scheme were typically younger, more than 10 per cent were aged over 40.



3. Australian Bureau of Statistics, *Lending Indicators, June 2020*, cat. no. 5601.0. The ABS notes that there were uneven COVID-19 effects on reported housing loan commitments. A full statement on the impact can be found on the ABS website. Given the Scheme was implemented on 1 January 2020, and the associated time lag between pre-approval and settlement of a property, the number of properties settled under the FHLDS could only be accurately benchmarked against the wider first home buyer market over the period stated.

4, 5. Income data captured under the Scheme is for the 2018–19 financial year. First home buyers' financial circumstances may have changed between 30 June 2019 and when the guarantee was issued.



## The Scheme has broad geographical reach across all states and territories, with regional Australia well represented.

- The FHLDS has supported first home buyers across all states and territories: 62.3 per cent of buyers purchased in major cities and 37.7 per cent purchased in regional areas. This is broadly in line with the general population distribution, with 67.7 per cent living in major cities and 32.3 per cent in regional areas.<sup>6</sup>
- The geographic distribution of guarantees in states and territories under the Scheme is largely in line with the resident population share<sup>7</sup>, except in Western Australia and South Australia. Demand in these states, which have longstanding first home buyer support initiatives, was lower.
- Demand for the Scheme by postcode was highest in the Toowoomba area, in regional Queensland, with 70 loans guaranteed in that area. Demand was also strong across South Western Sydney (Campbelltown area) and the outer suburbs of Melbourne (Craigieburn and Frankston).

## Buyers supported by the Scheme preferred detached houses over apartments or townhouses.

- Almost 70 per cent of all buyers supported by the Scheme purchased a house. By comparison, 25 per cent purchased an apartment and the remaining 5 per cent purchased a townhouse.
- Four out of five apartment purchases under the Scheme were in major cities, while house purchases were more evenly spread across major cities and regional areas.
- Of the 6,814 applicants who settled on their property or were issued a guarantee, almost 10 per cent purchased a newly constructed dwelling, which included 381 who purchased land separately and had a contract to build; 142 purchased a house and land package; and 105 purchased off-the-plan.

## Buyers were prepared to move some distance away from their existing residence to buy their first home, with purchases concentrated in outer city areas.

- First home buyers under the Scheme moved an average of 7.6 kilometres from their prior residential address. Victorian purchasers using the Scheme moved the largest distance (an average of 10.4 kilometres) from their previous home.
- Nearly two-thirds of applicants buying in the Greater Sydney region bought more than 30 kilometres from the CBD, while that figure is just under half for Greater Melbourne. For other cities, the majority of people purchased within 30 kilometres of the CBD.

6. Australian Bureau of Statistics, *Regional Population Growth, Australia, 2018-19*, cat. No. 3218.0.

7. Australian Bureau of Statistics, *Australian Demographic Statistics, Dec 2019*, cat. No. 3101.0.



Demand for the Scheme was strong, with early take-up of available Scheme places.

- Almost 60 per cent of all Scheme places that received a Commonwealth guarantee had been taken up within the first two months of the Scheme's operation.

The Scheme has supported many key workers buying their first home.

- More than one in six (1,804) first home buyers accessing the Scheme are key workers.
- Teachers had the highest representation, with 665 new home owners under the Scheme (37 per cent of the entire key worker cohort). This was followed by nurses (25 per cent); defence force personnel, firefighters and police (13 per cent); and childcare workers (10 per cent).

The Scheme has supported first home buyers and allowed them to bring forward their home purchase.

- If purchasers under the Scheme did not have alternative financial means and had to save the entire 20 per cent deposit, they would have had to delay their first home purchase by an average of four years.<sup>8</sup>
- The Scheme has enabled buyers to bring forward their purchase by up to almost five years in NSW.
- As at 30 June 2020, the Commonwealth Government had guaranteed almost \$400 million in deposit shortfalls for first home buyers across Australia.

8. The savings rate of 18.6 per cent applied across the cohort was derived from Australian Bureau of Statistics, *Household Expenditure Survey, Australia: Summary of Results, 2015-16*, cat. no. 6530.0. The savings rate is based on the third income quintile. Figures are only indicative as household savings rates will differ according to individual circumstances.

### 3. TRENDS AND INSIGHTS OF FHLDS

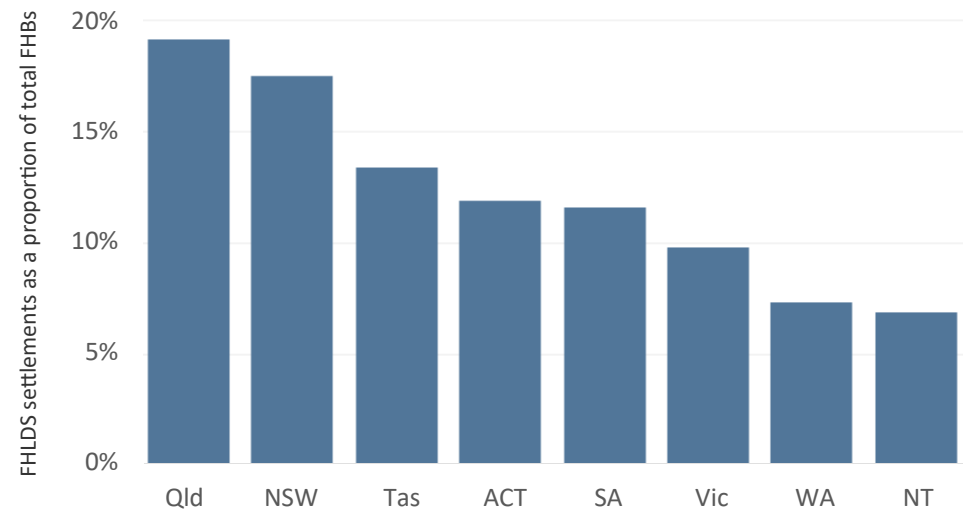
The Scheme has helped homeowners from across the income, age and demographic spectrum purchase their first property.

**One in eight of all first home buyers accessed the housing market under the FHLDS.<sup>9</sup>**

The Scheme has helped first home buyers enter the housing market in the first six months of 2020, including during the COVID-19 pandemic.

Comparable settlement data recorded between March and June 2020 showed the Scheme supported one in eight of all first home buyers who purchased a home during this period.<sup>10</sup> In Queensland and NSW, one in six of all first home buyers accessed the Scheme over the same period.

**Figure 3.1 – FHLDS settlements as a proportion of total first home buyer purchases – March 2020 to June 2020<sup>11</sup>**



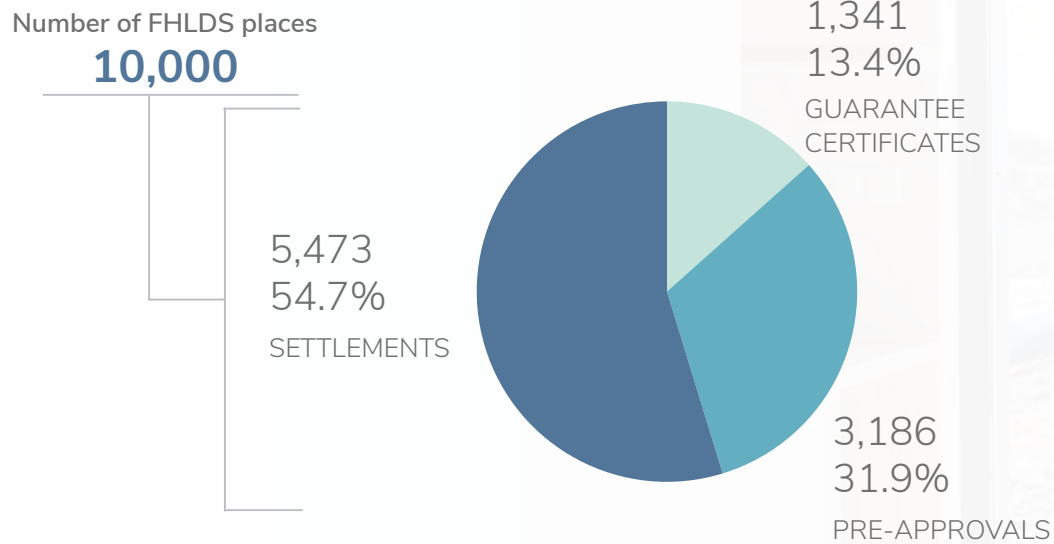
Source: ABS / NHFIC

9, 10, 11. Australian Bureau of Statistics, *Lending Indicators, June 2020*, cat. no. 5601.0. The ABS notes that there were uneven COVID-19 effects on reported housing loan commitments. A full statement on the impact can be found on the ABS website. Given the Scheme was implemented on 1 January 2020, and the associated time lag between pre-approval and settlement of a property, the number of properties settled under the FHLDS could only be accurately benchmarked against the wider first home buyer market over the period stated.

More than half of all Scheme applicants have settled or are living in their first home.

Over the first six months of 2020, 10,000 Scheme places were filled. Of those, 54.7 per cent had settled, another 13.4 per cent had been issued a guarantee and were awaiting settlement, and 31.9 per cent had pre-approval and are still looking to purchase.

Figure 3.2 – Total Scheme Places Disaggregated



Source: NHFIC



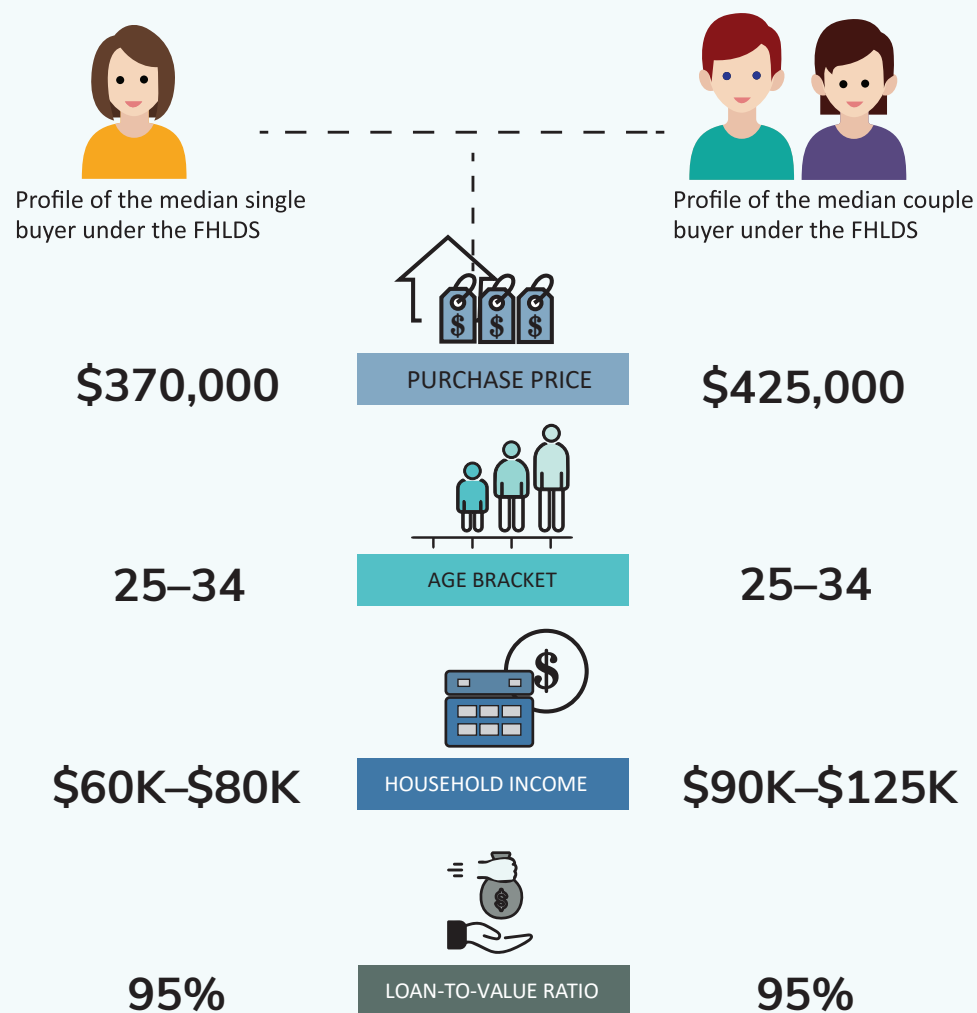


The Scheme is supporting families and individuals accessing the housing market across the age and income spectrum.

Half of all guarantees were issued to single applicants in moderate income brackets – earning \$60,000 to \$80,000 – which is 52 per cent below the \$125,000 eligibility income threshold. The median property price for single applicants was \$370,000. Guarantees issued to couples were concentrated in the higher income brackets – between \$90,000 and \$125,000 – with a higher median property purchase price of \$425,000.<sup>12</sup>

The distribution of buyers by age and household taxable income shows that 4,533 applicants were aged 25 to 34.<sup>15</sup> More than 10 per cent of all first home buyers were over the age of 40.<sup>16</sup> A total of 2,345 applicants were earning between \$90,000 and \$125,000 per annum. Another 1,693 applicants were earning between \$60,000 and \$80,000 per annum, and 845 applicants were earning between \$125,000 and \$150,000.<sup>17</sup>

Figure 3.3 – Profile of the typical single buyer under the FHLDS<sup>13</sup> and profile of the typical couple buyer under the FHLDS<sup>14</sup>

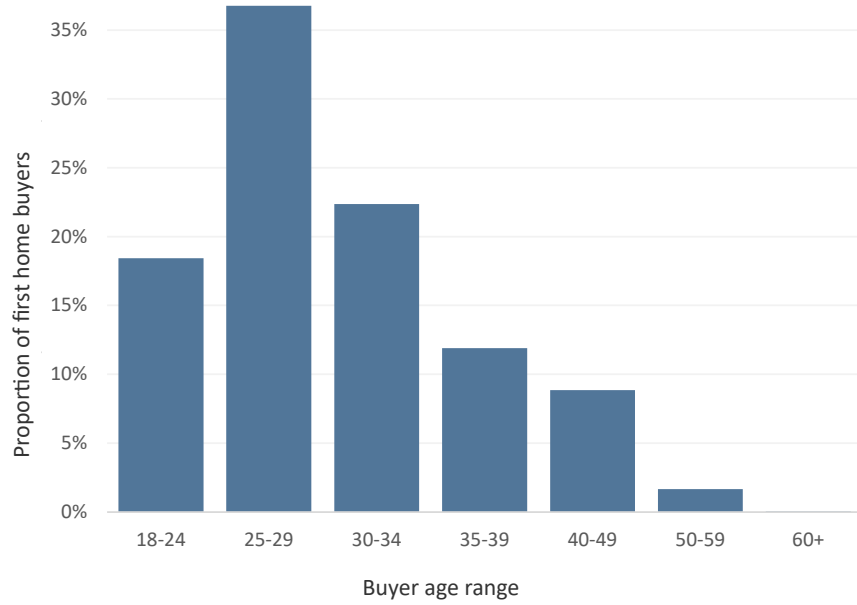


Source: NHFIC

12, 13, 14, 17. Income data captured under the Scheme is for the 2018–19 financial year. First home buyers' financial circumstances may have changed between 30 June 2019 and when the guarantee was issued.

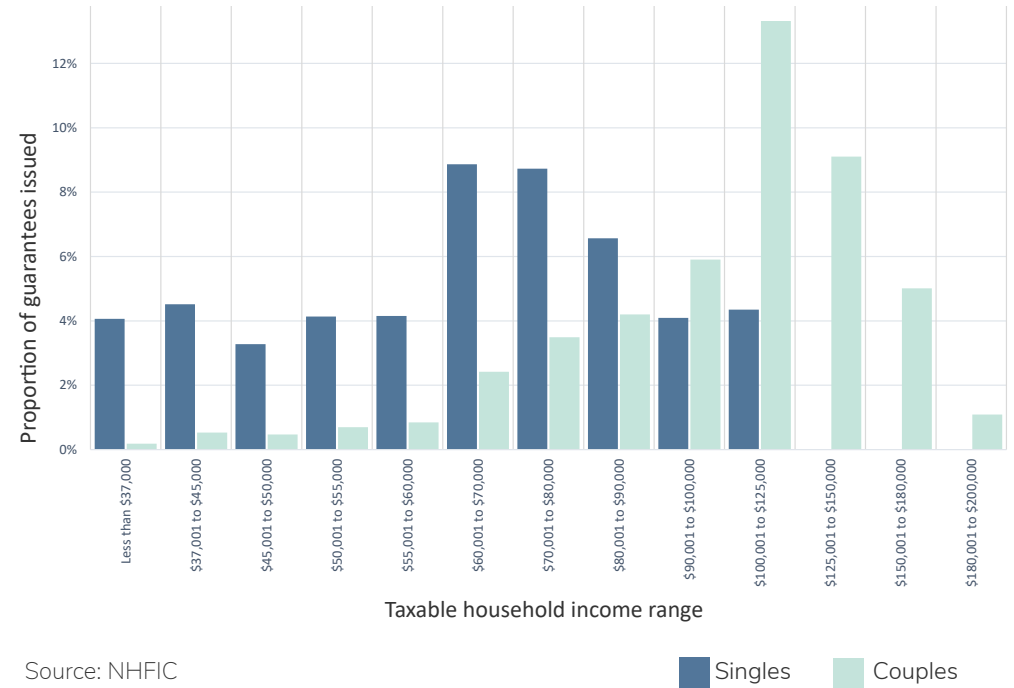
15, 16. The distribution by age is based on individual buyers, rather than Scheme places. Those who submitted their Scheme application as a couple have been treated as two separate individuals for this analysis.

Figure 3.4 – Distribution of buyers under FHLDS – by age range<sup>18</sup>



Source: NHFIC

Figure 3.5 – Distribution of guarantees under FHLDS – by income range<sup>19</sup>



Source: NHFIC

■ Singles ■ Couples



18. 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 for this chart.

19. Income data captured under the Scheme is for the 2018–19 financial year. First home buyers' financial circumstances may have changed between 30 June 2019 and when the guarantee was issued.

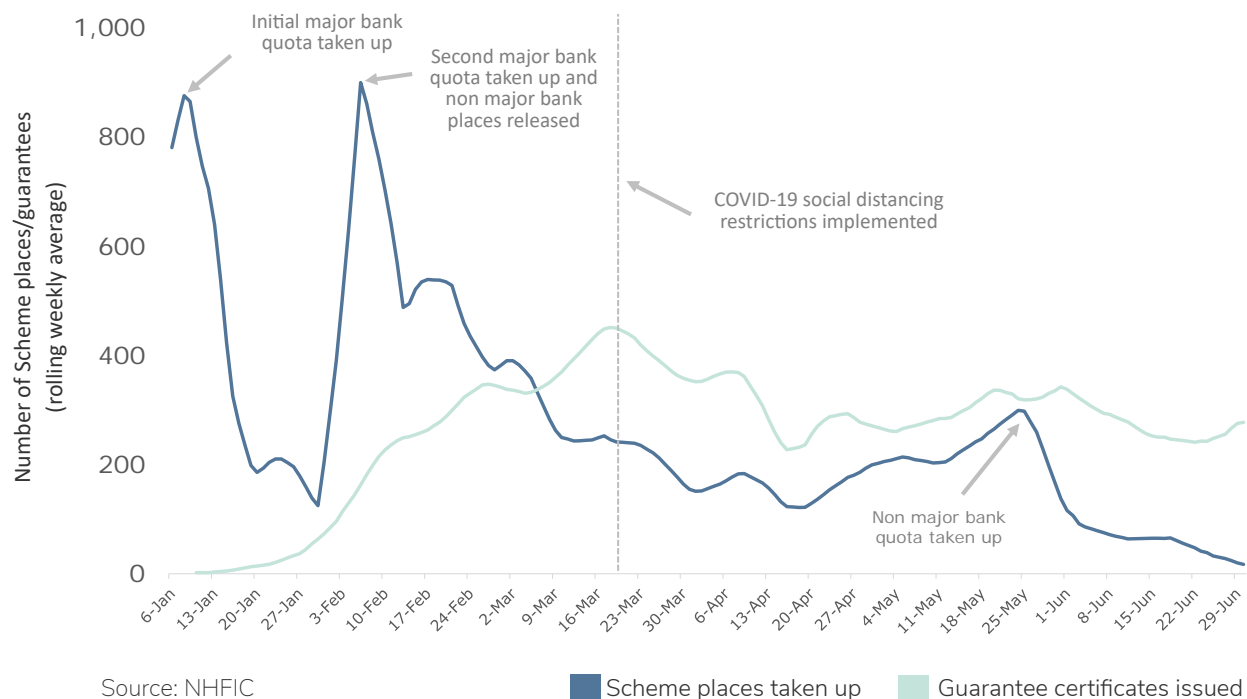
Demand for the Scheme was strong, with the early take up of available Scheme places offered by major banks.

Within the first two months of the Scheme's operation, almost 60 per cent of all Scheme places that received a Commonwealth guarantee had been taken up. The rate at which Scheme places were taken up was heavily dependent on lender quotas, with major bank quotas fully taken up by the first week of February and non-major bank quotas taken up towards the end of May 2020.<sup>20</sup>

Over the first six months of the Scheme's operation, NHFIC responded to over 2,800 phone calls and over 3,000 emails – the bulk of which were in relation to the FHLDS. Similarly, of the 678,858 visits to the NHFIC website, the vast majority were users seeking information about the Scheme.

Scheme places became available again when potential first home buyers withdrew their application for reasons such as choosing not to proceed with their home purchase and/or because their reservation expired.

Figure 3.6 – Scheme places taken up and guarantee certificates issued – January 2020 to June 2020



Source: NHFIC

20. The major banks were able to issue guarantees from 1 January 2020, while non-major banks were able to issue guarantees from 1 February 2020.

## Buyers under the Scheme had a preference for detached houses relative to apartments or townhouses.

Almost 70 per cent of buyers supported by the Scheme purchased a house. By contrast, more than 25 per cent bought an apartment and the remaining 5 per cent purchased a townhouse.

This trend was consistent across all states and territories, with the exception of the ACT. Almost two-thirds of buyers in the ACT purchased an apartment, while 20 per cent bought a house and the remainder purchased a townhouse.

The median price for apartments purchased under the Scheme was \$475,000, which was considerably higher than the median price of \$385,000 paid for houses. This was due to most of the apartments being in capital cities (83 per cent), while the houses were more evenly spread across capital cities (54 per cent) and regional areas (46 per cent).

Of the 6,814 applicants who settled on their property or were issued a guarantee, almost 10 per cent purchased a newly constructed dwelling, which included 381 who purchased land separately and had a contract to build; 142 purchased a house and land package; and 105 purchased off-the-plan.



**Table 3.1 – Proportion of settlements by location and dwelling type**

Location	House	Townhouse	Unit or apartment
Capital Cities	54.1%	68.5%	82.6%
Regional areas	45.9%	31.5%	17.4%

Source: NHFIC

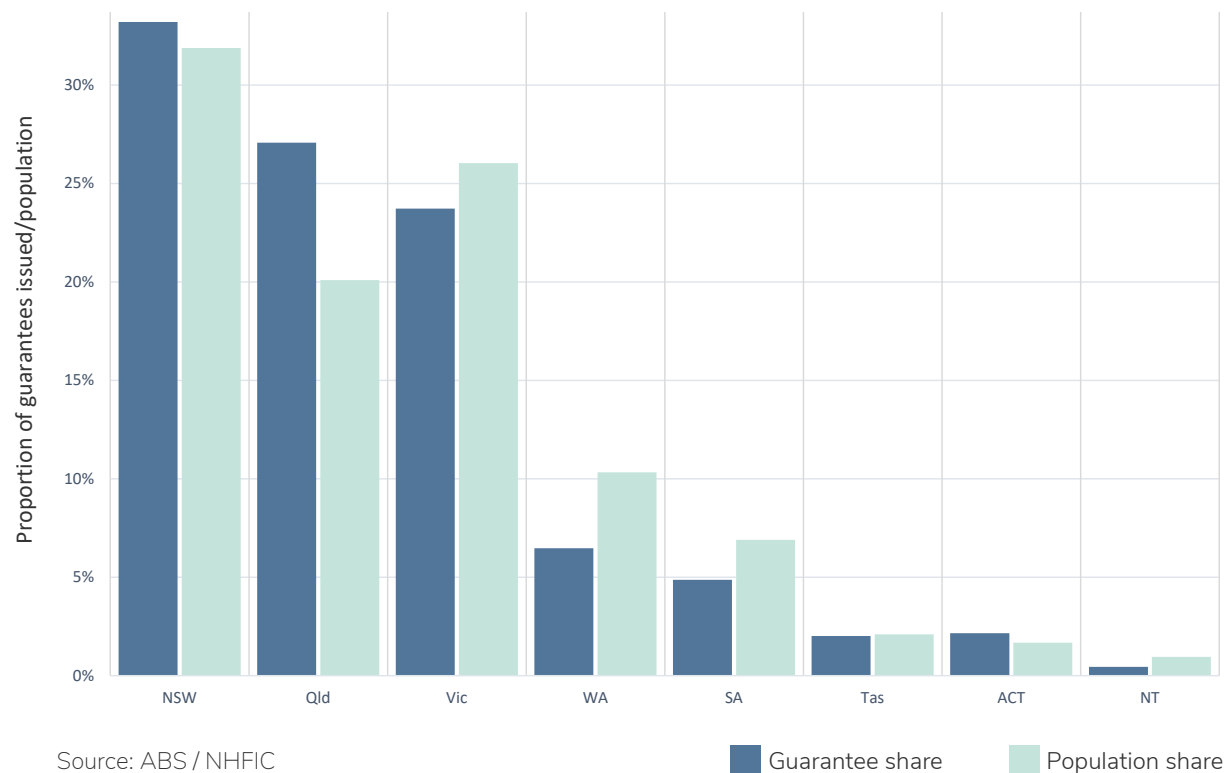
The Scheme has broad geographical reach across all states and territories.

### Geographic distribution of places largely in line with the resident population.

First home buyers in all states and territories, all major cities and many regional areas have benefited from the FHLDS. Scheme guarantees were mostly concentrated in NSW (2,263), followed by Queensland (1,845) and Victoria (1,617). Eight out of 10 loans guaranteed under the Scheme were in these three states.

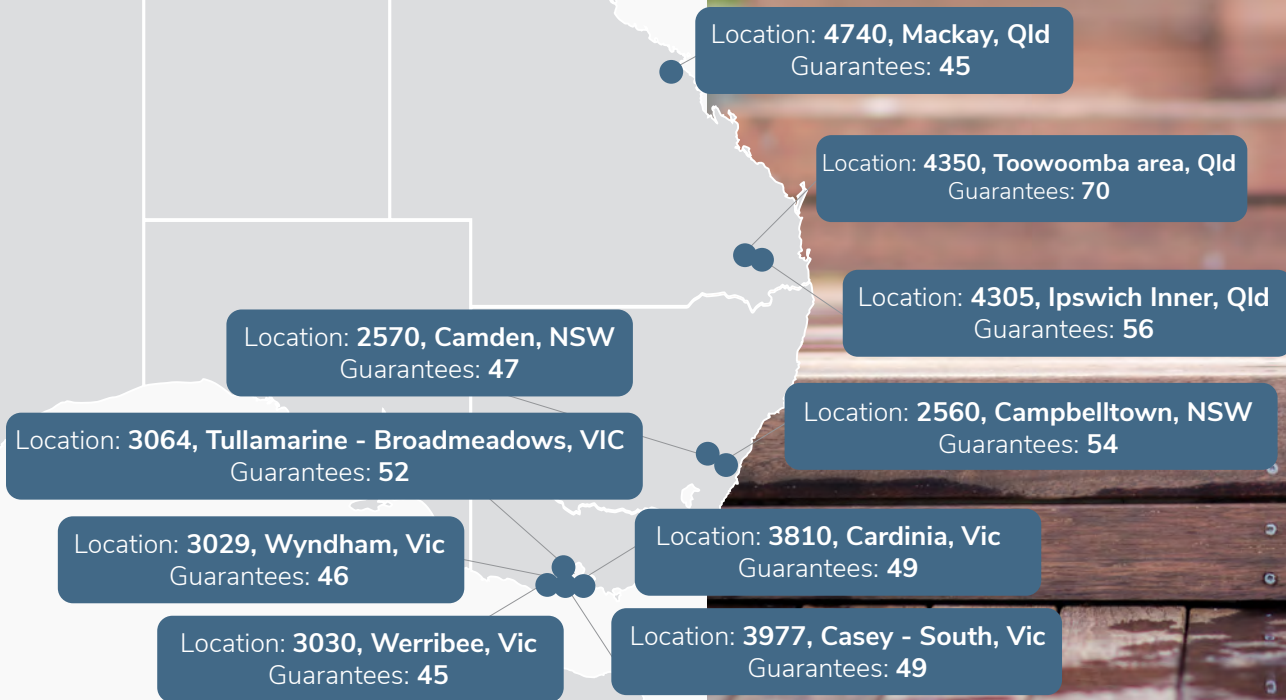
The distribution of guarantees issued under the Scheme across the states and territories broadly aligns with the distribution of the resident population, with the exception of Western Australia and South Australia.<sup>21</sup> This is likely attributed to the longstanding Keystart and HomeStart low deposit home loan initiatives currently active in Western Australia and South Australia, respectively.

Figure 3.7 – Distribution of guarantees under the Scheme compared with population<sup>22</sup>



By postcode, demand for the Scheme was highest in 4350, Toowoomba area, in southern Queensland (70 loans guaranteed). Other postcodes with large amounts of first home buyers supported by the Scheme were 4305, in south-west Brisbane, Queensland (56); followed by 2560, in South Western Sydney, NSW (54); 3064 in north-west Melbourne, Victoria (52); 3810 (49) and 3977 (49), in south-east Melbourne, Victoria; and 2570, also in South Western Sydney, NSW (47).

Figure 3.8 – Top 10 postcodes by number of guarantees issued



Source: NHFIC

Purchases were concentrated in outer city and metropolitan areas, but regional areas were also well represented.

Buyers were prepared to move some distance away from their existing residence to purchase their first home.

Demand under the Scheme was heavily concentrated in the outer suburban areas of the major cities, particularly in Sydney and Melbourne, and in some satellite regional centres.

First home buyers purchasing a home under the Scheme moved an average of 7.6 kilometres from their existing residence. Victorian purchasers using the Scheme moved the greatest distance (10.4 kilometres), followed by NSW (7.5 kilometres) and Tasmania (7.5 kilometres)<sup>23</sup>.

Figure 3.9 – Geographic distribution of guarantees issued – Sydney, Melbourne and Brisbane

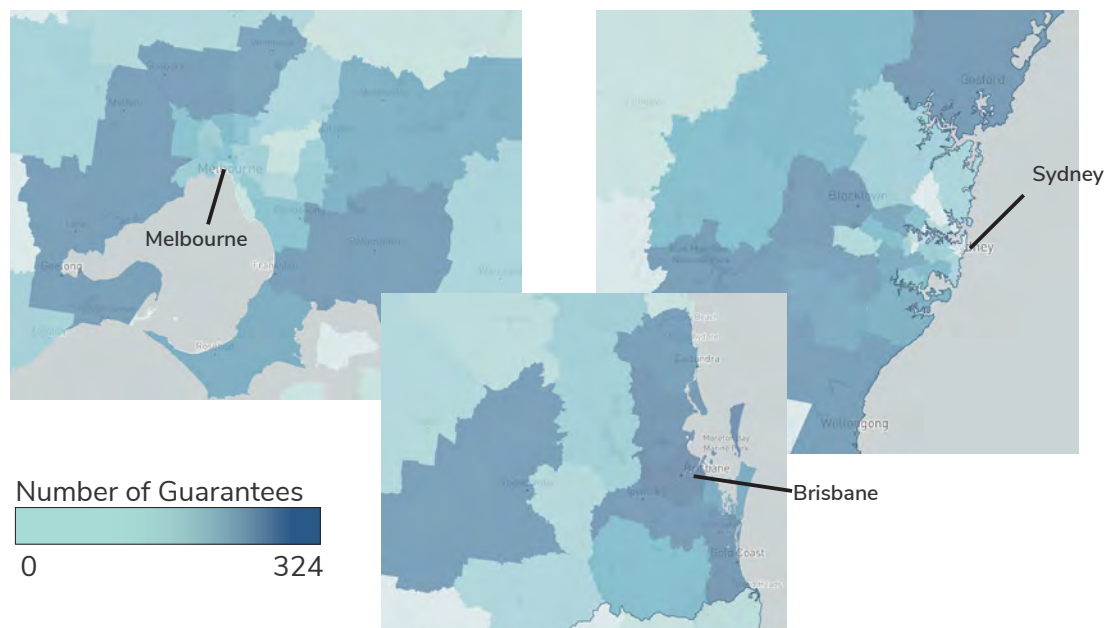
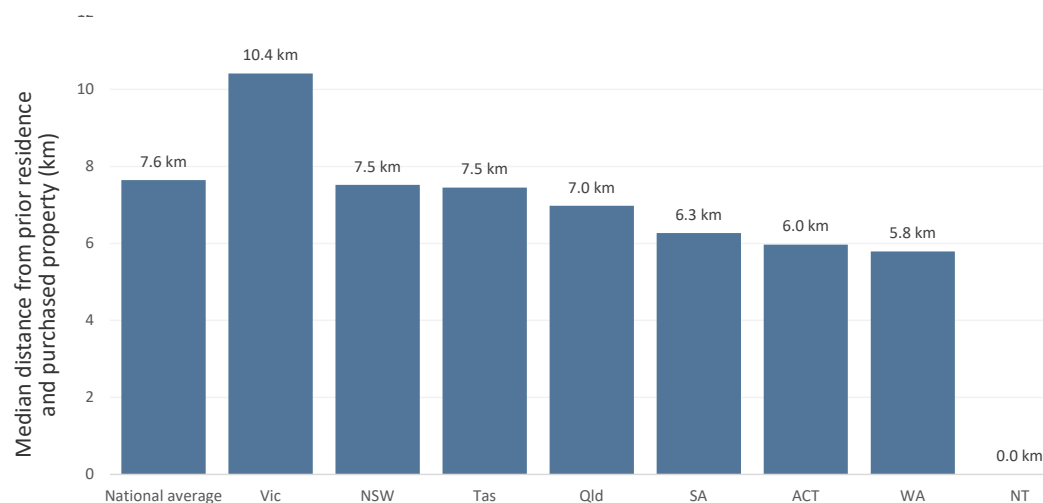


Figure 3.10 – Median distance between purchased property and prior residence<sup>24</sup>



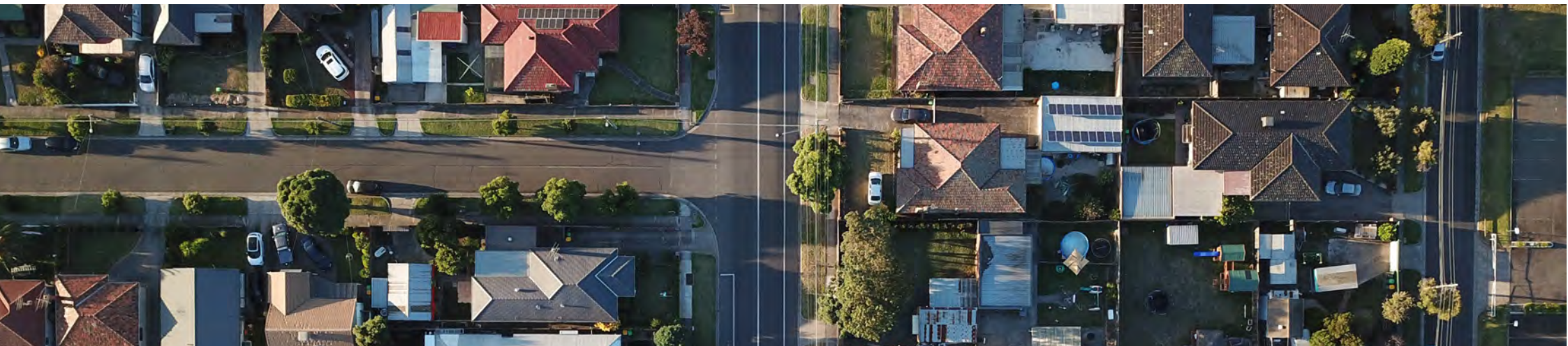
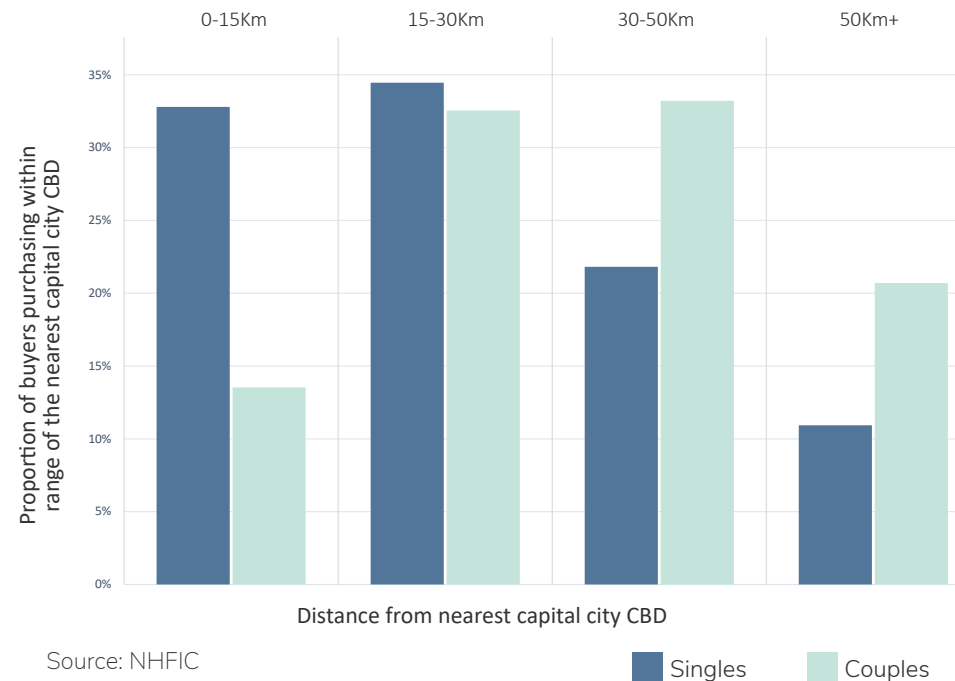
Source: NHFIC

23, 24. Distance calculations were based on postcodes, rather than individual addresses. The relevant geocodes were then applied to calculate the distance from one postcode to another. Analysis excludes any first home buyers under the Scheme that purchased outside of the capital city Greater Capital City Statistical Area. The majority of first home buyers under FHLDS within the Northern Territory purchased a property in the same postcode as their previous residence.

More than half of all purchases under the Scheme in the Greater Capital City Statistical Areas were between 15 kilometres and 30 kilometres from the nearest capital city CBD. Fewer than a quarter were less than 15 kilometres from the CBD.<sup>25</sup>

Almost a third of all single applicants purchased within 15 kilometres of the nearest capital city CBD. However, only 13 per cent of all couple applicants purchased in this zone. Couple applicants tended to purchase further away from the nearest capital city CBD than single applicants.<sup>27</sup>

**Figure 3.11 – Distance between purchased property and nearest capital city CBD<sup>26</sup>**



25, 26, 27. Distance calculations were based on postcodes, rather than individual addresses. The relevant geocodes were then applied to calculate the distance from one postcode to another. Analysis excludes any first home buyers under the Scheme that purchased outside of the capital city Greater Capital City Statistical Area.



Nearly two-thirds of applicants buying in the Greater Sydney region purchased their home more than 30 kilometres from the CBD. Purchases were less concentrated in Melbourne. In most of the other capital cities, the majority of buyers purchased within 30 kilometres of their respective CBDs, including nine out of 10 purchases in Adelaide and Canberra.<sup>28</sup>



**Table 3.2 – Proportion of settlements in each capital city by distance from purchased property and the CBD<sup>29</sup>**

Distance from CBD (km)	Adelaide	Brisbane	Canberra	Hobart	Melbourne	Perth	Sydney
0-15km	42.3%	27.2%	40.1%	57.1%	22.5%	32.2%	12.9%
15-30km	44.4%	48.2%	49.7%	14.3%	30.2%	30.4%	23.9%
30-50km	13.3%	21.1%		8.9%	33.0%	28.9%	32.1%
50km+		3.6%	10.2%	19.6%	14.3%	8.5%	31.1%

Source: NHFIC

Percentages for each capital city may not add to 100 due to rounding.

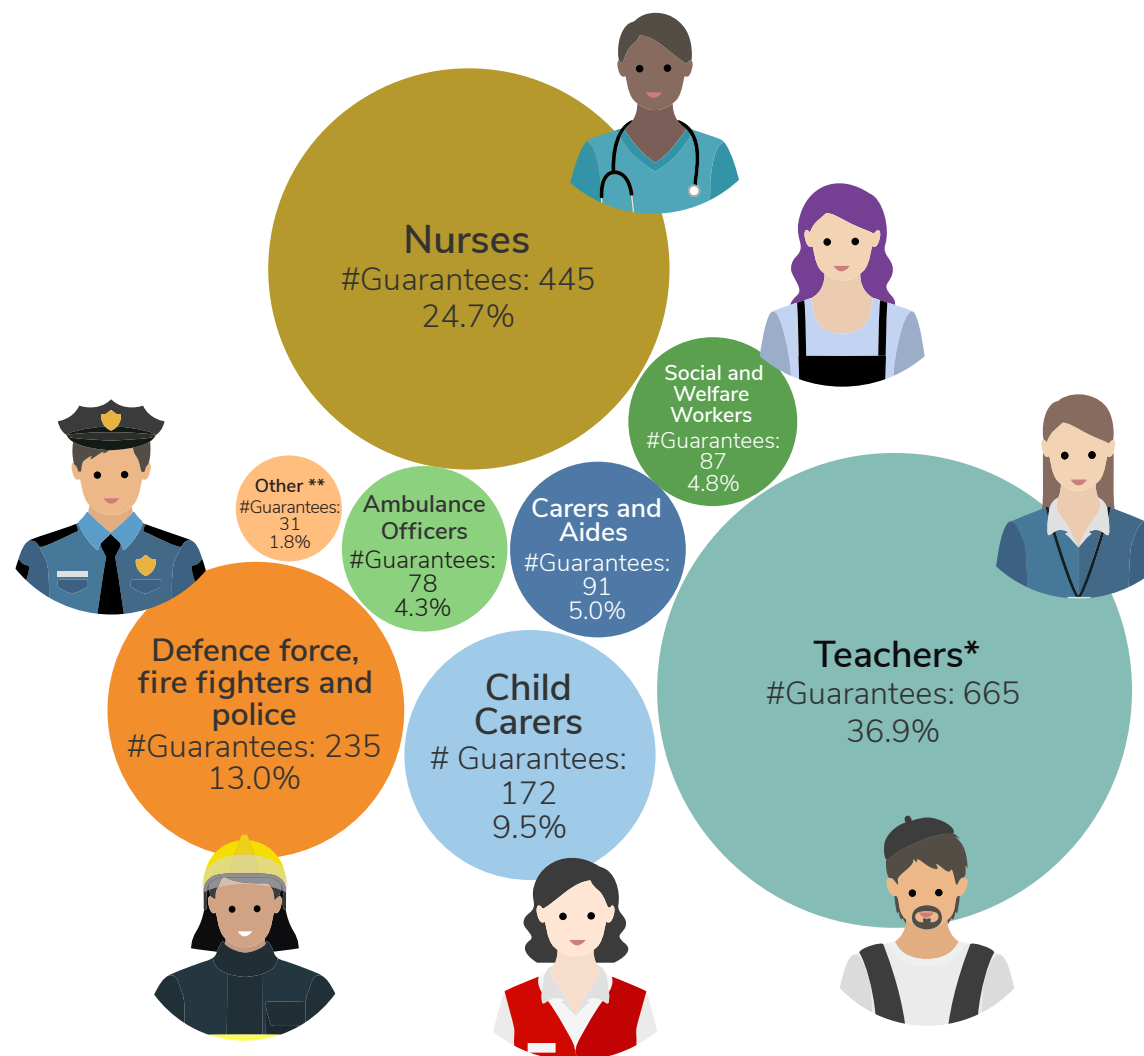
28, 29. Distance calculations were based on postcodes, rather than individual addresses. The relevant geocodes were then applied to calculate the distance from one postcode to another.

## The Scheme has helped many key workers buy their first home.

More than 1,800 key workers purchased their first home with support from the FHLDS.

In the six months to June 2020, more than 1,800 teachers, nurses, emergency service workers, defence force personnel and childcare workers entered the housing market with the support of the FHLDS. These key workers accounted for just over 18 per cent of all individuals accessing the Scheme during the period. Of these key workers, 37 per cent were teachers and 25 per cent were nurses. Defence force personnel, firefighters and police accounted for 13 per cent, while childcare workers (10 per cent) also provided strong demand.<sup>30</sup>

Figure 3.12 – Key workers who purchased under the FHLDS, 1 January to 30 June 2020



Source: NHFIC

\*Includes pre-primary, primary and secondary school teachers

\*\*Includes education aides and health and welfare services

30. The occupations classified as key workers were pre-primary, primary and secondary school teachers; nurses; childcare workers; carers and aides; defence force members, firefighters and police; ambulance officers and paramedics; and social and welfare professionals.

## The Scheme has helped first home buyers bring forward their home purchase.

The main objective of the FHLDS is to help first home buyers enter the housing market sooner.

Those without alternative financial means or access to the Scheme would inevitably have to delay their home purchase. For example, without the Scheme or alternative financial means, a typical buyer in NSW would need to delay their purchase by almost five years to save the entire 20 per cent deposit.<sup>31</sup>

As at 30 June 2020, the Commonwealth Government had guaranteed almost \$400 million in deposit shortfalls for first home buyers across Australia. NSW, Victoria and Queensland accounted for 87.4 per cent of the total amount guaranteed.

### Some guarantee recipients also received other government support.

For every five guarantees under the Scheme, two applicants accessed an additional government incentive. Other government incentives offered to first home buyers included state and territory stamp duty concessions, the First Home Owner Grant and the Commonwealth Government's First Home Super Saver Scheme. Around 40 per cent of buyers under the FHLDS also received stamp duty concessions, while 14 per cent received a first home owner state or territory grant (noting that grant eligibility varies between jurisdictions; for example, in NSW, these grants can only be applied to new builds). Around 4 per cent also accessed the First Home Super Saver Scheme.

**Table 3.3 – Average time buyers need to save the additional amount for a 20 per cent deposit<sup>32</sup>**

State	Additional amount required for 20% deposit	Time to save additional amount (months)
NSW	\$65,221	57
Vic	\$59,000	54
ACT	\$60,875	54
WA	\$45,000	48
SA	\$44,625	48
Tas	\$39,920	47
Qld	\$49,000	45
NT	\$46,700	39
<b>National average</b>	<b>\$54,700</b>	<b>52</b>

Source: ABS / NHFIC

31, 32. Savings rate of 18.6% applied across the cohort, derived from ABS Household Expenditure Survey, Australia: Summary of Results, 2015-16, cat. 6530.0. Savings rate based on the third income quintile. Figures are only indicative as household savings rates will differ based on individual circumstances.

## Financial aspects of the Scheme (loan-to-value ratio, debt-to-income ratio, average loan size, average monthly repayments and loan origination).

The majority of buyers under the Scheme (82.5 per cent) borrowed between 90 per cent and 95 per cent of the property price. Almost two-thirds borrowed between 94 per cent and 95 per cent. The median debt-to-taxable-income ratio was 4.3, with purchasers owing an average of \$374,200. The ratio deviates when broken down by region: those purchasing in the Greater Capital City Statistical Areas had a debt-to-taxable-income ratio of 4.7, compared with purchases in regional areas where the ratio was 3.9. The average buyer in Victoria had the highest debt (\$456,000) and a debt-to-income ratio of 4.7.

**Table 3.4 – Distribution of guarantees by loan-to-value ratio (LVR)**

LVR range	Proportion of guarantees issued
80–85	1.6%
85–90	15.9%
90–94	16.3%
94–95	66.2%

**Table 3.5 – Median debt and debt-to-income ratio by state and territory (LVR)**

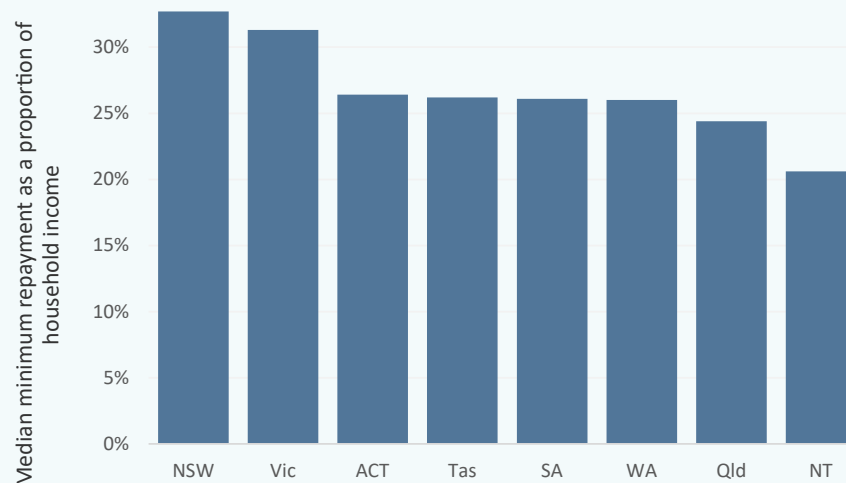
State or territory	Median debt	Median debt-to-income ratio
ACT	\$420,000	4.2
NSW	\$427,500	4.7
NT	\$310,000	3.7
Qld	\$330,000	3.4
SA	\$294,500	3.7
Tas	\$270,750	4.2
Vic	\$456,000	4.7

Source: NHFIC

The average monthly mortgage repayment for borrowers using the Scheme was \$1,729 at the point of funding, which is equivalent to 30 per cent of household disposable income. This varies across the states and territories. In NSW and Victoria, on average, mortgage repayments are a third of household disposable income. Unsurprisingly, buyers in these states recorded the highest average repayment-to-income ratio, due to higher property purchase prices. In other states and territories, mortgage repayments were an average of 26 per cent of household disposable income, except the Northern Territory, where it was 20.6 per cent on average.<sup>33</sup>

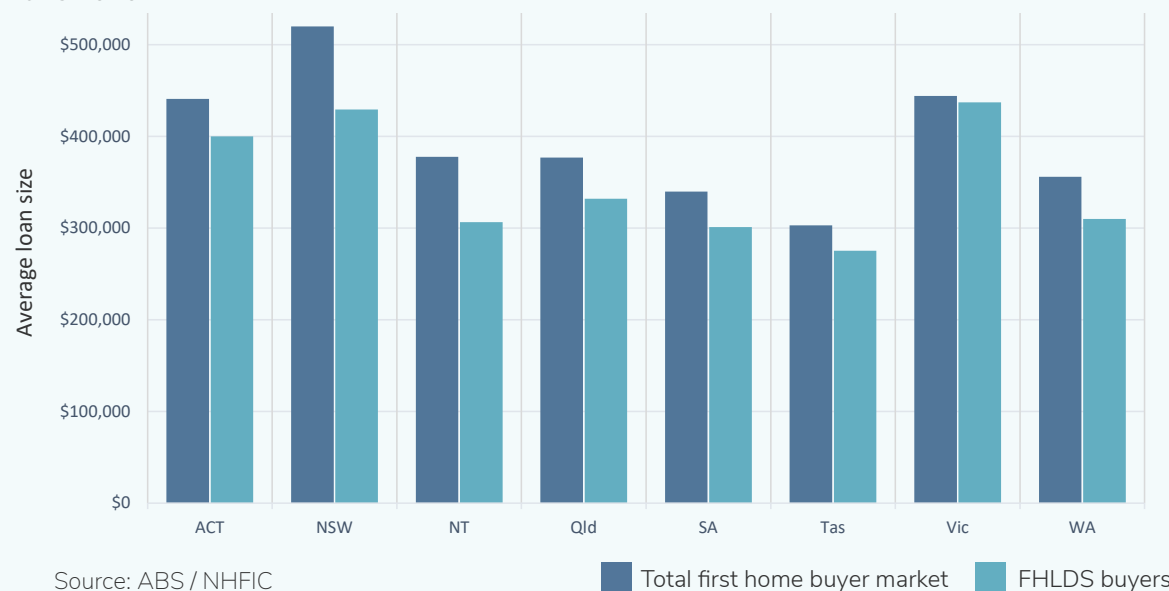
Buyers using the Scheme borrowed less than those in the broader first home buyer market. Between March and June 2020, buyers in NSW using the FHLDS borrowed an average of \$430,000, compared with an average of \$520,000 for the broader NSW first home buyer market.<sup>34</sup>

**Figure 3.13 – Median minimum mortgage repayment as a proportion of household disposable income**



Source: NHFIC

**Figure 3.14 – Average loan size, FHLDS vs total first home buyer market – March 2020 to June 2020<sup>35</sup>**



Source: ABS / NHFIC

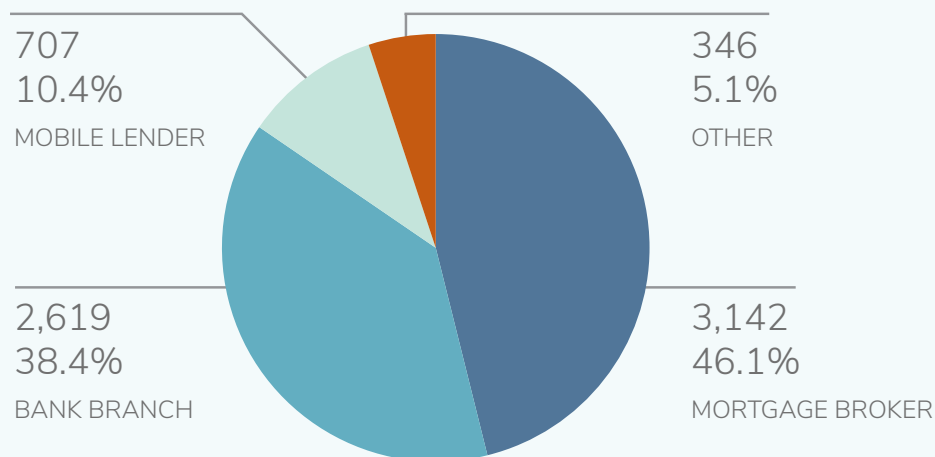
33. Mortgage minimum repayments were calculated using the point of funding for the principal loan amount, interest rate and loan term. Household income data captured under the Scheme was based on the 2018–19 financial year. First home buyers' financial circumstances may have changed between 30 June 2019 and when the guarantee was issued.

34, 35. Australian Bureau of Statistics, *Lending Indicators, June 2020*, cat. no. 5601.0. The ABS notes that there were uneven COVID-19 effects on reported housing loan commitments. A full statement on the impact can be found on the ABS website. Given the Scheme was implemented on 1 January 2020, and the associated time lag between pre-approval and settlement of a property, the number of properties settled under the FHLDS could only be accurately benchmarked against the wider first home buyer market over the period stated.

## Most guarantees were issued through mortgage brokers.

Over the first six months of the Scheme, and in line with the broader market almost half (46.1 per cent) of all loans guaranteed originated from a mortgage broker. A further 38.4 per cent originated from typical bank branches, and the remainder came from other sources such as mobile and online lenders, and by telephone. Excluding the month of January (major banks only began offering loans originating from mortgage brokers in February), the proportion of mortgage-brokered loans under the Scheme was 53.4 per cent. On a state and territory level, Western Australia recorded the most (61.9 per cent) guaranteed loans originating with a mortgage broker.

Figure 3.15 – Loans guaranteed by origination channel



Source: NHFIC

## CONCLUSION

In the first six months of operation, 10,000 places were allocated under the Australian Government's First Home Loan Deposit Scheme (FHLDS). Around one in eight of all first home buyer purchases between March and June 2020 were backed by a Federal Government guarantee under the Scheme. FHLDS has supported people across the age and income spectrums, including many younger buyers, but also some older cohorts purchasing their first home. The Scheme has had broad geographical reach supporting first home buyers across the country with strong interest from buyers in outer metropolitan and regional areas. First time buyers have been able to bring forward their home purchases in line with the objectives of the Scheme.

FHLDS has now cemented itself as part of the first home buyer support policy architecture. The second iteration of guarantees was released from 1 July 2020 which will seek to support another 10,000 aspiring first home buyers over the current financial year. NHFIC will continue to monitor trends and developments in the Scheme and will report annually on these findings.

# 4. STATE AND TERRITORY ANALYSIS

## New South Wales

Figure 4.1 – FHLDS guarantees issued in NSW

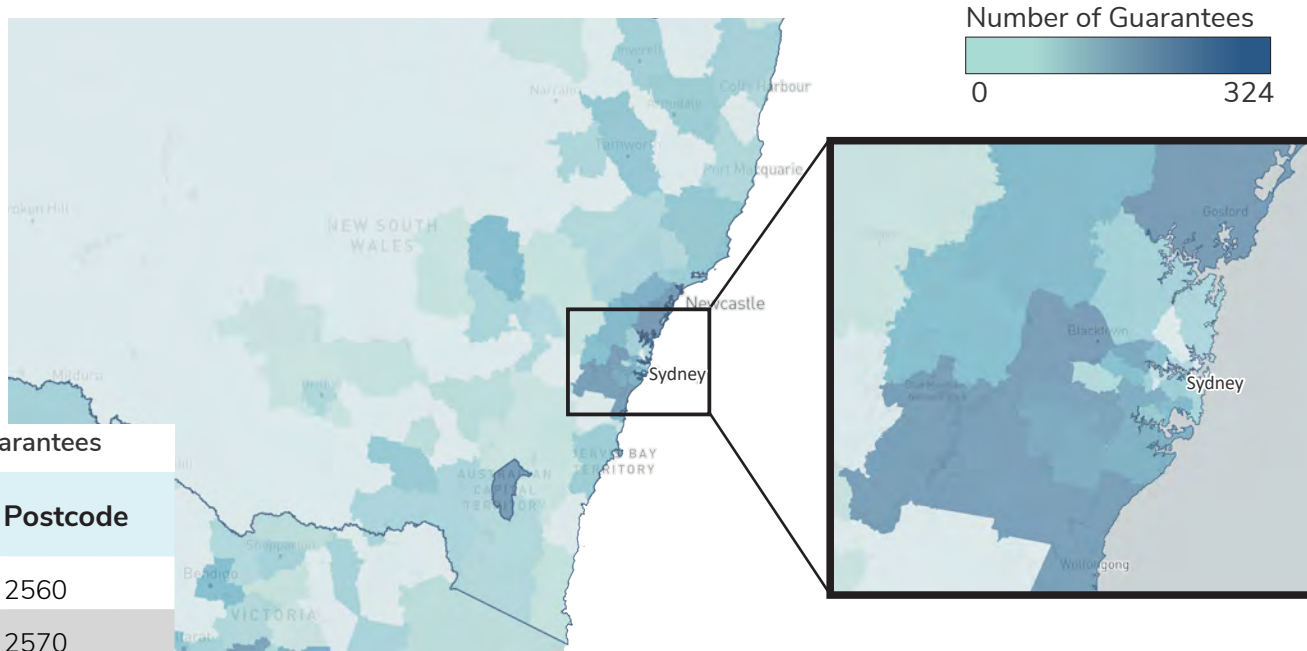


Table 4.1 – Top NSW postcodes for guarantees

Location*	Postcode
Campbelltown	2560
Camden	2570
Newcastle	2287
Gosford	2250
Dubbo	2830
Bringelly - Green Valley	2179
Wyong	2259
Penrith	2747
Wagga Wagga	2650
Kiama - Shellharbour	2527

Number of guarantees issued	Number of settlements	Median property purchase price
<b>2,263</b>	<b>1,809</b>	<b>\$450,000</b>
Median deposit paid by borrower	Purchase price relative to price cap	Median buyer age
<b>\$29,250</b>	<b>79.9%</b>	<b>28</b>

\*Location refers to the largest associated Statistical Area Level 3, as reported on by the Australian Bureau of Statistics

As at 30 June 2020

# Victoria

Figure 4.2 – FHLDS guarantees issued in Victoria

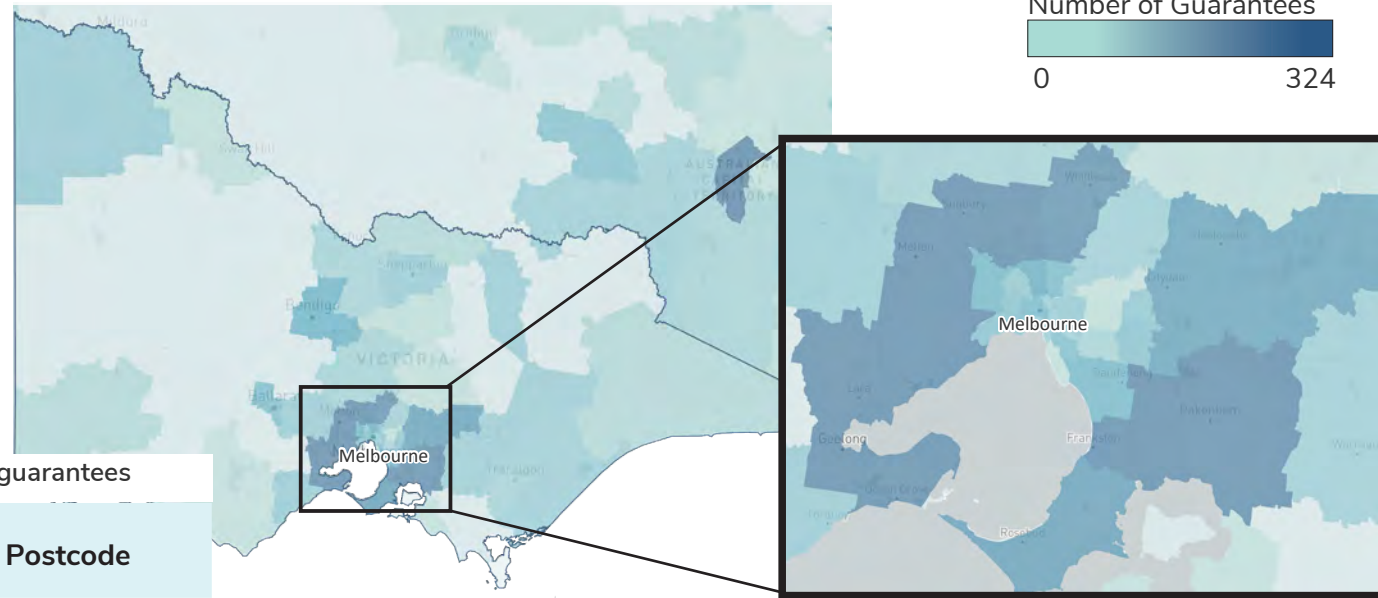


Table 4.2 – Top Victoria postcodes for guarantees

Location*	Postcode
Tullamarine - Broadmeadows	3064
Casey - South	3977
Cardinia	3810
Wyndham	3029
Wyndham	3030
Casey - South	3978
Whittlesea - Wallan	3754
Geelong	3216
Melton - Bacchus Marsh	3337
Melton - Bacchus Marsh	3338

Number of guarantees issued	Number of settlements	Median property purchase price
<b>1,617</b>	<b>1,270</b>	<b>\$495,000</b>
Median deposit paid by borrower	Purchase price relative to price cap	Median buyer age
<b>\$29,250</b>	<b>82.0%</b>	<b>29</b>

\*Location refers to the largest associated Statistical Area Level 3, as reported on by the Australian Bureau of Statistics

As at 30 June 2020



# Queensland

Figure 4.3 – FHLDS guarantees issued in Queensland

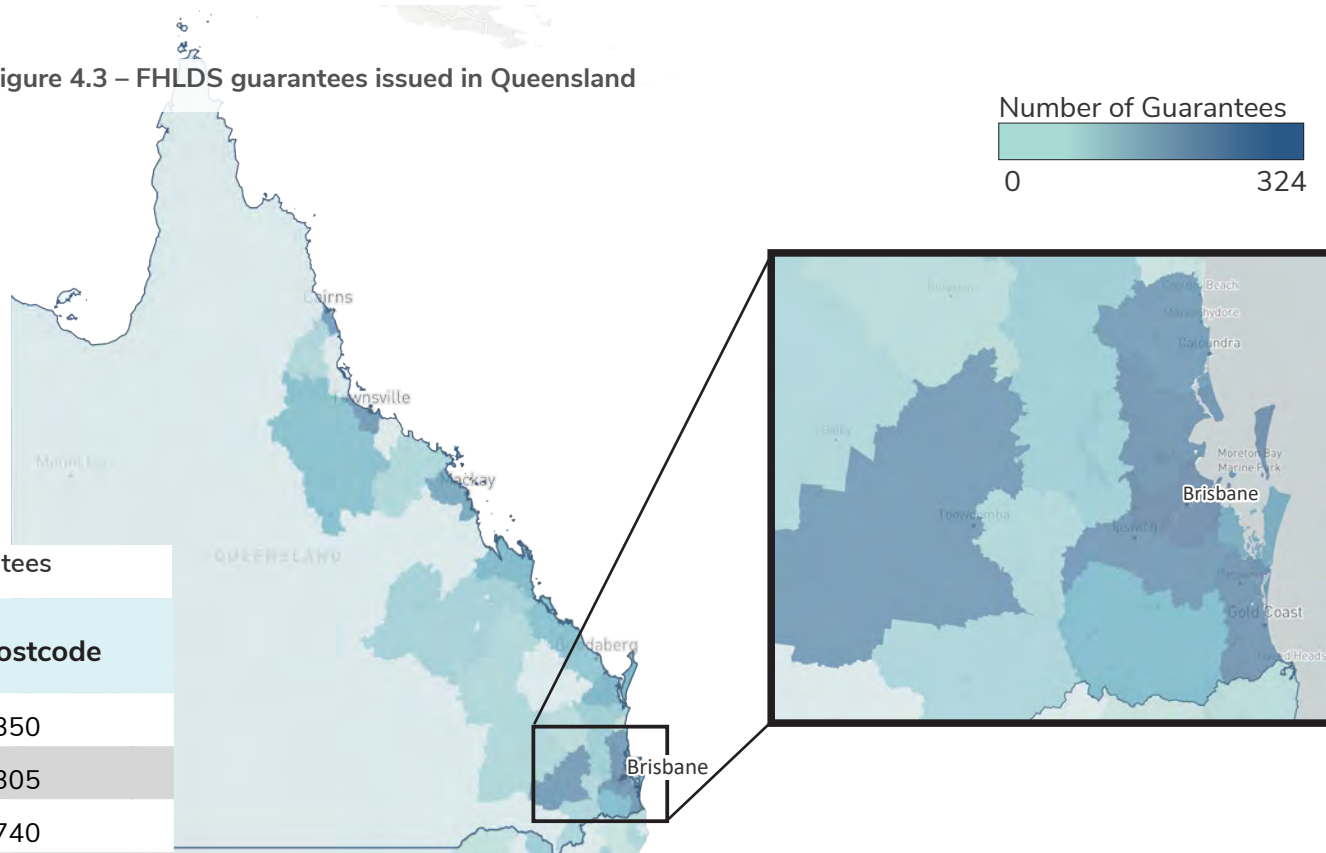


Table 4.3 – Top Qld postcodes for guarantees

Location*	Postcode
Toowoomba	4350
Ipswich Inner	4305
Mackay	4740
Caboolture	4510
Ormeau - Oxenford	4209
Townsville	4814
Rockhampton	4701
Townsville	4818
North Lakes	4503
Springfield - Redbank	4300

Number of guarantees issued	Number of settlements	Median property purchase price
<b>1,845</b>	<b>1,508</b>	<b>\$350,000</b>
Median deposit paid by borrower	Purchase price relative to price cap	Median buyer age
<b>\$20,000</b>	<b>76.1%</b>	<b>28</b>

\*Location refers to the largest associated Statistical Area Level 3, as reported on by the Australian Bureau of Statistics

As at 30 June 2020

# Western Australia

Figure 4.4 – FHLDS guarantees issued in Western Australia

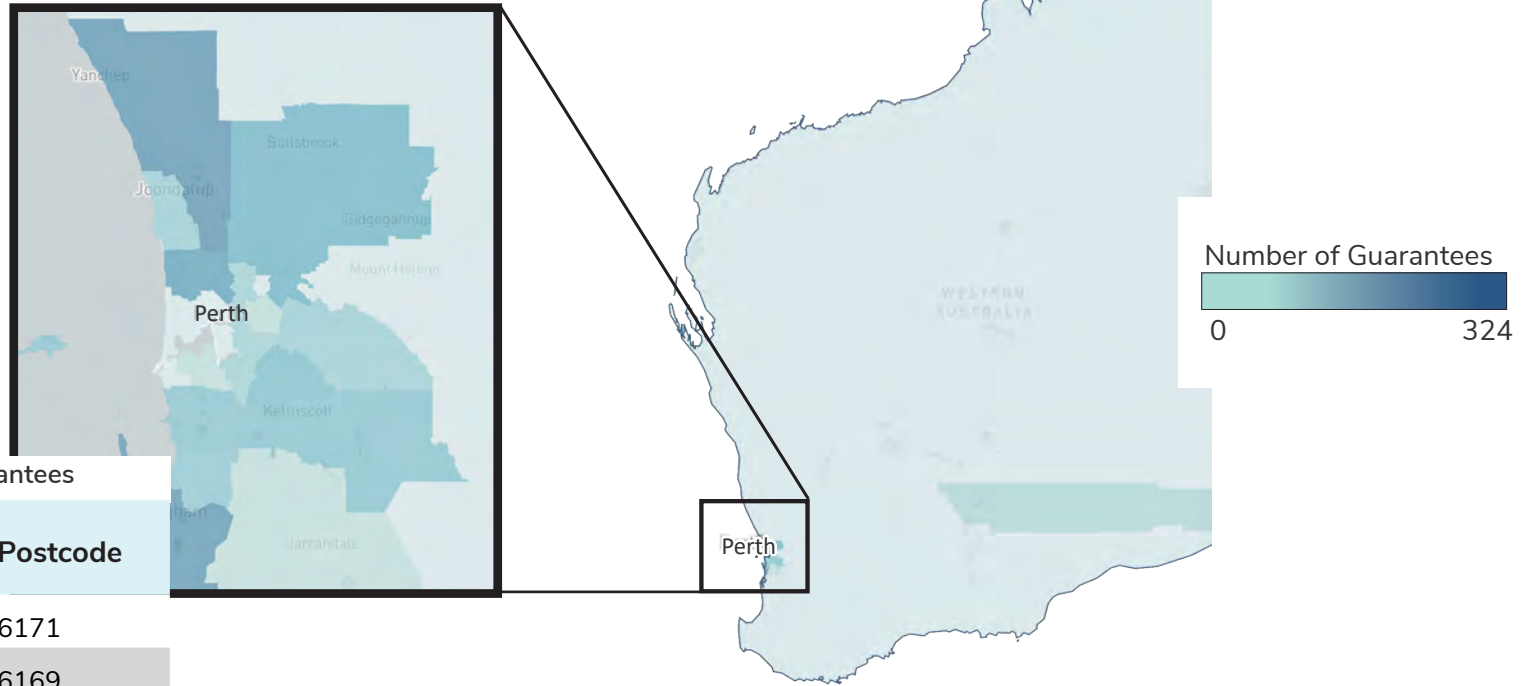


Table 4.4 – Top WA postcodes for guarantees

Location*	Postcode
Rockingham	6171
Rockingham	6169
Mandurah	6210
Stirling	6061
Armadale	6112
Wanneroo	6065
Cockburn	6164
Wanneroo	6030
Kwinana	6167
Gosnells	6110

Number of guarantees issued	Number of settlements	Median property purchase price
<b>441</b>	<b>351</b>	<b>\$335,000</b>
Median deposit paid by borrower	Purchase price relative to price cap	Median buyer age
<b>\$19,115</b>	<b>81.8%</b>	<b>27</b>

\*Location refers to the largest associated Statistical Area Level 3, as reported on by the Australian Bureau of Statistics

As at 30 June 2020

# South Australia

Figure 4.5 – FHLDS guarantees issued in South Australia

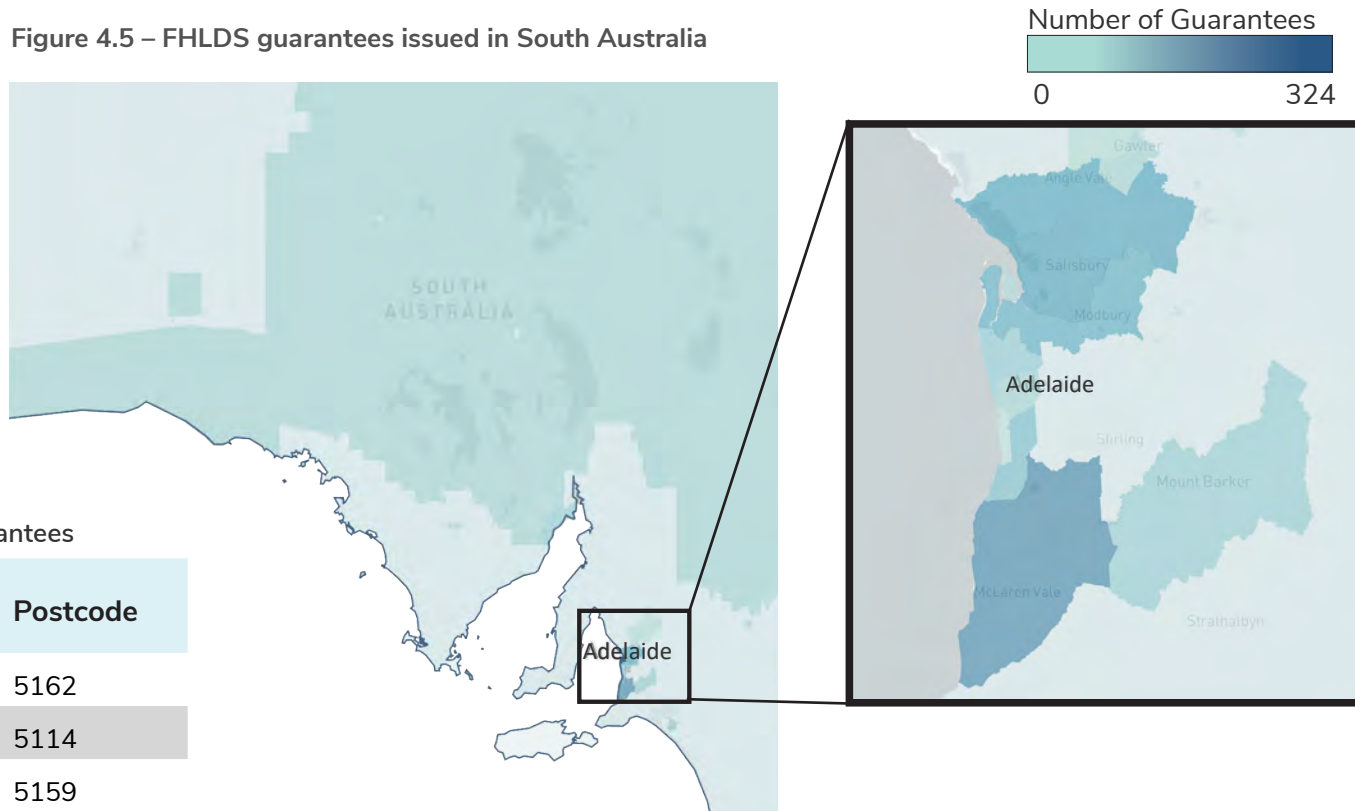


Table 4.5 – Top SA postcodes for guarantees

Location*	Postcode
Onkaparinga	5162
Playford	5114
Onkaparinga	5159
Port Adelaide - East	5085
Gawler - Two Wells	5118
Limestone Coast	5290
Salisbury	5108
Tea Tree Gully	5092
Tea Tree Gully	5097
Adelaide Hills	5251

Number of guarantees issued	Number of settlements	Median property purchase price
<b>332</b>	<b>283</b>	<b>\$306,000</b>
Median deposit paid by borrower	Purchase price relative to price cap	Median buyer age
<b>\$18,250</b>	<b>77.8%</b>	<b>27</b>

\*Location refers to the largest associated Statistical Area Level 3, as reported on by the Australian Bureau of Statistics

As at 30 June 2020

# Tasmania

Figure 4.6 – FHLDS guarantees issued in Tasmania

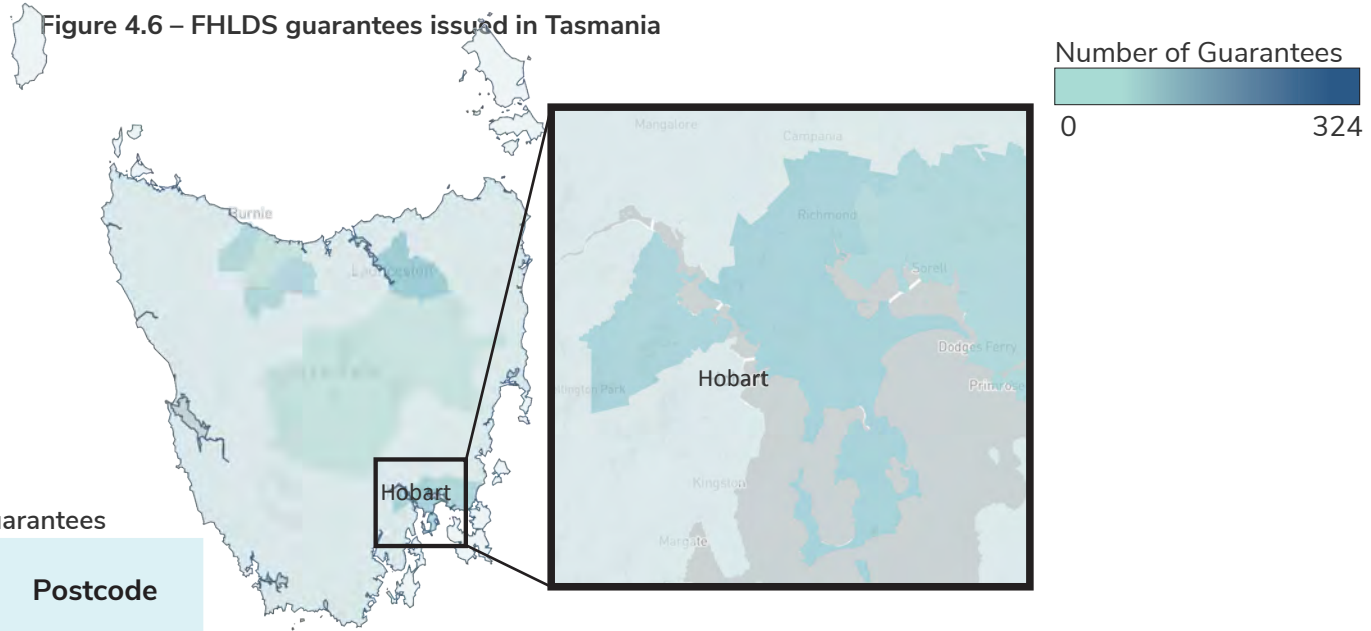


Table 4.6 – Top Tas postcodes for guarantees

Location*	Postcode
Devonport	7310
Launceston	7250
Launceston	7248
Hobart - North East	7019
Burnie - Ulverstone	7320
Launceston	7249
Hobart - North West	7140
Hobart - North West	7011
Hobart - North West	7010
Sorell - Dodges Ferry	7172

Number of guarantees issued	Number of settlements	Median property purchase price
<b>138</b>	<b>112</b>	<b>\$285,000</b>
Median deposit paid by borrower	Purchase price relative to price cap	Median buyer age
<b>\$15,500</b>	<b>86.2%</b>	<b>26</b>

\*Location refers to the largest associated Statistical Area Level 3, as reported on by the Australian Bureau of Statistics

As at 30 June 2020

# Australian Capital Territory

Figure 4.7 – FHLDS guarantees issued in the ACT

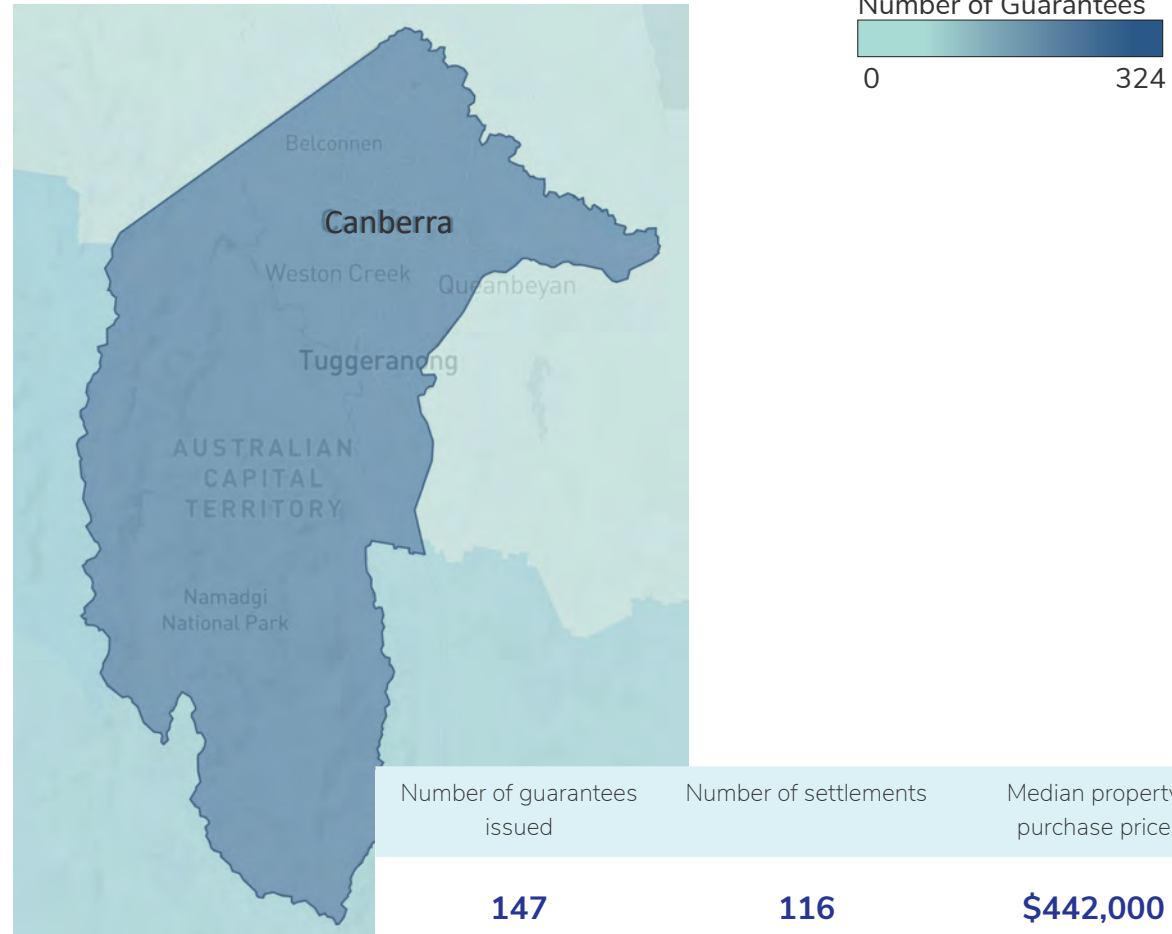


Table 4.7 – Top ACT postcodes for guarantees

Location*	Postcode
Gungahlin	2913
Belconnen	2617
Weston Creek	2611
Gungahlin	2914
Tuggeranong	2906
Belconnen	2615
North Canberra	2602
North Canberra	2612
Tuggeranong	2905
South Canberra	2604

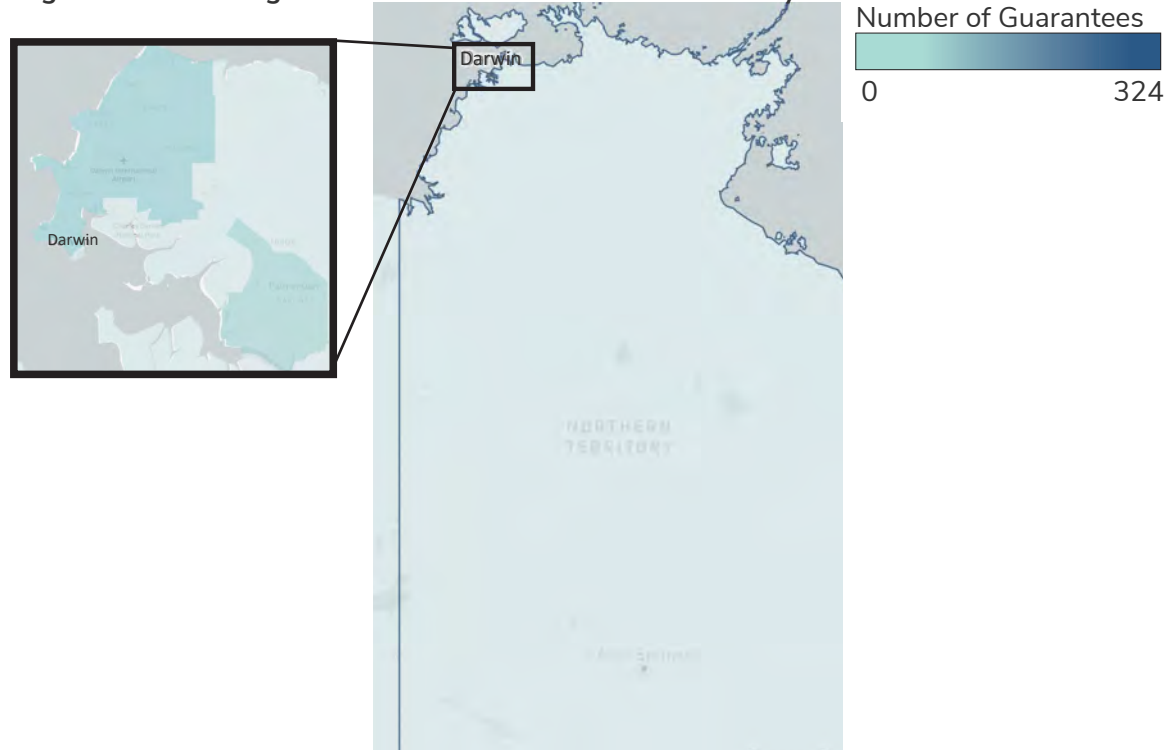
Number of guarantees issued	Number of settlements	Median property purchase price
<b>147</b>	<b>116</b>	<b>\$442,000</b>
Median deposit paid by borrower	Purchase price relative to price cap	Median buyer age
<b>\$24,250</b>	<b>85.6%</b>	<b>29</b>

\*Location refers to the largest associated Statistical Area Level 3, as reported on by the Australian Bureau of Statistics

As at 30 June 2020

# Northern Territory

Figure 4.8 – FHLDS guarantees issued in the Northern Territory



Number of guarantees issued	Number of settlements	Median property purchase price
<b>31</b>	<b>24</b>	<b>\$340,000</b>
Median deposit paid by borrower	Purchase price relative to price cap	Median buyer age
<b>\$18,500</b>	<b>86.8%</b>	<b>30</b>

As at 30 June 2020

\*Due to insufficient sample size, the top NT postcodes for guarantees is not reported on.

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