



# First home buyer insights – collaboration with CBA

Home Guarantee Scheme (HGS) participants vs.  
major panel lender's first home buyer portfolio

August 2023

## Context and purpose

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Under the Home Guarantee Scheme (HGS), NHFIC and the major panel lenders have supported Australians into home ownership sooner. This includes those in more vulnerable positions including first home buyers on modest incomes, single parents, key workers, and those living in regional areas.

In order to demonstrate the benefit provided to these individuals, NHFIC collaborated with NAB and CBA to provide insights on the operation of the HGS since its inception in January 2020 to 31 May 2022, benchmarked against broader first home buyer data for the equivalent period. This analysis was published in August 2022.

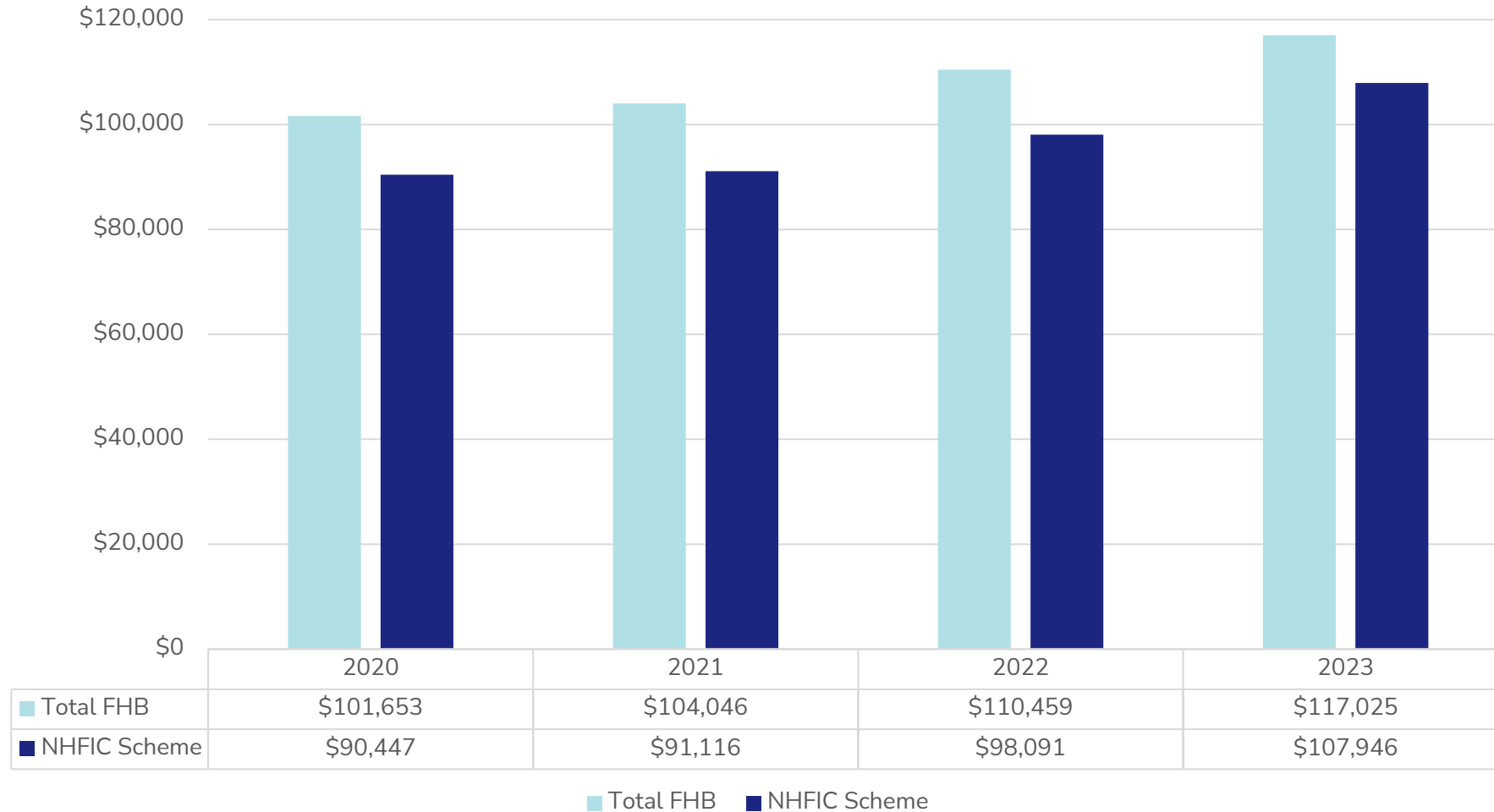
In a changing economic environment amidst rising interest rates, this analysis has been refreshed and extended to 31 May 2023 in partnership with CBA to understand how first home buyer behaviour has been impacted.

## Key points

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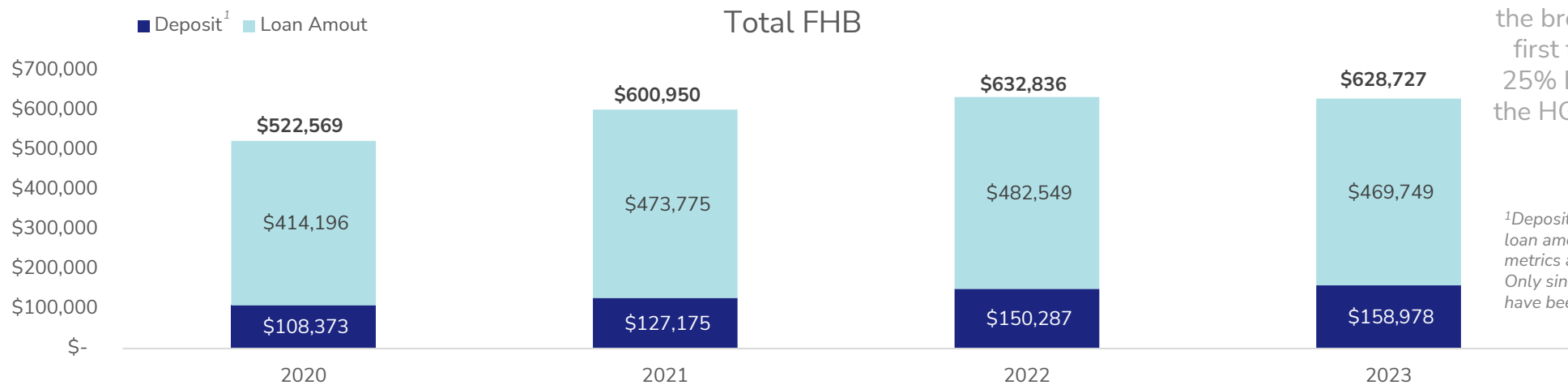
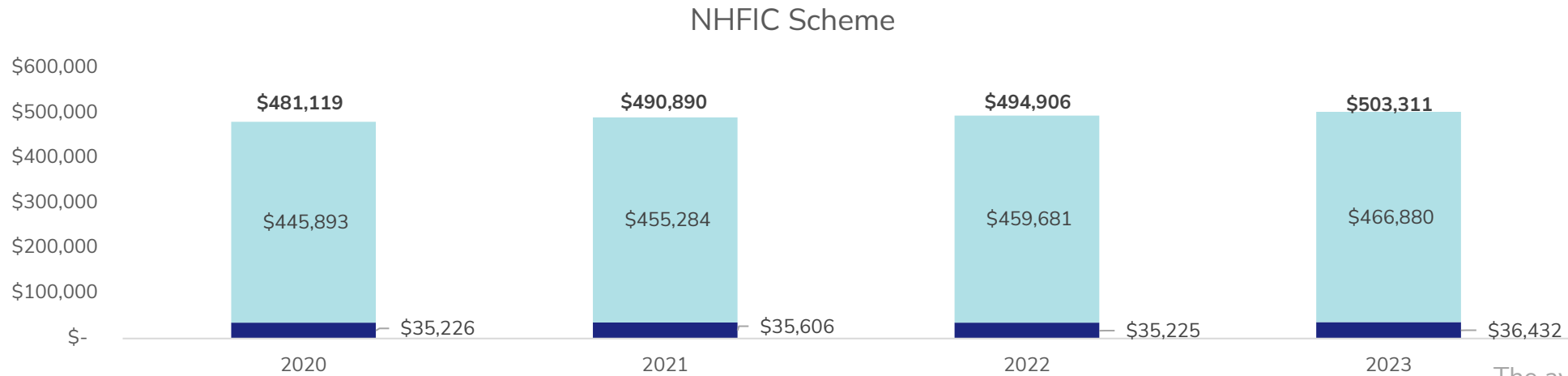
- HGS continues to target households on modest incomes, with the average household recipient of a guarantee earning around \$108,000pa compared with \$117,000pa for the broader FHB segment.
- Average deposits paid by FHBs participating in HGS have barely changed since 2020, and in real terms have declined, with average deposits rising from \$35,200 to \$36,400 (around 3.4%). Meanwhile, average deposits for the broader FHB segment have risen by almost 50% (from \$108,400 to \$159,000).
- Participants under HGS tended to take out smaller loans relative to incomes, compared with the broader FHB market. The average loan amount under HGS increased 4.7% since 2020, while the average loan for the broader FHB market increased by a larger amount (13.4%) over the same time period.
- HGS continues to support more women as a proportion of single applicants relative to the broader FHB market (54% for HGS and under 47% for broader FHB segment), particularly those that are single with dependents under the Family Home Guarantee (80%).
- Dynamic loan to value ratio analysis suggests HGS participant equity positions continue to grow in line with long run averages, despite the recent broader market declines. The average equity gain per guarantee was around \$82,000, equating to a total equity gain of over \$5 billion across the portfolio.
- The ongoing growth in equity for HGS recipients in line with long run averages is likely due to price falls in the HGS segment (i.e. properties between the 20<sup>th</sup> and 30<sup>th</sup> percentile) being more modest at 1–2% (on average) compared with 5–8% falls for the broader market.

## Average gross household salary income\*, by calendar year



***Incomes have risen at a faster pace for those accessing HGS compared with the broader first home buyer market, however the Scheme continues to support those on more modest incomes***

# Average loan amount and deposit paid, by calendar year



The average purchase price for the broader FHB market in the first four months of 2023 is 25% higher than those under the HGS. In 2020 this gap was 8.6%.

<sup>1</sup>Deposit paid has been derived from the average loan amount and average purchase price. These metrics are mutually exclusive. Only single applications are considered. Figures have been rounded.

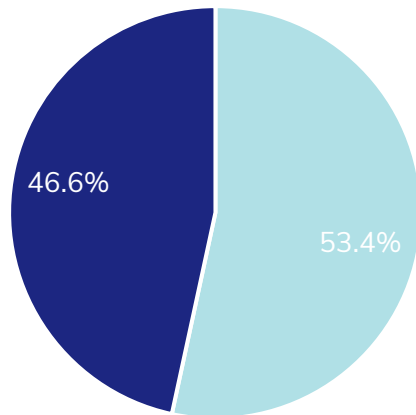
**Deposits paid by the broader FHB market have increased by almost 50% since 2020, on average, while those under the HGS have remained largely unchanged.**

# Gender breakdown

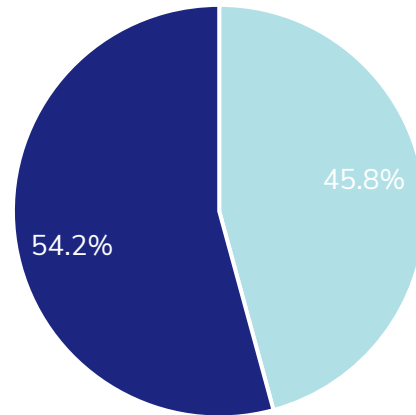
Single applicants only

■ Female ■ Male

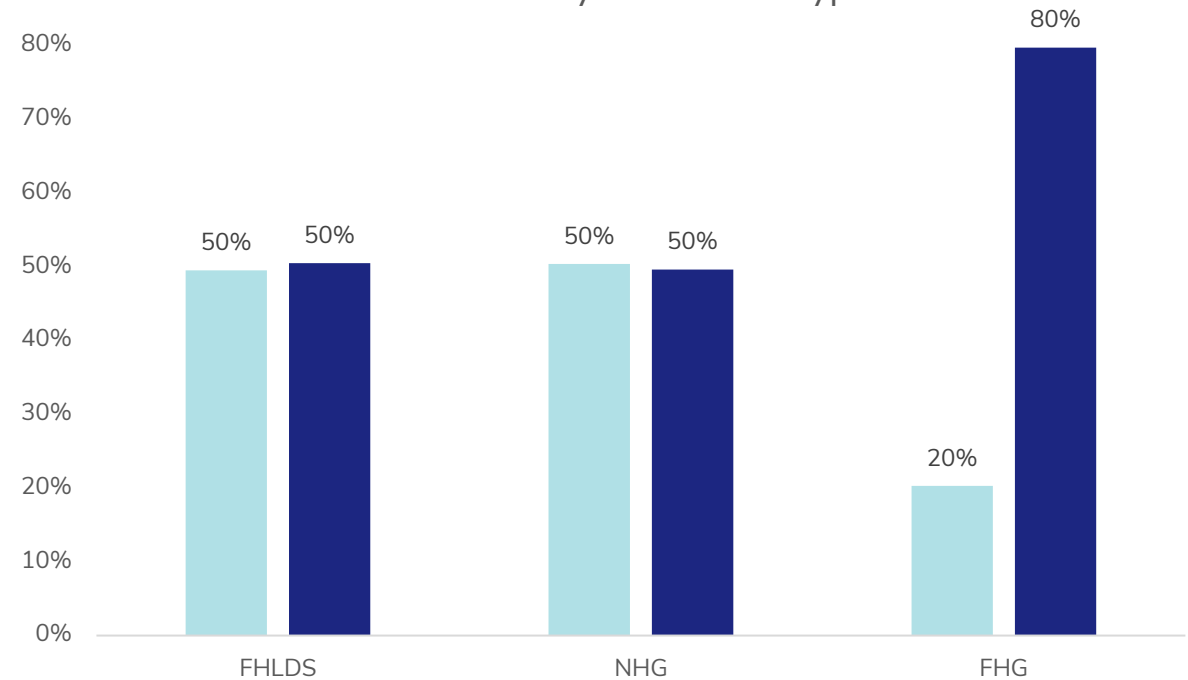
Total FHB single



HGS single

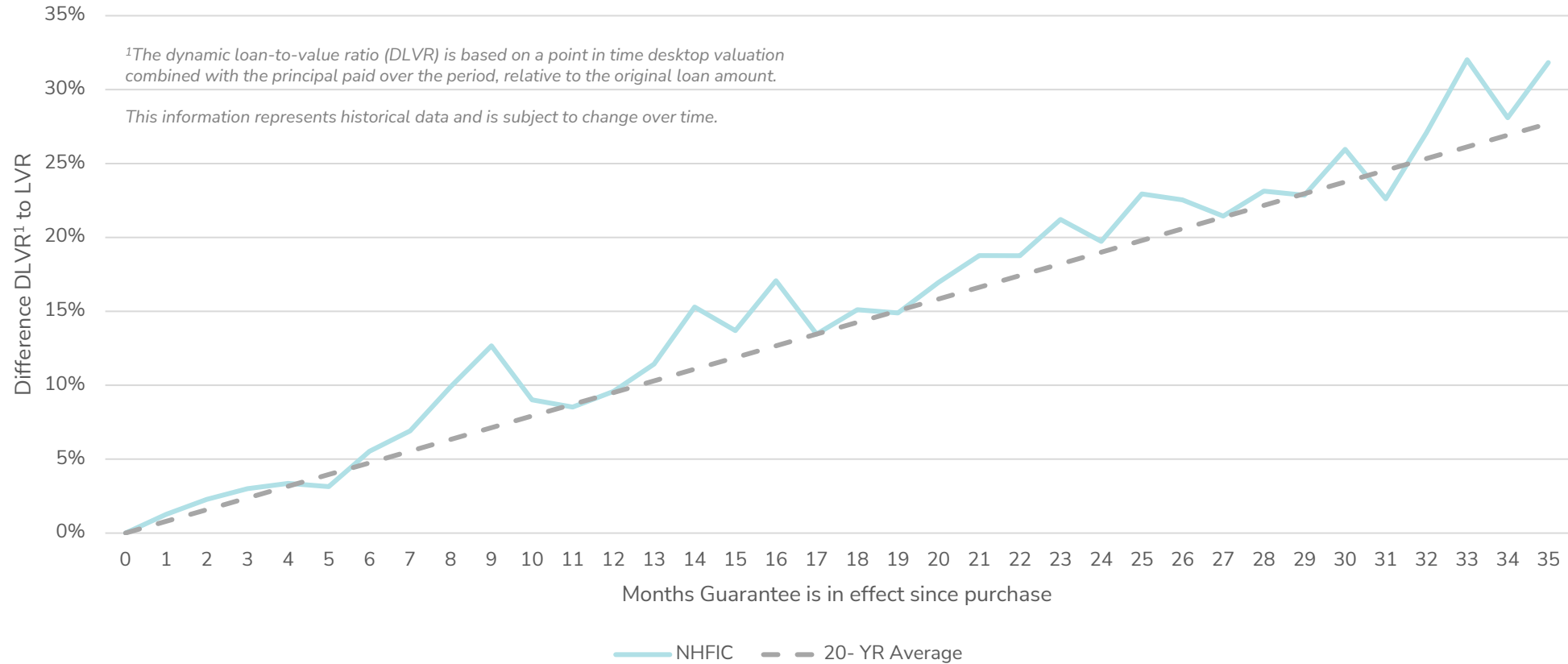


Distribution by Guarantee Type



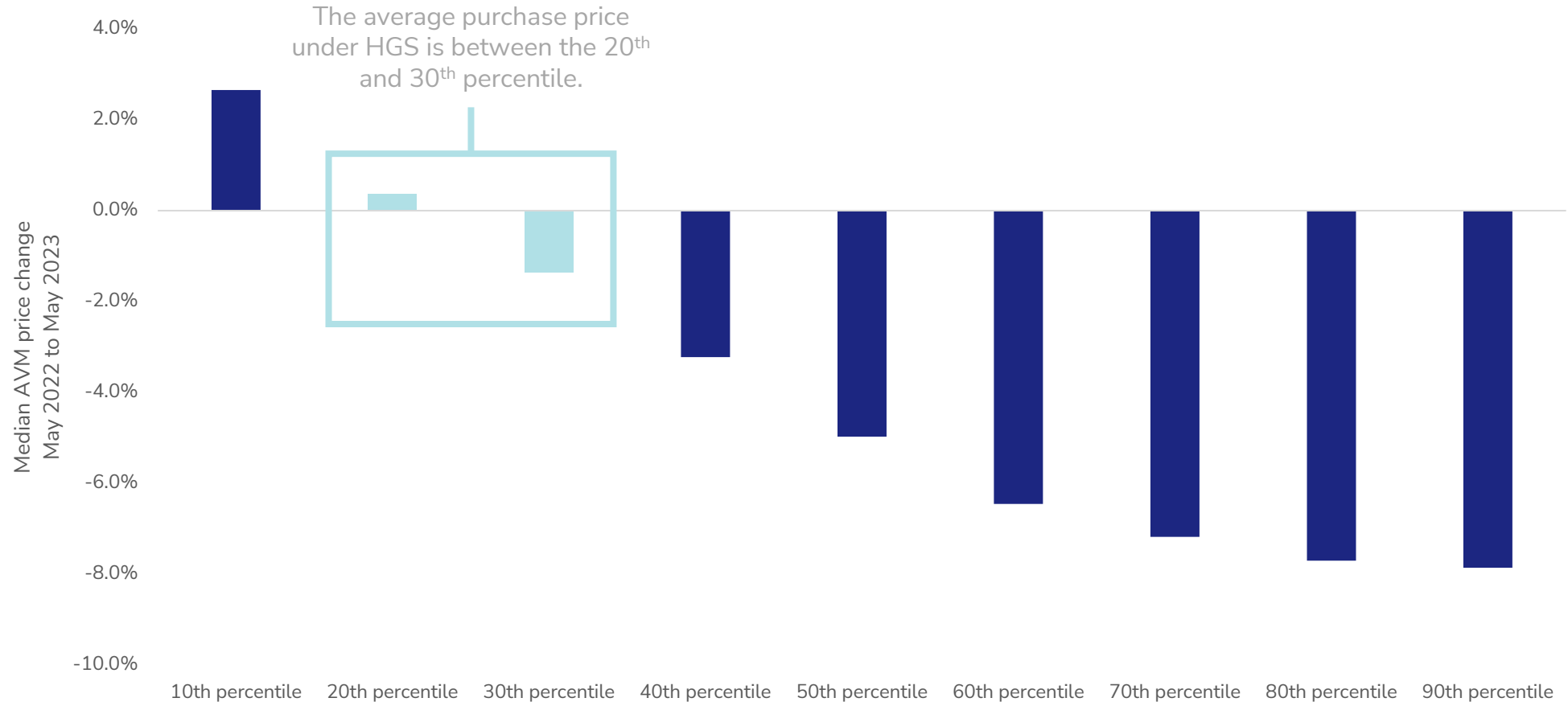
***HGS continues to support more women as a proportion of single applicants relative to the broader FHB market, particularly amongst those that are single with dependents under the FHG (80%).***

# Home equity built over time



**HGS participants continue to see equity grow broadly in line with long run average price increases, with the average equity gain per guarantee around \$82,000**

# Annual median price change by decile



***Additional NHFIC analysis suggests that price falls in the HGS segment have been much more modest at less than 2% compared with 5–8% falls for the broader property market.***



## Disclaimer

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These results are subject to change as rents, house prices, interest rates and incomes fluctuate in the future. NHFIC will continue to work with major banks on its Participating Lender Panel on tracking these first home buyer cohorts over time and will release further data insights periodically.

**About NHFIC** – NHFIC’s mission is to improve housing outcomes for Australians. Established in 2018, NHFIC is a corporate Commonwealth entity that provides long-term and low-cost finance and capability building assistance to registered community housing providers (CHPs) to support the provision of more social and affordable housing. NHFIC lends, invests and provides grants to help finance the critical infrastructure needed to unlock and accelerate new housing supply. NHFIC supports home buyers by administering Government schemes that help them purchase their home sooner, and undertakes independent research into housing supply, demand and affordability in Australia. For more information and the latest data on our achievements, visit [nhfic.gov.au](https://nhfic.gov.au)