

Media Release

The Hon Daniel Andrews MP
Premier



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PUTTING FIRST HOME BUYERS FIRST

Thousands of Victorians, dreaming of buying their first home, will be able to make their dream a reality, thanks to two new changes announced by the Andrews Labor Government.

A new \$50 million pilot scheme, *HomesVic*, will target first home buyers who are able to meet regular mortgage repayments, but because of rising rental costs, haven't been able to save a big enough deposit.

Under the scheme, to be introduced in January 2018, *HomesVic* will co-purchase up to 400 homes, taking an equity share of up to 25 per cent in these properties. It will be available for both new and existing homes.

By allowing homebuyers to purchase less than 100 per cent of the property, they will require a smaller deposit and are able to enter the market sooner. In the long term, it will also mean having a smaller loan to service.

Eligible applicants will include couples earning up to \$95,000, and singles earning up to \$75,000. Buyers will need to have a 5 per cent deposit. The pilot will be tested across the state, and when the properties are sold, *HomesVic* will recover its share of the equity.

To further improve buyers' chances of owning their own home, the Labor Government will also contribute \$5 million to a national, community sector, shared equity scheme, *Buy Assist*.

With similar goals to *HomesVic*, *Buy Assist* will help deliver an additional 100 shared equity homes and help low to medium income households get a foothold in the property market.

The Government is also set to give first home buyers priority in government-led urban renewal developments, with at least 10 per cent of all properties allocated to first time buyers.

This approach will be used for the first time at the Arden development.

The plan to develop the 56 hectare site Arden, announced by the Labor Government last year, could be home to around 15,000 people. Under this policy 1,500 of those could be first home buyers.

The Government will also consult with first home buyers, industry and the community about the design and implementation of measures to support first home buyers in private developments, especially those close to jobs and transport.

Quote attributable to Premier Daniel Andrews

"As rent keeps climbing, it's getting harder and harder for Victorians to save for a deposit. By co-purchasing these properties, we're helping them to get out of the rental market and into their own home sooner."

Quotes attributable to Treasurer Tim Pallas

"This pilot scheme will make it easier for first home buyers to get their foot in the door, as well as reducing the size of the loan they'll need to service."

"Not only do first home buyers deserve a chance to enter the market, but they also deserve more choice about where they live."

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