

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Inquiry into the Help to Buy Bill 2023 and the Help to Buy (Consequential Provisions) Bill 2023

2023 - 2024

Department: Department of the Treasury
Topic: Scheme figures
Reference: Spoken p.9 (6 March 24)
Senator: Mehreen Faruqi

Question:

Senator FARUQI: I just want to clarify—you made an assessment without any modelling. Are you able to provide us with any information on the size of the shared-equity schemes in each of the other states and territories and the rate of uptake on them? I'm presuming, because you've been talking about those other schemes, that you had all that information when you were designing this program?

Ms Crosthwaite: Yes, we do. Would you like us to take you through each state's scheme and the parameters of those? Would that be useful?

Senator FARUQI: I am interested in the size of those and the uptake.

CHAIR: Is it something that might be best taken on notice—not to interfere with your questions, Senator Faruqi?

Senator FARUQI: Sure. Maybe that could be taken on notice.

Ms Crosthwaite: Yes, happy to take that on notice.

Answer:

Please see below for more information.

| | Shared equity scheme | Operating model | Scheme start and size (where available) | Min deposit | Max Gov contribution | Max income threshold | Property price/loan threshold | Restrictions on properties | Participant engagement | Exit mechanisms |
|--|-------------------------------------|--|---|----------------------------|-------------------------|--|-----------------------------------|--|--|--|
| Government equity, private lender loan | NSW Shared Equity Home Buyer Helper | <ul style="list-style-type: none"> • Revenue NSW administers equity investment. • Participant secures a home loan from a participating lender. • Eligibility | 23 January 2023 (3000 places per FY) | 2% | 30% existing 40% new | \$93.2k single \$124.2k couple <i>Compared to the Commonwealth's Help to Buy scheme, the NSW Scheme has greater restrictions on who can apply, and is limited to home buyers who are single parents of a dependent child or children, single and 50 years of age or above, first home buyer key workers or domestic and family violence victim-survivors who have experienced a domestic and family violence incident within the last 5 years.</i> | \$950k centres \$600k regional | No | <ul style="list-style-type: none"> • Periodic review to ensure continued eligibility: 2 years after property purchase, every 2-5 years thereafter. • Improvements costing \$20,000 and over, and/or require council approval, must be approved by Revenue NSW for value of changes to be considered at sale. | <ul style="list-style-type: none"> • Voluntary equity repayments (min 5%). • Equity contribution must be repaid if a participant is no longer eligible (as circumstances permit). • Required to repay equity share on sale (NSW receives proportionate capital gains/losses) |
| | VIC HomeBuyer Fund | <ul style="list-style-type: none"> • Victorian State Revenue Office (SRO) administers equity investment. • Participants secures a | 8 Oct 2021 (Up to 13,000 households) | 5%, 3.5% for ATSI | 25%, 35% for ATSI | \$130.5k single \$208.9k couple | \$950k centres \$600k regional | Yes – specific regions, existing properties only (no new builds) | <ul style="list-style-type: none"> • Annual review to ensure continued eligibility. • Improvements (those which cost \$10,000+, require a building/planning permit, or involve | <ul style="list-style-type: none"> • Voluntary repayments of \$10,000+ and reduce SRO's share by at least 5 percentage points. |

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| | | <i>home loan from lender panel (CBA, Bendigo Bank, Bank Australia, IBA).</i> | | | | | | | <ul style="list-style-type: none"> <i>a structural adjustment to the property) must be approved by SRO.</i> <i>Participants don't pay back any increase in property's value achieved through renovations.</i> | <ul style="list-style-type: none"> <i>Required to repay the equity contribution at sale or within 60 days of end of the home loan term.</i> <i>Equity must begin to be repaid if a participant no longer meets the eligibility criteria (i.e. exceeds income caps for two years), has a windfall gain of \$10,000+, or the lender approves a loan increase.</i> |
| | TAS Housing Market Entry Program (also known as MyHome) | <ul style="list-style-type: none"> <i>Housing Tas provides equity. Bank of us administers equity.</i> <i>Participant secures a Bank of us home loan.</i> | 1 July 2022 (No limit on places) | 2% | 30%/150k existing 40%/\$200k new | Single: \$93.5k Family (2 children): \$150.7k | \$600k for existing homes No cap for new homes | No – buy or build | <ul style="list-style-type: none"> <i>Major improvements must be approved by Housing Tas, Bank of us, and building insurer, to consider value of change.</i> | <ul style="list-style-type: none"> <i>Required to repay equity share within 30 years or at property sale (final value of the Housing Tasmania's share is based on market value at the</i> |

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| | | | | | | | | | | <i>time disposal).</i> |
| Government equity and loan | WA Shared Home Ownership | <ul style="list-style-type: none"> • Keystart provides and administers both the mortgage and equity contribution. • Keystart is a private organisation (owned by a financial corporation trustee) with an independent board and one shareholder (WA Housing Authority). | 1989 | \$2,000 / 2% | 30%, 40% ATSI | \$70k single \$90k couple \$110k single and couple in Kimberley, Pilbara | N/A | Yes – specific Keystart properties | <ul style="list-style-type: none"> • Keystart works with participants (i.e. financial coaching) to consider if buying back equity share is possible • Improvements must be approved by Keystart, participant's equity share can increase if property value increased by \$5000+. | <ul style="list-style-type: none"> • Voluntary purchase back of equity (min 5% share). Purchase back is encouraged (i.e. may offer discounts on the equity share at time of sale). • Required to repay equity share when refinancing or selling the home, with Keystart receiving proportionate capital gains/losses. |
| | SA HomeStart Finance shared equity option | <ul style="list-style-type: none"> • HomeStart Finance provides and administers both the mortgage and equity contribution. | 2018 | 3-5% existing 6-8% new | 25% /property value of up to \$200k | The maximum net household income allowable is \$100,000. To be eligible for a Shared Equity Option for an established property you will need to meet the requirements of a HomeStart primary loan. | \$800k (max 200k equity) | No – buy or build | <ul style="list-style-type: none"> • Improvements can be made to the property, but equity share will not be adjusted to reflect any value increase. | <ul style="list-style-type: none"> • Voluntary repayment of \$10,000+ of equity share. • Required to repay equity share on sale, refinance or if the property |

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| | | <ul style="list-style-type: none"> • HomeStart is SA government organisation. | | | | To be eligible for a Shared Equity Option for construction you will need to meet the requirements of a Graduate Loan or a HomeStart Home Loan. The Shared Equity Option is not available for land only purchases. | | | | <i>is no longer the principal place of residence (HomeStart receives proportionate capital gains/losses).</i> |
| Public Housing tenants only | QLD Pathways Shared Equity Loan | <ul style="list-style-type: none"> • Qld government provides and administers both the equity contribution and mortgage (variable or 3-year fixed rate). | 2008 | Min \$2000 | 40% | Public housing tenants only | N/A – restricted to public housing properties | Yes – a public housing home available for purchase | <ul style="list-style-type: none"> • Qld gov gives \$500 toward legal and financial advice and manages the mortgage (i.e. quarterly statements). • Improvements must be approved if council approval required or fabric of the building/land is changed. • Changes to equity share because of improvements are considered. | <ul style="list-style-type: none"> • Voluntary purchase back of equity (min 5% share) paid in cash or by loan renegotiation. • Required to repay equity share on sale, (Queensland Government receives proportionate capital gains/losses). |
| | ACT Shared Equity | <ul style="list-style-type: none"> • Housing ACT provides equity. • Participant secures an | 2012 | \$1000 | 30% | Public housing tenants only | N/A – restricted to public housing properties | Yes – selected ACT housing properties | <ul style="list-style-type: none"> • Annual inspections of the property, at Housing ACT discretion. | <ul style="list-style-type: none"> • Equity purchased back within 15 years by at least two |

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| | | <i>IMB Bank home loan.</i> | | | | | | | <ul style="list-style-type: none"> <i>Improvements can be made to the property, but equity share will not be adjusted to reflect value increase.</i> | <ul style="list-style-type: none"> <i>payments (calculated based on market value). Additional equity purchases encouraged.</i> |
| Gov loan | NT HomeBuild Access (Low Deposit Loan, or Off the Plan Deposit Loan) | <ul style="list-style-type: none"> <i>NT government provides loan at a competitive variable interest rate.</i> <i>Participant secures a home loan from People's Choice</i> | 2004 | 2.5% | 17.5% | No income or asset limits | \$475k 2-bed \$550k 3+ bed | Yes – new homes, vacant land, or build own home (no existing) | <ul style="list-style-type: none"> <i>Ongoing low deposit loan repayments to NT government.</i> <i>The property must be the participant's principal place of residence for 3 years.</i> | <ul style="list-style-type: none"> <i>Pay back the low deposit loan over the loan term (up to 30 years).</i> <i>As per standard home loans, the low deposit loan can be paid at sale or refinance.</i> |

Information on take-up can be sourced from Annual Reports such as the Victorian Revenue Office report [here](#).