



> **First Home Buyers' Guide**
VIC Programs & Grants 2022

ABOUT

The 'PRD First Home Buyers' Guide' is designed to help you quickly understand what is on offer to first home buyers around Australia.

With so many programs and grants available at the various State and Federal Government levels, it can be difficult to know where to turn to learn what is relevant to your personal situation. This guide helps you do just that.

A combined understanding of all the applicable programs and grants will help you maximise the benefits you can access as a first home buyer, getting you into the property market sooner.

Dr Diaswati Mardiasmo
PRD Chief Economist



NATIONAL

FIRST HOME LOAN DEPOSIT SCHEME

OVERVIEW

The First Home Loan Deposit Scheme* (FHLDS) enables first home buyers to purchase a home with a minimum **5% deposit** whilst **paying no LMI** (Lenders Mortgage Insurance) with participating lenders. The scheme will support 10,000 buyers from **1 July 2021 to 30 June 2022**. An **additional 10,000** places are also available over this period **for newly built*** properties under the New Home Guarantee. Price thresholds on property values apply as per the table below.

WITHDRAWAL THRESHOLDS

State/Territory	Capital Cities/ Regional Centres	Rest of State
NSW	\$900K	\$750K
VIC	\$800K	\$650K
QLD	\$700K	\$550K
WA	\$600K	\$450K
SA	\$600K	\$450K
TAS	\$600K	\$450K
ACT	\$750K	-
NT	\$600K	-



WHAT IS A REGIONAL CENTRE?

- Regional centres have populations over 250,000
- Includes areas such as: Newcastle, Lake Macquarie, Illawarra, Geelong, Gold Coast and Sunshine Coast

ELIGIBLE PROPERTY TYPES

All residential property, including:

- New house and land construction
- New off-the-plan purchases
- Established houses, townhouses, units/apartments
- Vacant land with intention to build a home

APPLICANT ELIGIBILITY

- Must be an individual (not a trust or company)
- Must be aged 18+ years
- Income below \$125K in FY20/21 if single, or below \$200K if a couple
- Must be an Australian citizen
- Must not have previously held an interest in Australian property
- Couples must be married or in a de facto relationship
- Must intend to become owner-occupier of the property

MORE INFO: [PRD.com.au/first-home](https://www.prd.com.au/first-home)

NATIONAL



FAMILY HOME GUARANTEE

OVERVIEW

The Family Home Guarantee* aims to support eligible single parents with **at least one dependent child**. Eligible participants will be able to purchase a home with as little as a **2% deposit** whilst **paying no LMI** (Lenders Mortgage Insurance) with participating lenders. This scheme will support 10,000 single parents over four financial years from **1 July 2022 to 30 June 2025**.

PRICE THRESHOLDS

State/Territory	Capital Cities/ Regional Centres	Rest of State
NSW	\$800K	\$600K
VIC	\$700K	\$500K
QLD	\$600K	\$450K
WA	\$500K	\$400K
SA	\$500K	\$350K
TAS	\$500K	\$400K
ACT	\$500K	-
NT	\$500K	-

ELIGIBLE PROPERTY TYPES

All residential property, including:

- New house and land construction
- New off-the-plan purchases
- Established houses, townhouses, units/apartments
- Vacant land with intention to build a home

APPLICANT ELIGIBILITY

- Must be single (no spouse and/or de facto partner)
- Have at least one dependent child (natural or adopted)

Child must be either:

- A "dependent child" within the meaning of subsections (2), (3), (4), (5), (6) and (7) of section 5 of the Social Security Act 1991 or
- At least 16 but under 22 years of age, receive a disability support pension within the meaning of the Social Security Act 1991 and live with you
- Applicants can be either first home buyers or previous owners who do not currently own a home

FIRST HOME SUPER SAVER SCHEME (FHSS)

OVERVIEW

The First Home Super Saver Scheme* (FHSS) is a tax-effective method which allows the release of **voluntary superannuation contributions** plus any associated earnings from **1 July 2018** onwards, using voluntary contributions made from **1 July 2017** onwards. Thresholds on withdrawals are as per the table below. From **1 July 2022**, the maximum of voluntary contributions will increase from \$30,000 to \$50,000.

WITHDRAWAL THRESHOLDS

Period	Limit
One Financial Year	\$15K plus earnings
All years (total limit)	\$50K plus earnings

ELIGIBLE PROPERTY TYPES

All residential property, including:

- New house and land construction
- New off-the-plan purchases
- Established houses, townhouses, units/apartments
- Vacant land with intention to build a home

APPLICANT ELIGIBILITY

- Must be an individual (not a trust or company)
- Must be aged 18+ years
- Must not have previously held an interest in Australian property (exemption for financial hardship)
- Must not have previously requested the release of funds under the scheme
- Must intend to move into and live in the property as soon as practicable
- Must intend to live in the property for at least 6 months in the first year owned

MORE INFO: [PRD.com.au/first-home](https://www.prd.com.au/first-home)

NATIONAL



REGIONAL FIRST HOME BUYER SUPPORT SCHEME (RFHBSS)

OVERVIEW

The Regional First Home Buyer Support Scheme (RFHBSS) is a **low-deposit, government-issued loan** made available by the Federal Government to home buyers who can afford to purchase a home but cannot obtain private finance approval. Repayments are established based on the applicant's personal financial situations. Property price caps apply.

LOAN FEATURES

- Only **5% deposit** needed
- **No mortgage insurance** fees (i.e. LMI-free)
- Variable or fixed interest rates
- Monthly repayments
- No monthly account-keeping fees
- Initial repayments are from 30% to 35% of initial determined income
- Reimbursement of up to \$100 for seeking independent financial advice on loan approval

ELIGIBLE PROPERTY TYPES

All residential property, including:

- New house and land construction
- New off-the-plan purchases
- Established houses, townhouses, units/apartments
- Vacant land with intention to build a home

APPLICANT ELIGIBILITY

- Must be an individual (not a trust or company)
- Must be aged 18+ years
- Must be an Australian citizen or permanent resident
- Must intend to live in the home
- To have lived in region for at least 12 months
- Not currently hold an interest in Australian property
- Household income under \$125,000 per annum or \$200,000 for couples
- No significant debts, good credit history
- Have savings to cover initial costs
- Be able to afford repayments without hardship

MORE INFO: [PRD.com.au/first-home](https://www.prd.com.au/first-home)

Eligible Region (outside capital city)	Property Price Cap	Maximum Mortgage Insurance Saving
NSW - Illawarra, Central Coast & Newcastle	\$800,000	\$31,939
NSW - Other	\$600,000	\$23,954
VIC – Geelong	\$700,000	\$27,946
VIC – Other	\$500,000	\$14,871
QLD – Gold and Sunshine Coast	\$600,000	\$23,954
QLD - Other	\$450,000	\$13,384
WA	\$400,000	\$11,897
TAS	\$400,000	\$11,897
SA	\$350,000	\$10,410
NT	\$500,000	\$14,871

VICTORIA



FIRST HOME OWNER GRANT (FHOG)

OVERVIEW

The FHOG is a **\$10,000 grant** made available solely to first home buyers for new* residential properties purchased from **1 July 2013** onwards, or a **\$20,000 grant** for purchases in regional Victoria from **1 July 2017** to **30 June 2021**. Price thresholds on property values apply as per the table below.

PRICE THRESHOLDS

Type	Limit
New homes	Up to \$750K

FIRST HOME BUYER DUTY EXEMPTION/CONCESSION

OVERVIEW

The **FHB duty exemption/concession** is made available to first home buyers of residential properties purchased from **1 July 2017** onwards. If your contract is dated **before 1 July 2017** you may be eligible for a 50% duty reduction. Other concessions include:

- Principal place of residence concession – a duty concession for when a property you buy valued up to \$550K is intended as your primary home
- First home owner with family exemption or concession – a one off duty exemption or concession for properties valued at \$200K or less
- Young farmer exemption or concession

PRICE THRESHOLDS

Type	Exemption	Concession
All homes	Below \$600K	Below \$750K

MORE INFO: [PRD.com.au/first-home](https://www.prd.com.au/first-home)

ELIGIBLE PROPERTY TYPES

New* residential property, including:

- House and land construction
- Off-the-plan purchases
- Existing premises sold as residential for the first time

APPLICANT ELIGIBILITY

- Must be an individual (not a trust or company)
- Must be aged 18+ years at settlement
- Buyer (and partner) must not have previously held an interest in Australian property prior to 1 July 2000, or lived in a home owned on or after 1 July 2000 for less than 6 continuous months
- Buyer (and partner) must not have previously received funds under any first home buyer scheme
- Buyer or partner must be an Australian citizen or permanent resident
- Must occupy your home as place of primary residence within 12 months of settlement or construction and remain for 12 continuous months

ELIGIBLE PROPERTY TYPES

All residential property, including:

- New house and land packages
- New off-the-plan purchases
- Established houses, townhouses, units/apartments
- Vacant land with intention to build a home

APPLICANT ELIGIBILITY

- Must be an individual (not a trust or company)
- Must be aged 18+ years at settlement
- Buyer (and partner) must not have previously held an interest in Australian property prior to 1 July 2000, or lived in a home owned after 1 July 2000 for less than 6 continuous months
- Buyer (and partner) must not have previously received funds under any first home buyer scheme
- Buyer or partner must be an Australian citizen or permanent resident
- Must occupy your home as place of primary residence within 12 months of settlement or construction and remain for 12 continuous months

VICTORIA



VICTORIAN HOMEBUYER SCHEME (VHS)

OVERVIEW

The VHS is a **low-deposit, government-issued shared equity scheme** made available to home buyers who can afford repayments but not home deposits. Repayments are established based on the applicant's personal financial situations.

LOAN FEATURES

- 25% towards the purchase price of the property. For eligible Aboriginal or Torres State Islander homebuyers this contribution is up to 35%
- Maximum purchase price \$950K or \$600K, depends on location of property
- Only **5% deposit** needed, 3.5% deposit for Aboriginal or Torres State Islander homebuyers
- **No mortgage insurance** fees (i.e. LMI-free)
- Monthly repayments
- Complete annual reviews, building insurance and maintain the property

ELIGIBLE PROPERTY TYPES

All residential property, including:

- Houses, townhouses, units. Vacant lands not eligible
- Existing or new property. Off-the-plan is not eligible
- Must be in Metropolitan Melbourne, Geelong or another eligible regional location

APPLICANT ELGIBILITY

- Be at least 18 years old
- Must be an Australian or New Zealand citizen or permanent resident of Australia
- Have saved the required minimum deposit (at least 5% or 3.5% depending on your circumstances)
- Occupy the property as principal place of residence
- Not own an interest in any land in Australia or overseas at the time of purchase
- Earn \$125,000 or less per annum for individuals, or \$200,000 or less per annum for joint applicants.
- Not purchase the property from a vendor who is a related person

MORE INFO: PRD.com.au/first-home



ABOUT PRD RESEARCH

PRD Research Division provides reliable, unbiased and authoritative property research and consultancy to clients in metro and regional locations across Australia

Our extensive research capability and specialised approach ensures our clients can make the most informed and financially sound decisions about residential and commercial properties.

OUR KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions.

As the first and only truly knowledge-based property services company, PRD shares experience and knowledge to deliver innovative and effective solutions to our clients.

We have a unique approach that integrates people, experience, systems and technology to create meaningful business connections. We focus on understanding new issues impacting the property industry; such as the environment and sustainability, the economy, demographic and psychographic shifts, commercial and residential design; and forecast future implications around such issues based on historical data and fact.

OUR PEOPLE

Our research team is made up of highly qualified researchers who focus solely on property analysis.

Skilled in deriving macro and micro quantitative information from multiple credible sources, we partner with clients to provide strategic advice and direction regarding property and market performance. We have the added advantage of sourcing valuable and factual qualitative market research in order to ensure our solutions are the most well considered and financially viable.

Our experts are highly sought after consultants for both corporate and government bodies and their advice has helped steer the direction of a number of property developments and secured successful outcomes for our clients.

OUR RESEARCH SERVICES

Our research services span over every suburb, LGA and state within Australia, captured in a variety of standard and customised products.

We have the ability and systems to monitor market movements, demographic changes and property trends. We use our knowledge of market sizes, price structure and buyer profiles to identify opportunities for clients and provide market knowledge that is unbiased, thorough and reliable.

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OUR RESEARCH SERVICES INCLUDE

- Advisory and consultancy
- Market analysis including profiling and trends
- Primary qualitative and quantitative research
- Demographic and target market analysis
- Geographic information mapping
- Project analysis including product and pricing recommendations
- Rental and investment return analysis

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