



> First Home Buyers' Guide
NSW Programs & Grants 2023

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, and get you into the property market sooner.

Dr Diaswati Mardiasmo
PRD Chief Economist



NATIONAL

FIRST HOME BUYER GUARANTEE (FHBG)

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 35,000 buyers from **1 July 2023 to 30 June 2024**. 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.

PRICE 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	-

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



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 FY22/23 if single, or below \$200K if are joint applicants
- Must be an Australian citizen and permanent residents who are at least 18 years of age
- Must not have previously held an interest in Australian property in the past 10 years
- Must intend to become owner-occupier of the property
- If applicants have 20% or more saved, the home loan will not be covered by the First Home Guarantee



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**. 5,000 new scheme places are being released in FY23.

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	-

MORE INFO:

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

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

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)
- Must be an Australian citizen and permanent residents who are at least 18 years of age

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

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 6 months+ in the first year owned



NATIONAL

REGIONAL FIRST HOME GUARANTEE (RFHBG)

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 any interest in Australian property
- Household income under \$125,000 per annum or \$200,000 if joint applicants (i.e couple, siblings, etc)
- 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

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



NEW SOUTH WALES

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 2000** onwards. Price thresholds on property values apply as per the table below.

PRICE THRESHOLDS

Type	Limit
New homes	Up to \$600K
New homes & land	Up to \$750K
Substantially renovated home	Up to \$600K

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

ELIGIBLE PROPERTY TYPES

Newly built* residential property, including:

- House, townhouse, apartment, unit or similar
- Newly built or off-the-plan purchases
- Substantially renovated established properties

APPLICANT ELIGIBILITY

- Must be an individual (not a trust or company)
- Must be aged 18+ years
- Buyer (and partner) must not have previously owned a home before 1 July 2000
- If after 1 July 2000 it must not have been owner occupied for 6 months i.e. investment property is acceptable
- Buyer (and partner) must not have previously received a First Home Grant in Australia
- At least one of buyer and partner must be an Australian citizen or permanent resident
- Must occupy as principal place of residence within 12 months of purchase and remain for minimum period of 12 continuous months

FIRST HOME BUYER ASSISTANCE SCHEME (FHBAS)

OVERVIEW

The FHBAS is a **duty exemption/concession** made available exclusively to first home buyers of residential properties purchased from **1 August 2021**. From **1 July 2023** price thresholds on property values apply as per the table below.

PRICE THRESHOLDS

Type	Exemption	Concession
New homes	Below \$800K	\$800K - \$1M
Existing homes	Below \$800K	\$800K-\$1M
Vacant land	Below \$350K	\$350K-\$450K

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

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 ELGIBILITY

- Must be an individual (not a trust or company)
- Must be aged 18+ years
- The contract date must be on or after 1 July 2017 and must be for the whole property.
- Buyer (and partner) must not have previously owned or co-owned residential property in Australia
- Buyer (and partner) must not have previously received funds under the scheme
- At least one of buyer and partner must be an Australian citizen or permanent resident
- Must move in within 12 months of purchase and remain for at least 12 continuous months



NEW SOUTH WALES

FIRST HOME BUYERS DATA

NUMBER OF FIRST HOME BUYER LOANS APPROVED

	Mar 2023	Dec 2022	Mar 2022
NSW	4,603	5,806	6,306
VIC	6,059	7,978	9,328
QLD	4,677	5,423	5,690
SA	1,342	1,455	1,687
WA	3,305	3,802	4,780
TAS	405	431	457
AUS	21,150	25,753	29,093

AVERAGE FIRST HOME BUYER LOAN

	Mar 2023	Dec 2022	Mar 2022
NSW	\$586,770	\$578,436	\$585,538
VIC	\$495,643	\$505,064	\$498,585
QLD	\$435,129	\$441,176	\$424,499
SA	\$421,908	\$421,237	\$384,292
WA	\$399,879	\$391,873	\$381,360
TAS	\$423,210	\$429,930	\$388,403
AUS	\$480,057	\$485,338	\$475,544

Source: Housing Affordability Report June 2023, Real Estate Institute of Australia

KEY FINDINGS

The number of first home buyer loans approved have been on a declining trend for the past 12 months to March quarter 2023, both for New South Wales (NSW) and the whole of Australia. At the same time, the amount of debt that first home buyers committed to have increased.

As of March quarter 2023 there were 4,603 first home buyers loans approved in NSW, with an average loan amount of \$586,770. This puts NSW as having the third largest cohort of first home buyers, however with the highest amount of loan committed / approved.

In the past quarter to March 2023 (December 2022 – March 2023), NSW experienced a notable decline in the number of first home buyer loans approved, of 20%. This trend is concurrent with the size of the average first home buyer loan in NSW rising by 10% over the same period.

While similar trends are observed in other Australian states, NSW has faced a more pronounced reduction in the number of approved first home buyer loans. This, combined with the increase in loan amounts, has further solidified NSW's position as the least affordable state or territory for first home buyers in Australia.

These figures reflect an increasingly challenging housing market for first-time buyers in the country, especially in NSW. The current landscape underscores the necessity for potential buyers to save and ensure they meet the lending criteria. Despite these hurdles, opportunities still exist for those prepared to navigate the complexities of the market; assisted by available National and/or State level first home buyer schemes.

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 SERVICES

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



OUR 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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