

HELPING AUSSIES LAUNCH INTO THEIR GREAT AUSTRALIAN DREAM



John Oliver
CEO
HomeStart Homes

HomeStart makes home ownership a reality for more South Australians in more ways. We are a statutory authority that reports to the Minister for Housing and Urban Development. We were created in 1989 and since then have helped more than 68,780 households into home ownership.

With housing affordability a hot-button topic on the national agenda, low-deposit South Australian lender HomeStart Finance is working to help Aussies achieve the great Australian dream.

HomeStart Finance has achieved a record profit and helped almost 1700 customers into home ownership as it tackles head-on the housing affordability crisis crippling the rest of the nation, the lender's annual report reveals.

The report, tabled in Parliament in January, shows the low-deposit lender's best financial year since inception and demonstrates HomeStart's enormous reach and significant positive impact in supporting people into home ownership.

HomeStart Finance Chairman Jim Kouts says the results demonstrate the vital role the lender plays in growing the South Australian housing market.

"Our strong financial result of \$20.3 million means we can continue to assist people to move into home ownership across metropolitan Adelaide and regional South Australia," he says.

"ONE IN SIX FIRST HOME BUYERS— APPROXIMATELY 16% OF FIRST HOME BUYERS IN SA — PURCHASED A HOME THROUGH HOMESTART IN THE LAST 12 MONTHS..." — JIM KOUTS

"Supporting 1674 South Australians to buy their home — funding \$432 million worth of loans — was a solid improvement on the 1599 loans and \$393 million in settlements achieved in 2015-16.

"One in six first home buyers — approximately 16% of first home buyers in SA — purchased a home through HomeStart in the last 12 months, up from about 12% in previous years."

Of the 1674 customers HomeStart helped in 2016-17:

- 821 were first home buyers
- 57% were leaving private rental
- 36% bought homes in the northern fringes of metropolitan Adelaide, while 22% bought homes in regional areas
- 91.2% of the portfolio were in advance of their repayments, an increase from last year
- The average loan size was \$257 321, a 3.4% increase on last financial year
- Over \$100 million of construction lending, supporting over 300 jobs in South Australia

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The low-deposit lender's results include a return on equity of 12.57% and comes at a time when the issue of housing affordability dominates the national agenda.

HomeStart Finance Chief Executive Officer, John Oliver says: "South Australia continues to be in a better housing affordability position compared with other state capitals, reinforcing the value of HomeStart to the economy, community and our customers.

"It's worth noting, nearly 90% of our customers would not have obtained a loan through a mainstream lender at the time of their application. This demonstrates the significant positive economic and community impact our

organisation makes in the state," continues John.

"We have great confidence in the model as part of the solution to what is one of the most significant and ongoing problems impacting Australians. The success of HomeStart is evidence that other states could look to a similar model to help them to break the housing affordability deadlock.

"Research by University of Adelaide adds weight to our confidence having determined that a similar model could increase home ownership in NSW by up to 8% and in Victoria by 6%.

"We're helping a vast cross-section of South Australians achieve more than just bricks and



mortar — we're giving them a springboard for a bright future," says John.

"HomeStart Finance brings about real change in the housing landscape within South Australia and brings to life our

commitment to 'make home ownership a reality for more people in more ways'."

The Annual Report is available at the HomeStart Finance website.