

For immediate release
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Door opens for 170,000 South Australians to graduate into home ownership

More than 170,000 South Australian tertiary graduates will have a clearer pathway into home ownership with a more competitive home loan announced by HomeStart Finance this week.

In a move that could help graduates into home ownership sooner, HomeStart has broadened the criteria on its Graduate Loan, so anyone with a Certificate 3 qualification or higher may be eligible to buy a home with as little as 3% deposit.

The new Graduate Loan will be launched on **Wednesday, 22 October at 11am** at the TAFE SA Arts centre, with special guests, CEO of the Real Estate Institute of SA (REISA) Greg Troughton and Executive Director, Education of TAFE SA Jen Rodger.

There are currently more than 170,000 South Australians with Certificate 3 and 4 qualifications and almost half a million with some form of tertiary qualification.

HomeStart's Chief Executive Officer John Oliver said that after graduating, tertiary students are faced with a unique set of homebuying challenges to overcome.

"While they are studying, most tertiary students are completely focused on gaining their qualification and giving themselves the best chance of employment. Buying a home generally isn't a major priority, so it can be put to the side until they graduate," he said.

"Saving for a deposit while studying is extremely difficult. As a student, you are generally working less hours while managing rent, student fees and many other costs related to your studies.

"Tertiary graduates have a much higher workforce participation rate, so it makes sense to help them overcome the initial home buying hurdles so that they're able to realise the social and financial benefits of owning their own home much sooner.

"The Graduate Loan is designed to do exactly that – helping them to overcome one of the main barriers to ownership, the deposit. At the same time, they are able to avoid paying thousands in Lenders Mortgage Insurance and also have more certainty in their loan repayments."

According to ABS statistics, almost half a million South Australians are enrolled in tertiary courses at a Certificate 3 level or higher, with nearly 25,000 Certificate 3 or 4 students graduating in 2012 now eligible to benefit from the loan expansion.

John said since the Graduate Loan was introduced in November 2002, more than 2,200 South Australians had accessed the loan. Initially, it was only available to graduates with Bachelor qualifications, but the criteria have been broadened over time.

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 over 64,500 households into home ownership.

“Expanding the loan criteria means it now caters for a huge range of professions from accountants, engineers and designers through to nurses, teachers, police and those with trades,” he said.

Minister for Housing and Urban Development, John Rau, said the changes were another example of the Government, through HomeStart, increasing the opportunities for South Australians to make the dream of home ownership a reality.

“Statistics show us that more than 88% of graduates with Certificate 3 or 4 qualifications are active in the workforce and they also have the strongest match between their intended occupation and the job they end up doing,” he said.

“They are equipped to handle the financial responsibilities that come with owning a home and through HomeStart we have made it easier for them to achieve that goal.”

First homebuyer Russell McLean recently used a HomeStart Graduate Loan to purchase an apartment in a new residential development under construction at Marden in Adelaide’s eastern suburbs.

“The low deposit was very appealing and a great incentive knowing I could get started with as little as 3% deposit,” he said.

“Being able to get a foot in the door and own a home so soon after graduating provides me with a great foundation for the future. The entire process has been straightforward and extremely positive.”

Russell completed a Bachelor of Middle and Secondary Schooling at Flinders University last year and is now employed as a teacher.

The major benefit of the Graduate Loan is homebuyers can get started with as little as 3% deposit when buying established homes, and 6% deposit when building a home. Homebuyers can generally borrow more money with the Graduate Loan or it can be combined with other HomeStart ‘top-up’ products such as the Breakthrough or Advantage Loan which also increase the amount that can be borrowed.

The Graduate Loan will be launched on Wednesday, 22 October at 11am at the TAFE SA Arts centre, 2nd Floor Atrium, 39 Light Square Adelaide.

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