

For immediate release  
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## SA property prices out of reach for first homebuyers

Less than half of the properties for sale in South Australia fall within the range of a typical first homebuyer, highlighting the significant barrier many first-time buyers face in achieving the great Australian dream.

The figures collated by HomeStart Finance show that of the 15,000 listings on real estate website realestate.com.au\*, only around 6000, or 40%, are below the \$300,000 mark.

With Australian Bureau of Statistics data showing the average loan size for first homebuyers in South Australia is around \$250,000, without a significant deposit the majority of properties for sale are simply out of reach for first homebuyers.

HomeStart's Chief Executive Officer John Oliver said the figures clearly demonstrate that affordable housing for first homebuyers is in short supply in South Australia.

"The reality is that unless first homebuyers have significant savings or are willing to make compromises on the features they want in a home, the majority of houses listed for sale are out of reach," he said.

"In a worst case scenario, homebuyers may feel the need to stretch their financial capacity by borrowing more money to afford the house they want, which can prove problematic if interest rates rise and they can't meet the increased repayments.

"It may mean first homebuyers are forced to postpone buying a house until they can save a large deposit, but with this comes the risk of property prices rising significantly over that time, making it even more difficult to get into ownership.

"The good news is South Australia's property market has largely avoided the sharp price rises that the eastern state capital cities have experienced. For this reason, South Australia has a larger percentage of first homebuyers making it into ownership than most other states and territories."

Mr Oliver said niche loan products designed to boost buyers' borrowing power could play an important role in helping first homebuyers into the market.

"There are options available to help first homebuyers boost how much they can borrow and help them get a foot in the door," he said.

*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 63,000 households into home ownership.*

## Media release

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“One of HomeStart’s solutions is the shared appreciation loan that enables homebuyers to increase how much they can borrow.

“These types of loans enable you to borrow more - in some cases up to 30% more - in exchange for an agreed share of the capital gain when the property is sold.

“This could be the difference between an extra bedroom, or a suburb closer to the city.”

*\* Data from realestate.com.au traffic and listings, South Australia, 23 January 2015.*

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