

# News Release Minister Tom Koutsantonis

Minister for Transport and Infrastructure  
Minister for Mineral Resources and Energy  
Minister for Housing and Urban Development

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## \$45,000 advantage for South Australian homebuyers

First homebuyers, single parents, graduates, nurses and tradies will be among the South Australians to benefit from a more affordable home loan announced by the State Government and HomeStart Finance.

The Advantage Loan, introduced in 1993, is combined with another HomeStart loan to increase the amount customers can borrow without changing their monthly loan repayments.

In a bid to improve home loan affordability, HomeStart has expanded the criteria on their Advantage Loan, increasing the maximum amount that could be available to homebuyers by 50 per cent from \$30,615 previously to \$45,000.

Housing and Urban Development Minister Tom Koutsantonis said the changes to the Advantage Loan were another example of the State Government taking the lead in addressing housing affordability.

“This loan significantly helps the people that need it most,” Mr Koutsantonis said.

“Increasing opportunities for families to buy their own home is pivotal to the State’s housing and construction industries and our priority through HomeStart is to improve affordability for a range of homebuyers.”

HomeStart Chief Executive Officer John Oliver said despite low interest rates, affordability is a key issue for South Australians.

“It’s crucial that we look at ways to remove some of the barriers to ownership and get people started sooner,” Mr Oliver said.

“To do this we’ve expanded both the income eligibility criteria as well as the amount applicants can borrow. The amount that an Advantage Loan applicant is eligible to receive is based on income, with the loan amount they qualify for reducing as their income rises.

“The Advantage Loan also has a subsidised interest rate equal to inflation, with no repayments due until the standard loan is repaid.

“This unlocks a greater number of purchase options - for some it could be the difference between living closer to the city or in a location closer to schools and better amenities.

“Our research shows that a home buyers’ suburb choice can expand by as many as 32 suburbs with the Advantage Loan.

“For others it might be just buying a home with an extra bedroom or a bigger yard than they could have afforded originally.”

Mr Oliver said the Advantage Loan was initially introduced to specifically help single income families, but HomeStart recognised that a broader range of home buyers on average incomes would benefit from the loan.

Since 1993, the Advantage Loan has helped 10,953 households achieve their home ownership aspirations through HomeStart.

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## HOMESTART ADVANTAGE LOAN - HOW IT WORKS

### CASE STUDY ONE

John and Jenny have just left university and although they both have part-time employment they want to enter the housing market while prices and interest rates are competitive. The couple, who earn a gross annual income of \$54,610 p.a. are eligible for a Graduate Loan of \$328,125 but are also now eligible for an additional Advantage Loan of \$23,000, which gives them access to 28 more potential suburbs based on median house prices. Their repayments will remain the same.

### CASE STUDY TWO

Sarah is a single mother with one child, who earns an annual gross income of \$43,500 as a sales executive. She was eligible for a Low Deposit Loan of \$191,525 but is now also eligible for an Advantage Loan of \$45,000, boosting the property value of what she could purchase to over \$230,000. Her repayments will remain the same.

	<b>Couple</b>	<b>Single + 1 child</b>
<b>Gross annual income</b>	\$54,610	\$43,500
<b>Primary Loan</b>	Graduate Loan \$328,125	Low Deposit Loan \$ 191,525
<b>Advantage Loan</b>	\$23,000 (previously \$0)	\$45,000 (previously \$1,000)
<b>Total loan amount</b>	<b>\$351,125</b>	<b>\$ 236,525</b>
<b>Monthly instalment</b>	\$2,006.40	\$1,173
<b>Number of suburbs (based on median house prices)</b>	103 (28 additional suburbs)	17 (8 additional suburbs)

HomeStart has a range of products that help increase borrowing power and reduce upfront costs. To find out more, visit [homestart.com.au](http://homestart.com.au)