

For immediate release
Wednesday, 23 September 2015

Housing the key to stopping SA's brain drain

The Chief Executive Officer of HomeStart Finance believes housing is the key to halting the steady flow of young South Australians out of the state.

Annual figures released by the Australian Bureau of Statistics (ABS) recently showed that South Australia had recorded net interstate migration figures of negative 2968, meaning almost 3000 more people left the state than settled here in the last 12 months.

It is the tenth straight year that South Australia has recorded a negative net migration figure – the loss of population through the movement of people from one state or territory to another – with only New South Wales showing a similar trend. During those last ten years, South Australia has had a net loss of more than 30,000 people..

But HomeStart Chief Executive Officer John Oliver believes that South Australia's housing market could be the key to reversing the trend, and ensuring more young people decide to make a long-term home in the state.

Mr Oliver said more innovative approaches to connecting the life goals of young people, of which owning a home is one, could provide a solution.

"Generally, young people strive to build a good career and achieve financial freedom, and owning a home or property is a key part of that," he said.

"The reason that many young people leave South Australia is to pursue a career in the eastern states - Melbourne in particular. But we've seen the enormous growth in property prices in these capital cities and the chances of owning a home in your 20s is becoming increasingly remote.

"South Australia on the other hand, has one of the lowest median house prices in the country, sitting at just below \$500,000. Compare this with Sydney, which has a median house price of more than \$1 million and Melbourne at almost \$700,000, and Adelaide has become an attractive option for young first home buyers.

"The relatively low prices in Adelaide could allow young people to spend less time saving for a house deposit, so they can get into home ownership sooner.

"Sydney has experienced house price growth of more than 16% in the last 12 months, Melbourne 10% and Adelaide just over 4%, so it is a much steadier market here in South Australia.

"Housing provides South Australia with an advantage to give young people a pathway to achieve the goals they set out to realise in life."

Mr Oliver said HomeStart Finance already provided a pathway for tertiary graduates into home ownership, enabling them to get started with just 3% deposit to help them overcome the significant barrier of upfront costs.

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



“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 sooner,” he said.

“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.”

“In the last 12 months we’ve extended the eligibility criteria and seen a 58% rise in the number of graduates taking the loan, demonstrating the significant demand for innovative solutions to the home buyer puzzle.”

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.