

EXPANDED DEPOSIT GAP SCHEME GOOD FOR JOBS AND HOME OWNERSHIP

The Commonwealth Government's decision to extend and expand its deposit gap guarantee initiative will broaden the pathway to home ownership and boost jobs for the housing construction sector.

The Government has confirmed an additional 10,000 places aimed at new housing under the First Home Loan Deposit Scheme, plus an additional tranche for single parents that only requires a 2 percent deposit for either existing or new homes.

The Urban Development Institute of Australia – the nation's peak body representing the property development industry – praised the decision.

"These initiatives from the Commonwealth will deliver a dual benefit – easing access to home ownership for more people whilst sustaining jobs, wages and activity across the construction sector," said UDIA National Vice-President, Max Shifman.

"We know that saving for a deposit is one of the biggest barriers to home ownership, so targeted solutions that reduce this challenge make sense.

"Ensuring these places are directed towards construction of new homes will help generate the demand needed to sustain jobs during the economic recovery, and help balance the market over the longer-term.

"Importantly buyers of apartments, which have been the most affected segment during the pandemic, can purchase off-the-plan under this scheme. This should help kickstart a revival in this sector, otherwise hit hard from the collapse in immigration caused by the pandemic.

"The Government's continued willingness to adapt and be flexible with its policy settings throughout the pandemic has been helpful to the housing and construction sector.

"*HomeBuilder* has been a great public policy success and underpinned the housing and construction's sector essential role in producing jobs and contributing to the national economy.

"With as many as 120,000 applications received under the scheme, the ability to keep construction activity rolling through the rest of 2021 and now potentially into 2022 will be strengthened.

"Housing and construction contribute 750,000 direct and indirect jobs to the nation, so it is well placed to keep filling the gap caused by border restrictions and a temporary slowdown in population growth."

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