



PR & Media Sean Slatter
16 Thesiger Court, Deakin ACT 2600
Phone 0413 986 068 | Fax 02 6285 2444
www.reia.com.au | media@reia.com.au

For Immediate Release Media Release October 3, 2020

REIA QUESTIONS FOCUS OF 10,000 NEW PLACES FOR FIRST HOME BUYERS

The Real Estate Institute of Australia (REIA) has expressed reservations about the release of 10,000 new places for first home buyers to build a new home or purchase a newly built home under the First Home Loan Deposit Scheme.

REIA President, Mr Adrian Kelly said the announcement ignored the market preferences of Australian first home buyers.

“Historically we have seen that less than 20% of Australian first home buyers buy new homes,” he said.

“Over 80% of Australian first home buyers purchase established dwellings.

“In more recent times even fewer small home buyers are choosing new dwellings.”

In general, first home buyers property choices are based on affordability of older dwellings in locations that provide proximity to work, leisure activities and infrastructure including public transport.

Mr Kelly also said that another dynamic is that sales of established homes to first home buyers in many cases lead to purchases of new housing by the sellers.

“The multiplier and employment effects are probably greater than when a first home buyer purchases a new house as the size and cost of construction of dwellings purchased by upgraders is generally more than that of first home buyers.

“First home buyers in lower value established homes also usually embark on a program of home improvement and renovation providing a stimulus to the building sector.”

REIA has been a long-term supporter of the First Home Loan Deposit Scheme and has called for the program to be expanded.

“Three-quarters of Australian first home buyers have less than a 20% deposit and incur mortgage insurance.”

“As property professionals that work with home buyers every day, REIA advocates for the extension to be applied to all first home buyers and not discriminate between buyers of new or established housing.”

“It would have been far better to not limit the additional places to new builds in terms of the economic impacts and first home buyer preferences.

“REIA looks forward to some supportive announcements for the established property market in Budget 2020 given the critical role that agents and property managers have undertaken in managing tenants and property owners during the pandemic.”

****END****

Notes to media

- [REIA advocated for an expansion of the Scheme for the critical Budget 2020](#)
- [REIA has also encouraged the NHFIC to provide clear reporting on updates of key programs so it can be as market-led as possible](#)

The Real Estate Institute of Australia (REIA) is the national professional association for real estate agents in Australia. For further information or to speak with REIA President Adrian Kelly please contact Sean Slatter via media@reia.com.au or 0416 806 903.