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MEDIA RELEASE

NSW shared homeownership scheme – a much needed pathway to housing affordability

A shared homeownership housing model developed by a coalition of NSW community housing associations and peak bodies could deliver a much needed pathway to housing affordability for people on-low-to-moderate incomes.

In a first for NSW, the scheme will enable homeowners to purchase between 25 to 80 percent of the value of the dwelling, with a not for profit community housing association as a non-residential purchase partner.

It will be launched in-front of 80 members of the investment, development and not for profit sectors at the NSW Business Chamber, Parramatta, today.

NSW Federation of Housing Associations CEO, Wendy Hayhurst, said Western Australia, South Australia and the ACT had introduced similar successful initiatives.

“Despite housing affordability in this state being the worst in the country, NSW does not provide any government-backed home purchase schemes. Rather than wait for government action, community housing providers have decided to test a model of shared homeownership targeted at their existing tenants.”

Regional Development Australia Sydney Executive Officer Bob Germaine said “shared homeownership is targeted at households earning between \$70,000 to \$100,000 a year who can’t get social housing and are priced out of the market”.

The initiative would see a household jointly purchase a new dwelling with a community housing provider; taking out a standard mortgage and entering into a formal co-ownership agreement.

Ms Hayhurst said the initiative should be a no brainer.

“This initiative does not require government help, other than that they correct an anomaly with the First Home Owner Grant,” she said.

“It is self funding, does not divert resources away from social housing and is designed to prevent people taking on debt they can’t afford. Even better the community housing provider retains its share of the dwelling and generates a return on its investment to spend on more affordable housing.”

Mr Germaine said that modelling undertaken by the Group indicated there was strong demand for the product.



“There are tens of thousands of households already paying rent comparable to the mortgage repayment required for shared homeownership. Realistically the major constraint is likely to be the number of new dwellings that the providers can offer, not the demand,” he said.

The report *Doors to ownership: a business case and guidelines for a shared homeownership scheme with NSW community housing associations*, can be downloaded at www.rdasydney.org.au.

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