



First Home Guarantee Scheme

An Informative Guide 2024/25

What is the First Home Guarantee Scheme

The First Home Guarantee (FHBG) is an initiative aimed at providing support for eligible home buyers to acquire a home in a timely manner. This program is administered by Housing Australia under the Home Guarantee Scheme, operating on behalf of the Australian Government. 35,000 FHBG places will be available each financial year.

Under the FHBG program, eligible home buyers have the opportunity to acquire a modest home with a deposit as low as 5% without incurring Lender's Mortgage Insurance (LMI). Housing Australia provides a guarantee of up to 15% of the property’s value to participating lenders, thereby facilitating the financing of the home loan for qualifying buyers.

Eligible borrowers are able to utilise the First Home Guarantee (FHBG) in conjunction with other governmental programs, such as the First Home Super Saver Scheme, as well as state and territory-specific first home owner grants and stamp duty concessions. This combined support can enhance the resources available to individuals seeking to purchase their first home.

What property can be bought under the First home guarantee

Under the FHBG the property must be a ‘residential property’. Eligible residential properties include:

- An existing house, townhouse, or apartment
- A house and land package
- Land and a separate contract to build a home
- An off-the-plan apartment or townhouse.

Property Price Thresholds

When using the FHBG to assist in the purchase or construction of a home, the value of the residential property must not exceed the price cap relevant for the area in which it is located.

The price caps for capital cities, large regional centres and regional areas are:

State	Capital Cities & Regional Centres*	Rest of State
NSW	\$900,000	\$750,000
VIC	\$800,000	\$650,000
QLD	\$700,000	\$550,000
WA	\$600,000	\$450,000
SA	\$600,000	\$450,000
TAS	\$600,000	\$450,000

Territory	All Areas
ACT	\$750,000
NT	\$600,000
Jervis Bay Territory & Norfolk Island	\$550,000
Christmas Island & Cocos (Keeling) Island	\$400,000

* The capital city price thresholds apply to regional centres with a population over 250,000 (Newcastle & Lake Macquarie, Illawarra (Wollongong), Geelong, Gold Coast and Sunshine Coast)

Who is Eligible

The FHBG is open to individuals and joint applicants, including a partner, friend, sibling or other family member. As an individual or joint applicant, you need to satisfy each eligibility requirement when applying for the FHBG with a participating lender.

- Australian citizen(s) or permanent resident(s) over the age of 18.
- Individual applicants with a taxable income of up to \$125,000 per year, and joint applicants with a combined taxable income of up to \$200,000 per year, are eligible. For all First Home Buyers Grant (FHBG) applications submitted between 1 July, 2024, and 30 June, 2025, the relevant financial year to be assessed will be 2023-2024.
- The First Home Guarantee helps both individual and joint applicants who have saved at least 5% of the value of an eligible property as a deposit. However, if you save 20% or more after covering other home purchasing costs (such as stamp duty and legal fees), the home loan will not be eligible for coverage under the First Home Guarantee.
- Loans under the First Home Guarantee program require scheduled repayments of both principal and interest for the duration of the agreement, with some exceptions for interest-only loans related to construction financing. Additionally, the loan term must not exceed 30 years to ensure a structured repayment process for homeowners.
- Applicants must plan to occupy the purchased property themselves. Investment properties are not eligible for support under the First Home Guarantee.
- Applicants can be either first-time home buyers or individuals who have owned a property in Australia but have not done so in the past 10 years. Prior property ownership includes any interest in real property (such as owning land), leases of land in Australia, or company title interests in land in Australia.

Important information

- You may qualify for other Government Schemes such as the Regional First Home Buyer Guarantee (RFHBG) or the Family Home Guarantee (FHG). However, please note that eligibility for either of these guarantees will render you ineligible for the First Home Buyer Guarantee (FHBG). To assist you in determining which guarantee you may be eligible for, we recommend scheduling a complimentary, no-obligation personalised financial appraisal.
- If you are contemplating the purchase of land and the construction of a home, it may be beneficial to speak with a broker to discuss the potential risks associated with these transactions. It is important to note that you will be required to sign a fixed-price building contract. Any amendments made after this initial agreement may impact the validity of your eligibility for the FHBG. Furthermore, your bank may require that you pay for Lenders Mortgage Insurance (LMI) or bear any additional costs incurred.