SKIP RESEARCH · FINAL REPORT

Research on Home Ownership Accessibility

Prepared for Skip Loans

Prepared by Oxford Economics Australia

Final Report · 23 November 2026



Report notice

Prepared by Oxford Economics Australia

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Oxford Economics Australia
Level 6, 95 Pitt Street, Sydney, 2000, NSW

Five fast takeaways*

1

7 years
sooner to buy a house

A buyer with a 2% deposit is able to enter the market **seven years sooner** for a house, and **five years earlier** for a unit than if they waited for a 20% deposit.

2

$315k
more wealth at retirement

Earlier entry into the market yields **$315,000 more** in modelled net wealth at retirement for house owners and **$118,000 more** for unit owners over the buyer who waited until they had a 20% deposit.

3

380,000
aspiring buyers brought forward

Reducing the deposit requirement from 20% to 2% could bring forward home ownership for an estimated **380,000 aspiring buyers**.

4

100,000
not first home buyers

100,000 of those potential buyers are not first home buyers.

5

2 out of 3
cite deposit savings as a barrier

Around **two-thirds** of surveyed aspiring Australian buyers living in capital cities identify insufficient deposit savings as their barrier to ownership — with **55%** ranking it as their main obstacle. That is more than **five times** the amount of people who cite mortgage repayments as their main barrier.

*Findings relate to Australia's combined capital cities.

Decoding the Deposit Wealth Gap



Mario Emmanuel
CEO, SKIP

This year, Australian households weathered an ever-mounting list of pressures. Five rate rises, stubbornly high inflation and unindexed income taxes combined with falling house prices and sweeping tax changes driving a chilling negative wealth effect. As Reserve Bank Governor Michelle Bullock said earlier this month, "Households with mortgages are not the only Australians doing it tough. Every household is dealing with higher prices for groceries, electricity, insurance and other essentials."

In this economic context it is contrarian to have a call to action for home ownership. Our mission at Skip is to change what's possible for aspiring homeowners and 'put a dent' in the Australian mortgage market. We think this mission is worthwhile because our long-term view is that if you can service a mortgage, home ownership provides superior security to renting, while also providing a path for long-term wealth creation through the economic cycle.

The following report, compiled by leading research authority Oxford Economics Australia, paints a clear picture on the value of moving into home ownership sooner and the compounding impact of that decision at retirement. Drawing on historical data stretching back 25 years to 2001 and forward-looking modelling, they forecast how Australians who enter the housing market sooner could be considerably wealthier at retirement than their peers who abstain and wait for a 20 percent deposit.

The detailed modelling from Oxford Economics Australia highlights a massive cohort of Australians capable of servicing a mortgage but who are stuck. Around three in five aspiring buyers have the income to manage mortgage repayments but are locked out by the sheer size of a traditional deposit. By reducing that hurdle from 20% to 2%, an estimated 380,000 aspiring buyers could bring forward their entry into the housing market.

Nearly one in seven renters across Australia's capital cities could afford to attain home ownership but are delaying their entry while they save for a traditional twenty percent deposit.

As The Home Ownership Access Survey within the report points out, around half of the aspiring buyers aged 35–54 are being held back due to their deposit size – rather than repayment affordability. That is compared to one-third of 18–34-year-olds who are encumbered by the same hurdle. The deposit hurdle extends well beyond first home buyers, and many people re-entering the property market are in need of a market-driven, low-deposit solution. The report estimates this cohort of non-first-home buyers who could re-enter the market sooner with a 2% deposit is around 100,000 across Australia's capital cities.

Considering the economic "compare the pair" style modelling, hundreds of thousands of Australians are currently forgoing early access and a life-changing financial advantage at retirement. The report reveals that purchasing a house with a 2% deposit brings home ownership forward by seven years. To me that data point is both staggering and inspirational.

To quantify this, approximately the entire population of Queensland's Sunshine Coast or every resident of the NSW Central Coast can afford to be owning rather than renting right now and save themselves seven years of waiting by utilising low-deposit lending. That's a dent in Australia's housing market I'm excited to be a part of.

RESEARCH ON HOME OWNERSHIP ACCESSIBILITY

Executive summary

Prepared by Oxford Economics Australia



Executive summary

Deposit savings are the largest barrier to home ownership among aspiring buyers. Around two-thirds of employed surveyed renters identified insufficient savings as a barrier, with 55% ranking it as their main barrier. This was more than five times the share citing mortgage repayments as their main barrier.

Many aspiring buyers expect to spend several more years saving before purchasing. Three to five more years was the most commonly reported additional saving period among those providing a timeframe. Only around a quarter expect family assistance in order to satisfy deposit hurdles, while rising property prices can further increase the savings required.

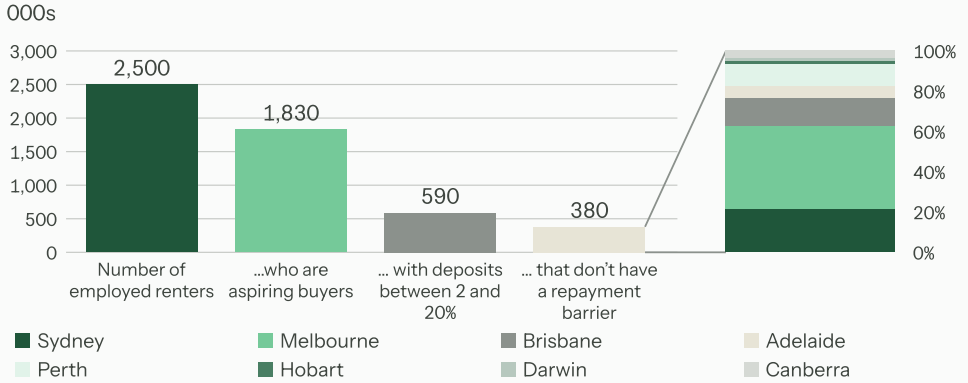
A 2% rather than 20% deposit requirement could help an estimated 380,000 aspiring buyers enter the market across Australia's capitals. These renters want to buy, have savings covering at least 2% but less than 20% of their intended purchase price, and do not identify mortgage repayments as a barrier. Purchasing would still depend on upfront costs and lenders' serviceability and eligibility requirements.

Earlier entry leads to higher modelled wealth at retirement. The illustrative modelling in this report follows two buyers from the same financial position in 2001 to retirement in 2038. In the combined-capital scenario, the 2% deposit buyer enters seven years sooner for houses and five years sooner for units, finishing with $315,000 and $118,000 more in net wealth respectively at retirement, expressed in 2026 dollars.

Much of the wealth advantage develops while the later buyer is still renting and saving. The earlier buyer benefits from rising property values and begins reducing mortgage debt sooner. Once both own equivalent properties, further price growth adds equally to their wealth, leaving differences in debt and savings to shape the growing gap. Earlier buyers finish with higher modelled wealth across all eight capitals, particularly for those purchasing houses rather than units.

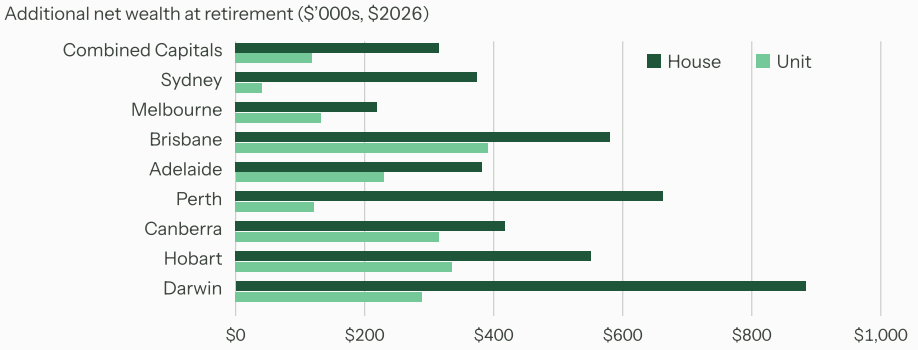
Lower deposit requirements are most relevant where savings, rather than repayments, constrain entry. Among aspiring buyers reporting insufficient deposit savings, around three in five do not identify mortgage repayments as a barrier. These buyers span different ages and incomes, suggesting the deposit hurdle extends beyond younger households. For those meeting lending requirements, a lower deposit could bring forward home ownership.

Number of aspiring buyers with a deposit of at least 2% but less than 20% of their intended purchase price and no repayment barrier, by capital city



Source: Oxford Economics Australia

Additional net wealth at retirement from purchasing with a 2% deposit compared to 20% deposit, by city and property type



Source: Oxford Economics Australia

Note: Differences in net wealth partly reflect how much earlier the 2% deposit buyer enters the market. Across capital cities, this ranges from five to 13 years for houses and two to seven years for units. Property price growth and borrowing costs also influence the outcome.

Treasurer's Take



Curt Zuber
TREASURER, SKIP

While the current economic climate is commanding non-stop headlines, The Reserve Bank of Australia's Financial Stability Review (October 2026) provides great insight into the protections built into our financial system, and the variance in overall resilience amongst Australian households and businesses.

The RBA's analysis paints a picture of resilience, while rates have risen sharply, arrears are near pre-pandemic levels, with APRA's 3% interest rate buffer surely playing an important role. More importantly, the analysis shines a light on what is intuitively clear for the average aspiring homeowner, simplistic analysis of Loan to Value Ratios (LVR), without considering cash holdings and cash flow buffers are incomplete. That is, for a large cohort of Australians, mortgage serviceability is less of a risk than large upfront capital requirements are a barrier.

While APRA's risk-weighted asset penalties for banks on mortgage LVR are prudent and important in aggregate (given the sheer volume of mortgage exposure and deposit liabilities that our banks carry), the framework creates gaps in consumer credit which can, and should, be filled by prudent non-bank lending.

According to The Home Ownership Access Survey compiled by Oxford Economics Australia, around two-thirds of surveyed aspiring buyers identify saving for a deposit as a barrier to entering the market, with 55% ranking it as their primary roadblock. The traditional 20% deposit model forces many buyers into a multi year holding pattern. Furthermore, one in four of these buyers anticipate needing family financial assistance simply to meet that hurdle, with six in ten saying they don't expect any family support with their deposit. Both data points show a pattern that risks entrenching generational wealth inequality.

Structural housing accessibility is no longer treated as a fringe social welfare issue; it is a primary macroeconomic pillar. Examining the Federal Government's Annual Report for 2024-2025 Treasury also recognised this shift by establishing a dedicated Housing Group. Consequently, private-sector alternatives addressing the deposit hurdle are now operating at the centre of one of the Federal Government's most scrutinized policy arenas.

I was drawn to work with the team at Skip because they are uniquely positioned to solve this friction. Skip's focus on servicing quality extends far beyond APRA's requirements. This means most customers' maximum borrow with Skip is less than with an ADI. For Skip's customers the barrier to accessing that credit is their deposit. By enabling Australians to safely bypass the multi-year savings delay without bypassing responsible, APRA-aligned serviceability checks, we are introducing a structurally sound, data-backed solution to Australia's most pressing housing challenge.

RESEARCH ON HOME OWNERSHIP ACCESSIBILITY

Introduction

Prepared by Oxford Economics Australia



Introduction

Home ownership is an important aspiration for many Australians, offering housing security and an opportunity to build wealth over time. Owning a home provides greater control over living arrangements, including the ability to remain in a preferred location, adapt a property to changing needs and avoid the uncertainty associated with lease renewals. It also allows households to accumulate equity through mortgage repayments and participate in changes in residential property values. Over the longer term, home ownership can strengthen financial security in retirement, particularly where the mortgage has been repaid and ongoing housing costs are lower.

However, the pathway into ownership can be challenging. Aspiring buyers must accumulate sufficient savings for a deposit and purchase costs while continuing to meet rent and everyday living expenses. Where property prices rise faster than savings, the required deposit can move further out of reach. This can delay ownership even for households that believe they could afford mortgage repayments, which reduces the time available to repay debt and build wealth before retirement.

Skip Loans commissioned Oxford Economics Australia to examine these barriers and assess the potential implications of enabling Australians to purchase a home sooner with a smaller deposit. The study seeks to understand the extent to which deposit requirements constrain aspiring buyers, identify the characteristics of those facing this hurdle and explore how earlier access to ownership could affect their financial position over time. It draws on a survey of renters and people living with family or friends across Australia's capital cities, together with illustrative modelling that follows otherwise identical individuals from age 30 through to retirement at age 67.

The report addresses five research questions, following the order of the chapters:

1. **Barriers to home ownership**: What prevents aspiring buyers from purchasing a home, and how do deposit constraints and other barriers vary across demographic groups and capital cities?
2. **Potential access through low-deposit lending**: What share and number of aspiring buyers could potentially enter home ownership sooner with a lower deposit requirement, based on their reported savings and circumstances?
3. **Earlier entry and wealth**: How does purchasing with a 2% deposit, compared with waiting to accumulate 20%, affect modelled net wealth by retirement, and how do outcomes differ between houses and units across capital cities?
4. **Government support**: What assistance is available to help renters enter home ownership, and how do eligibility requirements and program features influence its usefulness?
5. **Capital gains tax changes**: How might the reforms affect housing investment and the relative tax appeal of owner-occupied housing as a means of building wealth?

Research approach

The analysis in this report uses the survey, desktop research and property market modelling to assess the barriers to home ownership, estimate the number of aspiring buyers who could benefit from lower deposit requirements, and quantify the potential long-term wealth benefits of entering the housing market earlier.

Home Ownership Access Survey

Oxford Economics Australia conducted the **Home Ownership Access Survey** in November 2026, surveying 608 people across Australia's eight capital cities. All respondents were either renting or living with family or friends and contributing towards housing costs. Respondents were asked about their aspirations for home ownership, financial circumstances, deposit savings and the barriers they face in purchasing a home.

The survey provides insights into how barriers differ across demographic groups and capital cities, while also informing estimates of how many aspiring buyers could benefit from lower deposit requirements.

Throughout the report, the term 'aspiring buyers' refers to employed survey respondents who are currently looking to buy, planning to purchase or hoping to buy eventually.

The survey relies on information provided by respondents about their buying intentions and financial circumstances. The survey provides insights into buying intentions and financial circumstances reported by 608 respondents across Australia's eight capital cities. Findings are most robust at the aggregate level, with city and demographic comparisons providing indicative insights.

Estimating potential transitions into home ownership

For each capital city, survey responses were used to identify the share of renters who:

- Are employed;
- Aspire to purchase a home;
- Have savings equivalent to at least 2%, but less than 20%, of their intended purchase price; and
- Do not identify mortgage repayments as a barrier to purchasing.

These proportions were applied to the number of employed renters in each capital city, based on ABS Census data, to estimate the potential number of buyers who could benefit from a lower deposit requirement.

The estimates identify around 380,000 aspiring buyers who could meet the lower deposit requirement, based on reported buying intentions, savings and repayment affordability. Their ability to purchase would also depend on meeting lenders' serviceability and eligibility requirements and covering purchase costs.

The findings reflect circumstances at the time of the survey. Outcomes will evolve with incomes, interest rates and buying intentions, with individual city estimates best treated as indicative.

Comparing the wealth impacts of earlier home ownership

Oxford Economics Australia developed an illustrative model comparing two identical buyers, starting from the same financial position at age 30 in 2001 and followed to retirement at age 67 in 2038. One seeks to buy with a 2% deposit, while the other rents and saves for 20%. Both must cover deposits, transaction costs and a cash reserve, and meet mortgage affordability requirements. The 2% buyer faces a 20-basis-point higher mortgage rate and a Rate Reduction Fee of 3% of the property price, capitalised into the loan.

The model tracks savings, property values and mortgage debt, using the latest available historical data up to 2026 and Oxford Economics Australia projections thereafter. Net wealth at retirement is calculated as savings plus property value less mortgage debt, expressed in 2026 dollars. The analysis covers houses and units across Australia's eight capital cities and the combined capital-city market. All years refer to Australian financial years.

Modelled buyers are individuals, with their lifestyle and household arrangements remaining unchanged. This excludes shared income and expenses, changes in family circumstances and subsequent property purchases, such as moving or upgrading. The results are therefore illustrative, reflecting historical housing market conditions and modelled assumptions. They do not represent guaranteed future wealth outcomes.

RESEARCH ON HOME OWNERSHIP ACCESSIBILITY

Existing Barriers to Home Ownership

Prepared by Oxford Economics Australia



Deposit requirements are the biggest barrier keeping home ownership out of reach for many aspiring buyers

The Home Ownership Access Survey examines the barriers faced by aspiring buyers. The analysis focuses on respondents who are employed and currently looking to buy, planning a purchase or hoping to buy eventually.

The conventional 20% deposit hurdle has grown considerably faster than earnings. Across Australia's capital cities, the 20% deposit required for a median house increased from around $49,000 in 2001 to $256,000 in 2026, growing nearly three times as fast as average full-time earnings.[1] For units, the deposit increased from $48,000 to $159,000 over the same period.

Many surveyed renters want to buy a home but have no definite purchase timeframe. Around 62% intend to purchase at some stage, although only 22% are actively looking or have a specific timeframe in mind. For many, home ownership remains a longer-term goal rather than an immediate prospect.

Deposit savings are the most commonly reported barrier among aspiring buyers. Around two-thirds identify insufficient deposit savings as a barrier, with 55% ranking it as their main barrier. This is more than five times the share citing mortgage repayments as their main barrier.

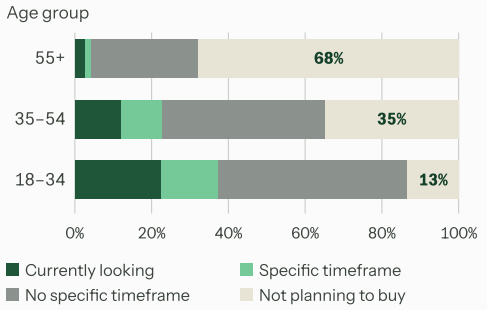
Many aspiring buyers would be able to meet mortgage repayments but haven't saved up enough for a 20% deposit. Around three in five aspiring buyers identify insufficient deposit savings as a barrier without also reporting concerns about mortgage repayments. For this group, a lower deposit requirement could shorten the savings period, subject to lenders' serviceability and eligibility requirements.[2]

Lower deposit requirements may encourage some renters to reconsider home ownership, but will not overcome every financial constraint. Almost 70% of surveyed renters not planning to buy consider accumulating a 20% deposit unrealistic. Limited savings, low or fixed incomes and concerns about borrowing later in life also affect their intentions.[3] A lower deposit hurdle could reopen that possibility for some, although ongoing repayments may remain unaffordable.

High rental costs can further limit the capacity to accumulate a deposit. Renting a newly leased property required around one-third of the national median household income in 2025, according to the National Housing Supply & Affordability Council, reducing the income available for savings.[4] Among aspiring buyers who provided a timeframe, 3-5 years was the most commonly reported additional saving period, while around one in six aspiring buyers did not expect to reach a 20% deposit at all.

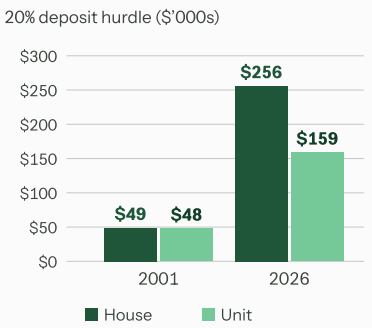
1. ABS, Average Weekly Earnings, Australia, May 2026
2. RBA, Financial Stability Review, March 2026: Resilience of Australian Households and Businesses
3. AHURI, Final Report No. 431: Planning for a two-tenure future
4. National Housing Supply and Affordability Council, State of the Housing System 2026

Buying intentions by age group

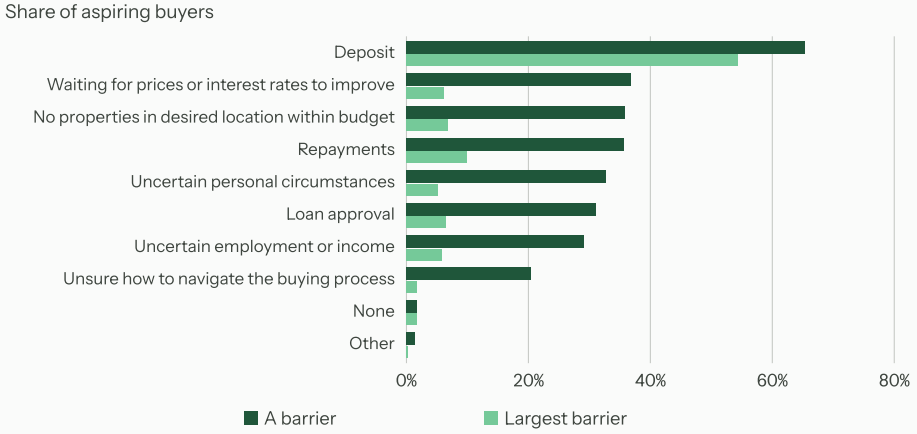


Source: Oxford Economics Australia

Combined Capital Cities 20% deposit hurdle



Barriers to entering the property market



Source: Oxford Economics Australia

Industry Temperature Check

Loan Market

Ewen Stafford
CEO

> **Saving a traditional 20% deposit in today's market is locking capable buyers out during their peak wealth-building years.** By partnering with forward-thinking, innovative lenders like Skip, we are empowering our broker network with diverse, flexible pathways that help Australians enter the market sustainably.

Connective Lending

Michael Goerner
Head of Lending

> **The decision to bring Skip into our white label offering was very strategic.** We saw an opportunity to give brokers access to lower-rate, lower-fee solutions above 80% LVR, - an area where brokers and customers have traditionally defaulted to the major banks. Skip helps us close that gap, giving brokers another strong reason to keep those customers within their business while delivering a genuinely competitive outcome.

SFG
SPECIALIST FINANCE GROUP

William Lockett
Managing Director

> **The deposit hurdle is no longer just a challenge for traditional first home buyers.** We see it impacting career professionals, people re-entering the property market and individuals rebuilding after major life events. For many, the ability to service a home loan is there, but saving a substantial deposit while paying rent remains the barrier.
>
> That is why having innovative, low deposit pathways on our panel matters. It gives our brokers more ways to support borrowers whose financial discipline and repayment capacity may not be fully recognised by traditional lending criteria, while carefully considering affordability and their individual circumstances.
>
> Reports like this from Skip crystallise the importance of exploring those options early. The cost of waiting can be significant, and a large deposit should not be the only measure of someone's readiness for home ownership.

Family assistance is unlikely to ease the deposit hurdle for most aspiring buyers

Higher property prices increase both the deposit and mortgage required to purchase a home. Median dwelling values reached approximately $1.34 million in Sydney in 2026, compared with $900,000 in Melbourne. Mortgage repayments were identified as the main barrier around three times as frequently among aspiring buyers in Sydney and Melbourne as in most other capitals.

Deposit savings remain a prominent barrier even in comparatively lower-priced markets. In Perth and Adelaide, rising property prices have increased the savings required despite lower intended purchase prices. Price growth during 2025 further increased deposit requirements in both cities.[5] In Adelaide, deposit constraints were identified as the largest barrier for nearly 80% of aspiring buyers.

Financial constraints are limiting home ownership aspirations, rather than a preference for renting. The survey suggests that around 40% of employed renters in Brisbane, Perth and Adelaide are not planning to buy, with many considering ownership financially unattainable. Lower deposit requirements could encourage some renters to reconsider home ownership, although repayment affordability would remain a constraint.

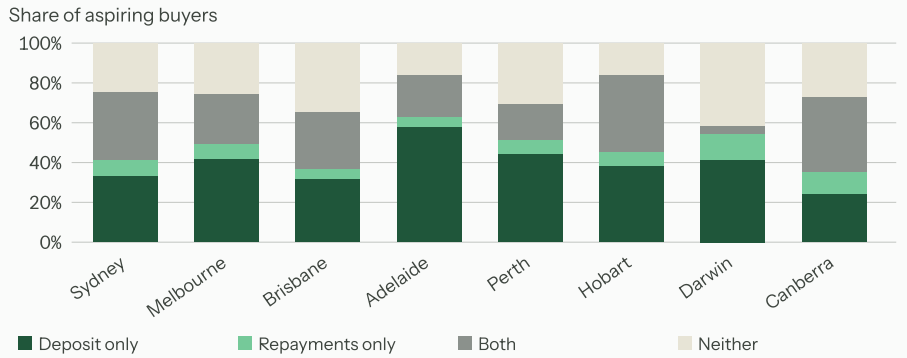
Saving for a deposit is not just difficult for younger buyers, it is the largest barrier across all age cohorts and income levels. Despite earning a higher income, households earning over $160,000 a year are almost as likely to cite saving for a deposit as the main barrier when compared to those with a household income below $104,000. This is partly reflective of a larger intended purchase price ($800,000 vs. $630,000) but also higher rent cutting into savings ($600 per week vs. $450 per week).

Reducing the deposit hurdle would be most impactful for those with sufficient income to meet mortgage repayments. Around half of aspiring buyers aged 35–54 face deposit constraints without repayment concerns, compared with one-third of those aged 18–34. Higher-income buyers also face fewer repayment concerns and are more likely to plan a joint purchase. Access to lower-deposit lending could therefore be relevant to buyers who have greater repayment capacity but have not accumulated sufficient upfront savings.

Despite the significant deposit hurdle, most aspiring buyers aren't banking on family support to help buy a home. Only a quarter of aspiring buyers are expecting financial assistance from their family to meet the deposit requirement, although this increases to a third for those aged 18-34.

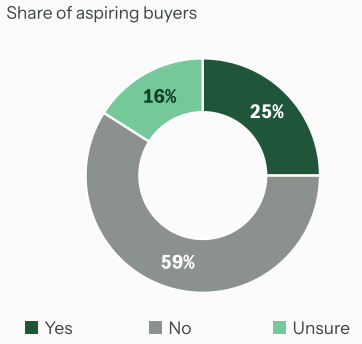
5. National Housing Supply and Affordability Council, State of the Housing System 2026

Proportion of respondents that named deposits and repayments as a barrier to home ownership by capital city



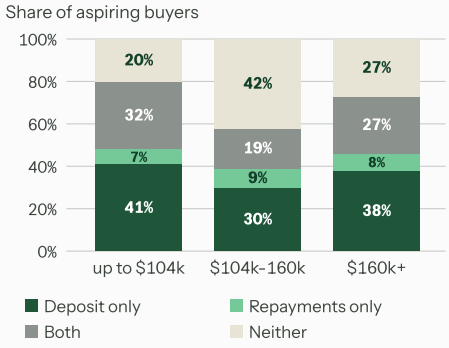
Source: Oxford Economics Australia

Expecting family support for deposit



Source: Oxford Economics Australia

Barriers by household income



RESEARCH ON HOME OWNERSHIP ACCESSIBILITY

How Many Renters Could Transition into Home Ownership with a 2% Deposit?

Prepared by Oxford Economics Australia

Reducing the deposit hurdle could help 380,000 aspiring buyers enter the housing market sooner

Reducing the deposit requirement from 20% to 2% could bring forward home ownership for an estimated 380,000 aspiring buyers across Australia's capital cities. These renters have savings covering at least 2% but less than 20% of their intended purchase price and do not identify mortgage repayments as a barrier. Around 280,000 are first-home buyers, while the remaining 100,000 are non-first-home buyers with current or previous property ownership experience. Actual purchases would still depend on covering other upfront costs and meeting lenders' eligibility and serviceability requirements.

Potential beneficiaries span different ages, incomes and ownership histories. Around half of the estimated 380,000 are in households earning over $160,000, while 54% are aged 18–34, suggesting deposit constraints also affect higher-income buyers. Survey findings highlight differences between first-home buyers and those returning to ownership. Previous homeowners tend to be older and more likely to favour houses and joint purchases. They also more frequently cite difficulty finding suitable properties or waiting for prices or interest rates to improve. However, deposit savings remain their most commonly reported main barrier.

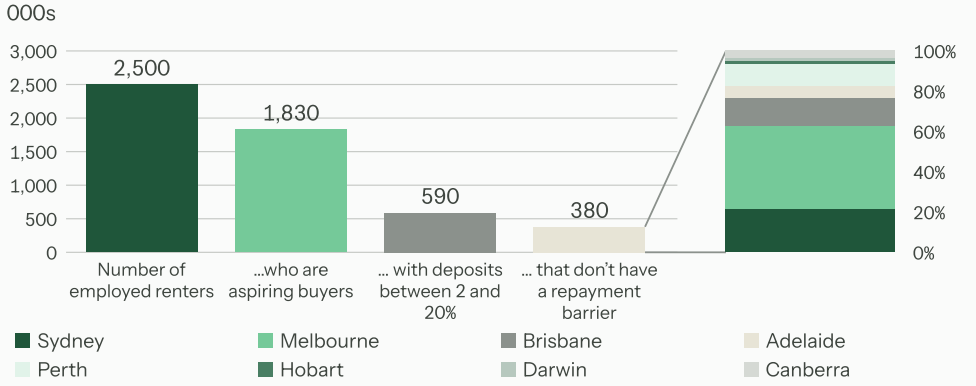
The potential benefits are concentrated in Australia's largest housing markets, although lower property prices make the impact greater in Melbourne. Sydney and Melbourne account for over 60% of potential beneficiaries, reflecting their larger renter populations. Melbourne's lower property prices reduce borrowing requirements, with 72% of aspiring buyers with sufficient savings for a 2% deposit reporting no repayment barrier, compared with 50% in Sydney.

Lower deposit could bring forward purchases for aspiring buyers without a firm timeframe. Almost two-thirds of aspiring buyers surveyed had no definite purchase plans, reflecting uncertainty about reaching their savings target. A smaller deposit could provide an earlier pathway into home ownership for those able to afford mortgage repayments.

Lower deposit requirements alone will not overcome all the financial barriers preventing renters from purchasing a home. Around four in 10 aspiring buyers had not yet accumulated sufficient savings for even a 2% deposit. Among those with savings between 2% and 20%, four in 10 reported repayment barriers. For some, this barrier may ease as incomes rise or financial circumstances improve.

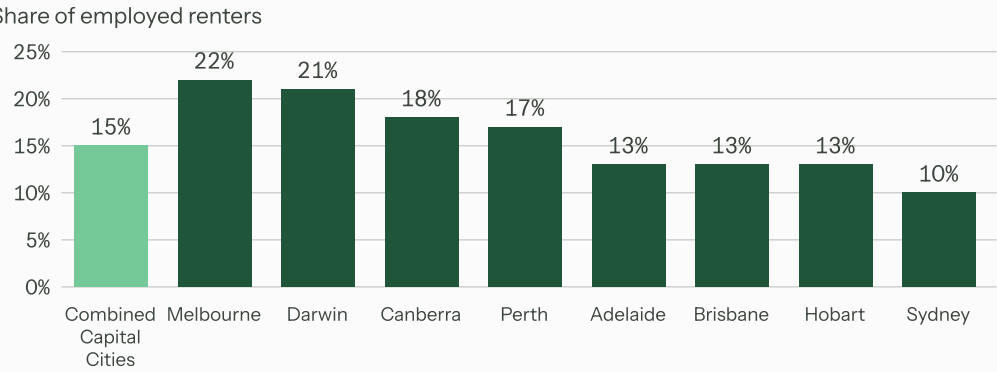
Note: Estimates apply the surveyed proportions of employed renters aspiring to purchase, those with savings equivalent to 2% to less than 20% of their intended purchase price and the proportion that did not report repayments as a barrier to capital-city renter populations from the 2021 Census.

Number of aspiring buyers with a deposit of at least 2% but less than 20% of their intended purchase price and no repayment barrier, by capital city



Source: Oxford Economics Australia

Share of employed renters who aspire to buy and have a deposit of at least 2% but less than 20% of their intended purchase price and no repayment barrier, by capital city



Source: Oxford Economics Australia

RESEARCH ON HOME OWNERSHIP ACCESSIBILITY

The Impact of Earlier Housing Market Entry

Prepared by Oxford Economics Australia



The impact of earlier housing market entry on individual wealth – Combined Capital Cities

The analysis compares two otherwise identical buyers facing different deposit requirements. Both begin at age 30 in 2001 from the same financial position and are followed to retirement at age 67 in 2038. One purchases with a 2% deposit, while the other waits to accumulate 20%. Both must cover purchase costs and a cash reserve, and meet the modelled mortgage affordability requirement. The analysis uses Combined Capital Cities property prices, rents and earnings, rather than averaging individual city results. Properties are purchased at prevailing market prices.

Buying with a 2% deposit leads to higher modelled wealth at retirement for both houses and units. The earlier buyer enters seven years sooner for houses and five years sooner for units, finishing with $315,000 and $118,000 more in net wealth respectively by 2038, expressed in 2026 dollars. Net wealth comprises cash savings plus property value less outstanding mortgage debt.

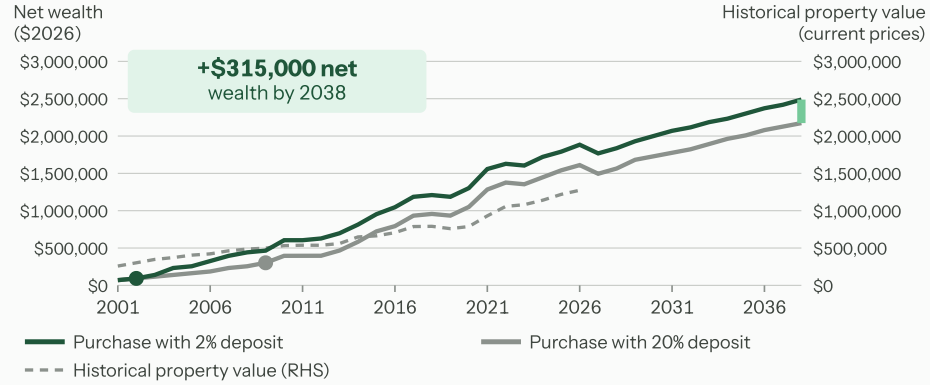
Much of the wealth advantage develops while the 20% deposit buyer is still renting and saving. During this period, the earlier buyer builds equity through mortgage repayments and benefits from rising property values. The later buyer continues saving but faces a higher purchase price, meaning a larger deposit can still result in a larger mortgage. Once both own equivalent properties, subsequent price movements affect their wealth equally in dollar terms, leaving differences in mortgage debt and accumulated savings to determine the remaining wealth gap.

The wealth advantage is greater for houses than units, reflecting differences in purchase timing and property price growth. Saving for a 20% house deposit generally takes longer, allowing more time for prices to rise before the later buyer enters the market. This can leave them with a larger mortgage despite contributing more upfront. Units typically have a lower deposit requirement, reducing the time between purchases and the resulting difference in wealth at retirement.

The wealth advantage varies across capital cities, reflecting differences in housing market conditions and purchase timing. For houses, the modelled wealth difference ranges from $218,600 in Melbourne to $883,100 in Darwin, where the earlier buyer enters 13 years sooner. For units, the difference ranges from $41,200 in Sydney to $390,700 in Brisbane. Sydney also highlights how repayment affordability can delay entry despite sufficient deposit savings, while Perth's early mining boom contributed to a larger advantage for earlier house buyers. These differences are explored in the following city-level analysis and reflect historical market conditions and forecasts to 2038, rather than the outcomes buyers entering the market today would necessarily achieve.

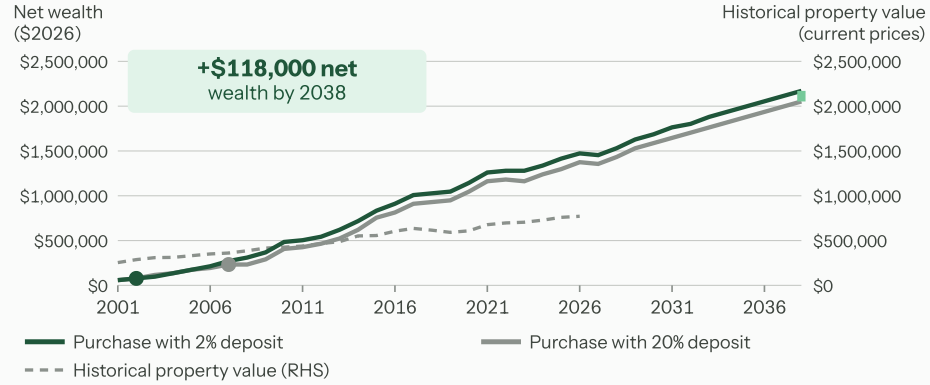
Note: Drawing on a survey of renters across all Australian capital cities, we modelled the wealth trajectories of two otherwise identical 30-year-olds from 2001 through to retirement at age 67 in 2038. The analysis compared purchasing a home with a 2% deposit against delaying purchase until a 20% deposit had been accumulated, incorporating historical and forecast residential property prices, income profiles across life stages, general living costs, savings and a 30-year mortgage term.

Illustrative individual net wealth by home ownership deposit requirement – Combined Capital Cities houses



Source: Oxford Economics Australia

Illustrative individual net wealth by home ownership deposit requirement – Combined Capital Cities units



Source: Oxford Economics Australia

The impact of earlier housing market entry on individual wealth – Sydney

Earlier entry into Sydney's housing market leads to higher modelled wealth at retirement, with a greater advantage for houses than units. House buyers purchasing with a 2% deposit enter the market five years sooner and finish with $374,600 more in net wealth by 2038. For unit buyers, the purchase is brought forward by seven years, although the wealth difference is smaller at $41,200. Both figures are expressed in 2026 dollars.

Waiting for a larger deposit leaves the later house buyer with a bigger mortgage. By the time they purchase in 2014, rising prices have increased the cost of the property enough to offset their larger deposit. They borrow around $657,000, compared with $570,000 for the earlier buyer. Over those five years, the earlier buyer has also benefited from the rise in property values and begun paying down their debt.

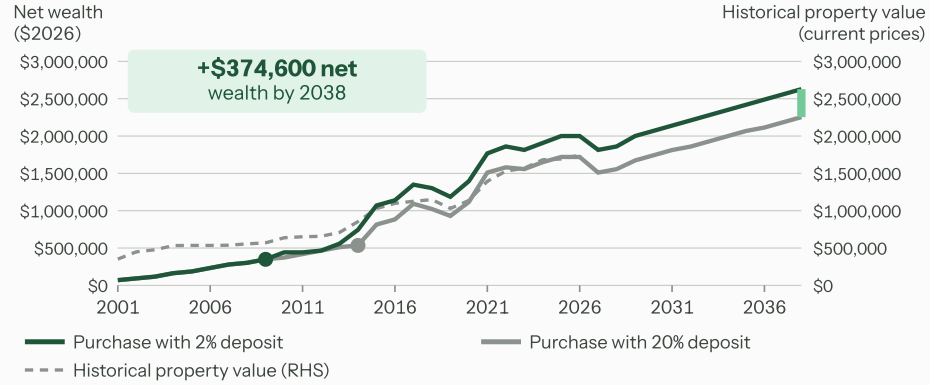
Repayment affordability can be a greater constraint than deposit savings for Sydney buyers, even with a 2% deposit. The earlier buyer accumulates enough savings to cover the deposit and upfront costs several years before purchasing, but their income is initially insufficient to support mortgage repayments and ownership costs. This illustrates how a lower deposit can ease the upfront hurdle, while the ability to service a mortgage remains an important factor in determining when buyers can enter the market.

Units offer a more affordable entry point, but buying sooner produces a smaller wealth difference than for houses. The earlier unit buyer makes the purchase decision in 2003, seven years before the later buyer. Despite that longer gap, unit-price growth between the two purchases is more moderate, and the buyers' initial mortgages are closer in size. With limited land available for new houses in Sydney, units provide an alternative for buyers looking to reduce the upfront cost of entering the market.

Survey findings reinforce the importance of both deposit savings and repayment affordability for aspiring Sydney buyers. Around 68% of aspiring buyers identify insufficient deposit savings as a barrier, while 42% report concerns about mortgage repayments, including 35% who identify both. Around a quarter expect family assistance towards a deposit, which could help with upfront costs but does not remove the need for sufficient income to service a mortgage.

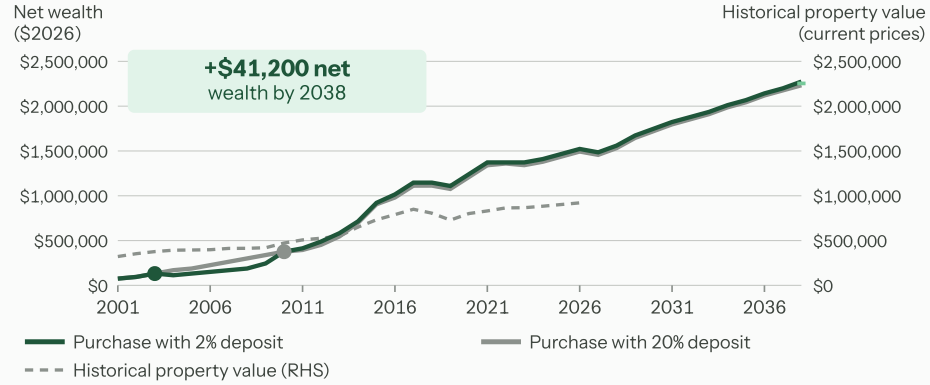
Note: Drawing on a survey of renters across all Australian capital cities, we modelled the wealth trajectories of two otherwise identical 30-year-olds from 2001 through to retirement at age 67 in 2038, with data inputs tailored to reflect local conditions in Sydney. The analysis compared purchasing a home with a 2% deposit against delaying purchase until a 20% deposit had been accumulated, incorporating historical and forecast residential property prices, income profiles across life stages, general living costs, savings and a 30-year mortgage term.

Illustrative individual net wealth by home ownership deposit requirement – Sydney houses



Source: Oxford Economics Australia

Illustrative individual net wealth by home ownership deposit requirement – Sydney units



Source: Oxford Economics Australia

The impact of earlier housing market entry on individual wealth – Melbourne

Entering Melbourne's housing market earlier leads to higher modelled wealth at retirement for both houses and units. Buyers purchasing with a 2% deposit enter the market five years sooner than those saving for a 20% deposit, regardless of property type. By retirement in 2038, earlier buyers finish with $218,600 more in net wealth for houses and $132,000 more for units, measured in 2026 dollars.

House prices rose more quickly than unit prices while the 20% deposit buyer was saving. This gave the 2% deposit house buyer a greater benefit from entering the market sooner, while the later buyer faced a higher purchase price and mortgage. Unit prices also increased, but the difference between the two buyers' initial mortgages was much smaller, contributing to the narrower wealth gap at retirement.

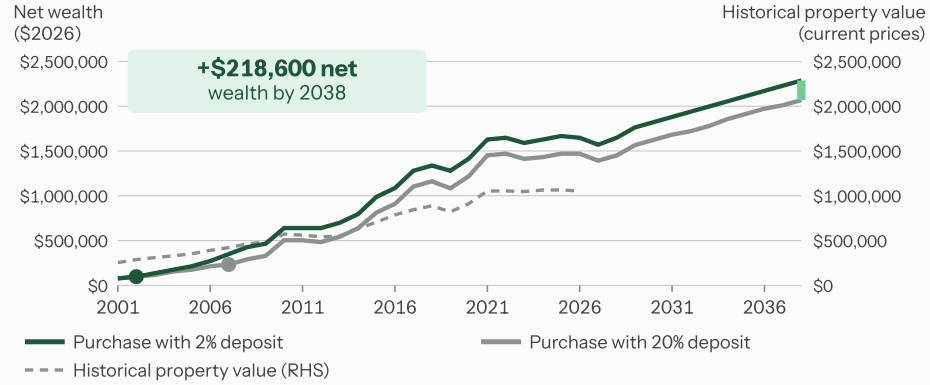
Units provide a more affordable option for Melbourne buyers, although the deposit required can still take years to save. Strong unit construction, particularly in inner-city areas, has added to supply and moderated price growth relative to houses. By 2026, a 20% deposit on a median unit was around $129,000, compared with $210,000 for a house, before purchase costs. Renters seeking either property must build those savings while meeting rent and everyday expenses.

Paying off the mortgage sooner gives the earlier buyer more time to accumulate savings. Under the illustrative modelling, the earlier house buyer is mortgage-free by 2017, nine years before the later buyer. For units, the mortgage is cleared in 2016, seven years sooner. Both buyers have repaid their mortgages by retirement, leaving the final difference in wealth in accumulated savings.

Survey results highlight how deposit requirements and housing affordability shape buying intentions in Melbourne. Around two-thirds of aspiring buyers identify insufficient deposit savings as a barrier, while almost half report that suitable homes in their preferred location are beyond their budget. Among those aged 18-34, around four in 10 expect family assistance towards a deposit, which could help bring forward their purchase.

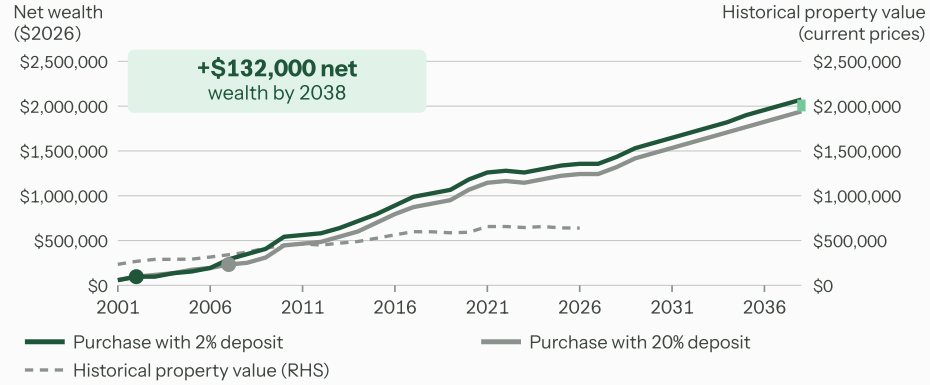
Note: Drawing on a survey of renters across all Australian capital cities, we modelled the wealth trajectories of two otherwise identical 30-year-olds from 2001 through to retirement at age 67 in 2038, with data inputs tailored to reflect local conditions in Melbourne. The analysis compared purchasing a home with a 2% deposit against delaying purchase until a 20% deposit had been accumulated, incorporating historical and forecast residential property prices, income profiles across life stages, general living costs, savings and a 30-year mortgage term.

Illustrative individual net wealth by home ownership deposit requirement – Melbourne houses



Source: Oxford Economics Australia

Illustrative individual net wealth by home ownership deposit requirement – Melbourne units



Source: Oxford Economics Australia

The impact of earlier housing market entry on individual wealth – Brisbane

Brisbane buyers benefit from entering the property market earlier, with higher modelled wealth at retirement for both houses and units. With a 2% deposit, buyers can purchase a house seven years sooner or a unit five years sooner than those saving for a 20% deposit. By retirement in 2038, earlier buyers finish with $579,800 more in net wealth for houses and $390,700 more for units, expressed in 2026 dollars.

Brisbane's early housing boom increased the financial advantage of entering the market sooner. House prices more than doubled between the two purchases, while unit prices also rose strongly. Despite accumulating a larger deposit, the later buyer faced a higher purchase price and mortgage. The earlier buyer had already benefited from rising property values and begun reducing their debt.

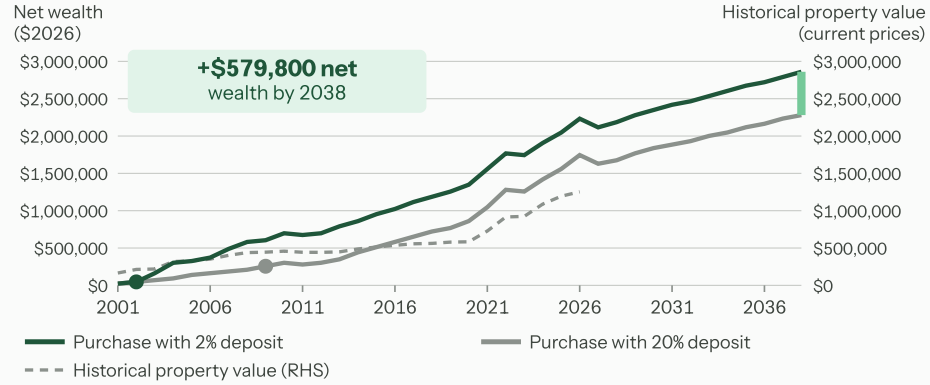
Slower unit price growth during the 2010s highlights the role of savings and mortgage repayments in building wealth. Increased construction, particularly in inner-city areas, added to supply and moderated prices, with unit values rising by only 5% between 2010 and 2020. Both modelled buyers continued accumulating wealth through savings and debt reduction, despite relatively little growth in their property values.

Brisbane's recent housing boom increased home owners' wealth while raising the cost of entry for aspiring buyers. House and unit prices more than doubled between 2020 and 2026, following a decade of relatively slow growth. Both modelled buyers already owned their properties and benefited from the increase. For people still renting, higher prices raised both the deposit required and the amount they would need to borrow.

Saving for a deposit remains a significant barrier for aspiring Brisbane buyers. Around six in 10 identified insufficient deposit savings as a barrier, compared with around one-third who reported concerns about mortgage repayments. A lower deposit requirement could help some buyers enter the market sooner, although those concerned about repayments would still need enough income to service a mortgage.

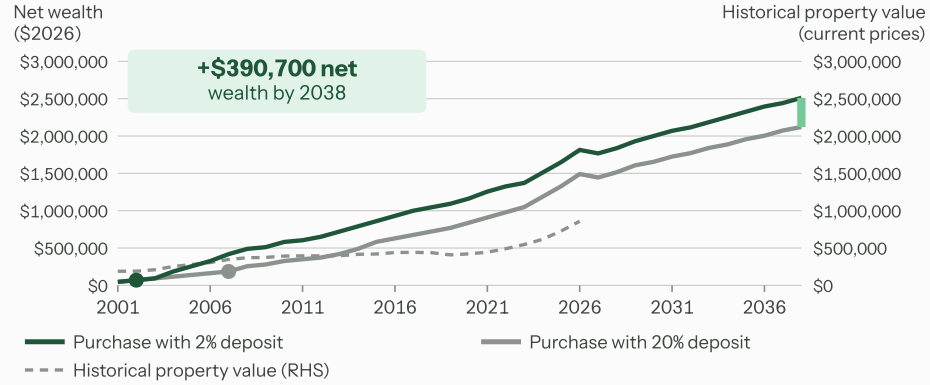
Note: Drawing on a survey of renters across all Australian capital cities, we modelled the wealth trajectories of two otherwise identical 30-year-olds from 2001 through to retirement at age 67 in 2038, with data inputs tailored to reflect local conditions in Brisbane. The analysis compared purchasing a home with a 2% deposit against delaying purchase until a 20% deposit had been accumulated, incorporating historical and forecast residential property prices, income profiles across life stages, general living costs, savings and a 30-year mortgage term.

Illustrative individual net wealth by home ownership deposit requirement – Brisbane houses



Source: Oxford Economics Australia

Illustrative individual net wealth by home ownership deposit requirement – Brisbane units



Source: Oxford Economics Australia

The impact of earlier housing market entry on individual wealth – Adelaide

Adelaide buyers benefit from entering the housing market sooner, with gains across both houses and units. A 2% deposit brings forward the purchase by five years for houses and three years for units. By retirement in 2038, this translates to an additional $381,300 in net wealth for house buyers and $229,200 for unit buyers, measured in 2026 dollars.

Adelaide's early-2000s housing boom increased the cost of waiting to save a larger deposit. As property prices rose, the later buyer needed to save more to reach the 20% deposit, and even with that larger deposit they still had to borrow more because the property had become more expensive. Meanwhile, the earlier buyer was already paying down their mortgage and benefiting from rising prices, which gave them a head start before the later buyer entered.

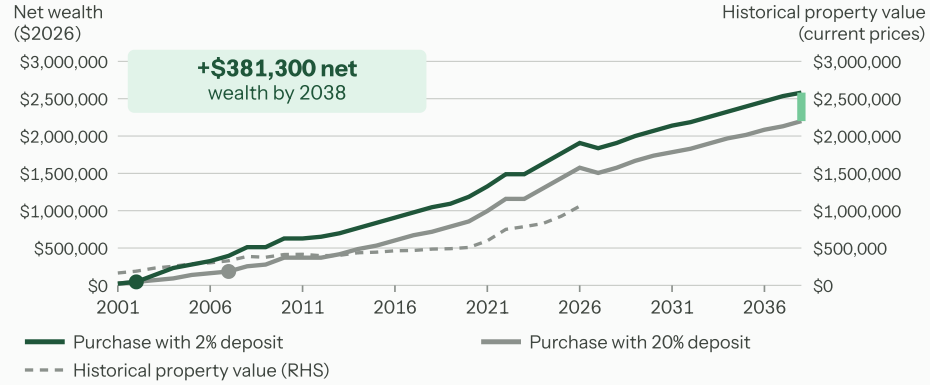
Paying off the mortgage sooner frees up income for the earlier buyer to save before retirement. Under the illustrative modelling, the earlier buyer is mortgage-free 11 years sooner on a house and nine years sooner on a unit, in 2013 and 2010 respectively. That gap is wider than the gap in entry dates because the later buyer carries a larger mortgage, and the extra repayment-free years add to the earlier buyer's savings. Because both buyers are mortgage-free by retirement, the final wealth difference comes entirely from the earlier buyer's larger accumulated savings.

Recent house price growth has increased the deposit hurdle for aspiring Adelaide buyers. The 20% deposit required for a median house more than doubled from around $102,000 in 2020 to $217,000 in 2026, excluding purchase costs. While both modelled buyers benefited from higher property values, those still renting faced a growing savings requirement to enter the market.

Survey findings suggest deposit savings are a particularly important barrier for aspiring Adelaide buyers. Nearly eight in 10 aspiring buyers identify insufficient deposit savings as their main barrier, while around half report that suitable homes in their preferred location are beyond their budget. With around six in 10 not expecting family assistance towards a deposit, many must accumulate these savings while continuing to meet rent and living costs.

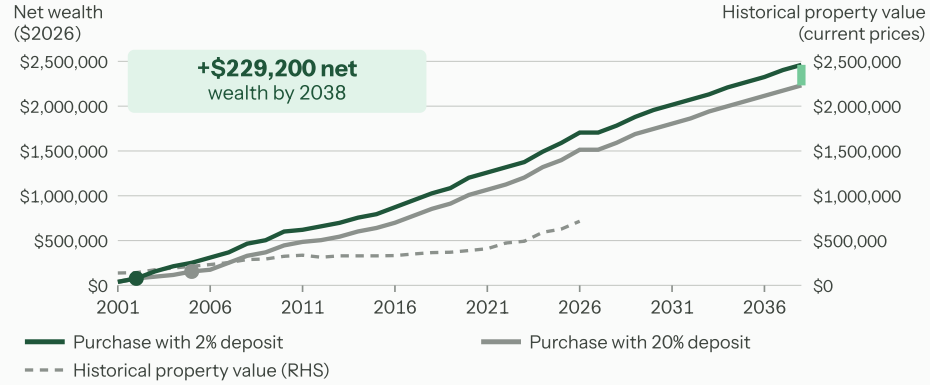
Note: Drawing on a survey of renters across all Australian capital cities, we modelled the wealth trajectories of two otherwise identical 30-year-olds from 2001 through to retirement at age 67 in 2038, with data inputs tailored to reflect local conditions in Adelaide. The analysis compared purchasing a home with a 2% deposit against delaying purchase until a 20% deposit had been accumulated, incorporating historical and forecast residential property prices, income profiles across life stages, general living costs, savings and a 30-year mortgage term.

Illustrative individual net wealth by home ownership deposit requirement – Adelaide houses



Source: Oxford Economics Australia

Illustrative individual net wealth by home ownership deposit requirement – Adelaide units



Source: Oxford Economics Australia

The impact of earlier housing market entry on individual wealth – Perth

Buying earlier leads to higher modelled wealth at retirement in Perth, particularly for house buyers. Purchasing with a 2% deposit allows buyers to enter the market seven years sooner for houses and two years sooner for units, compared with waiting to save a 20% deposit. By retirement in 2038, earlier buyers finish with $662,700 more in net wealth for houses and $121,300 more for units, expressed in 2026 dollars.

Perth's mining boom created a much larger wealth advantage for earlier house buyers than unit buyers. House prices rose sharply over the seven-year gap between purchases, leaving the later buyer facing a higher purchase price and mortgage despite saving a larger deposit. For units, the purchase gap was only two years, and both buyers took on mortgages of similar size. This contributed to a smaller difference in wealth at retirement.

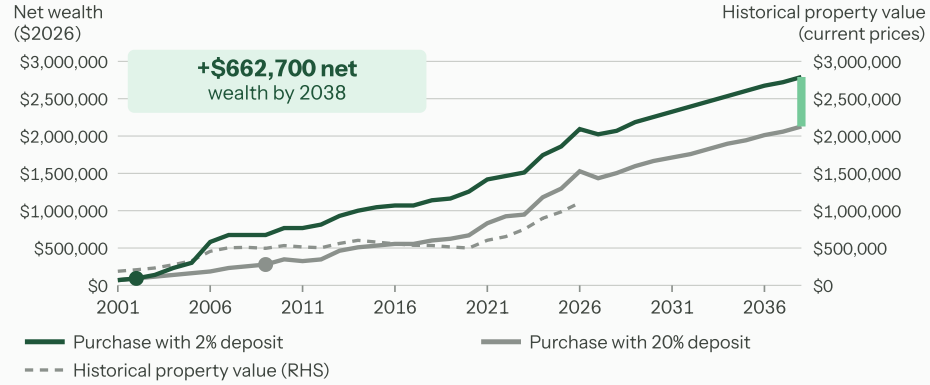
Savings and mortgage repayments helped buyers through Perth's prolonged housing downturn. As the mining investment boom ended, weaker population growth and continued construction contributed to falling property prices. Between 2014 and 2019, house prices fell by around 14% and unit prices by 20%. Both buyers' property values declined, but continued saving and debt reduction limited the impact on their overall wealth.

The recovery that followed increased home owners' wealth while making entry harder for those still saving. House and unit prices more than doubled between 2020 and 2026, raising the deposit and mortgage required for aspiring buyers. Both modelled buyers already owned their homes and benefited from the recovery.

Saving for a deposit remains a significant barrier for aspiring Perth buyers. Around six in 10 identified insufficient deposit savings as their main barrier, and more than four in 10 cited the deposit without also raising concerns about repayments. Buyers held back by the deposit rather than repayments could enter the market sooner with a lower deposit requirement, provided they can still cover purchase costs and meet lenders' requirements.

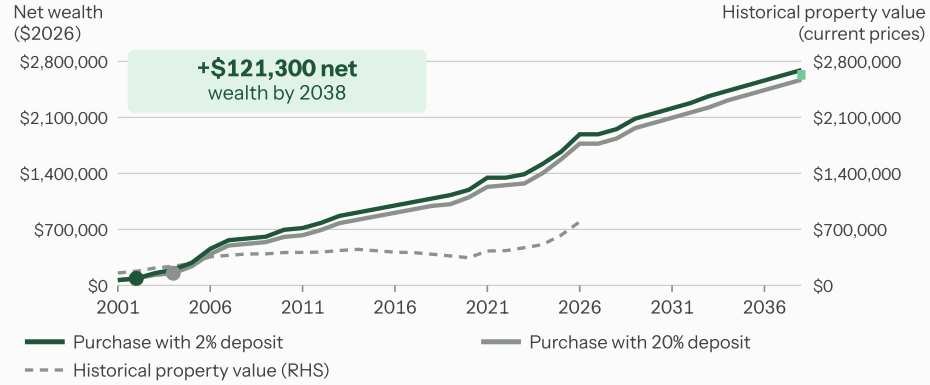
Note: Drawing on a survey of renters across all Australian capital cities, we modelled the wealth trajectories of two otherwise identical 30-year-olds from 2001 through to retirement at age 67 in 2038, with data inputs tailored to reflect local conditions in Perth. The analysis compared purchasing a home with a 2% deposit against delaying purchase until a 20% deposit had been accumulated, incorporating historical and forecast residential property prices, income profiles across life stages, general living costs, savings and a 30-year mortgage term.

Illustrative individual net wealth by home ownership deposit requirement – Perth houses



Source: Oxford Economics Australia

Illustrative individual net wealth by home ownership deposit requirement – Perth units



Source: Oxford Economics Australia

The impact of earlier housing market entry on individual wealth – Canberra

The timing of home purchase remains important for wealth accumulation in Canberra's relatively high-income market. Buyers purchasing with a 2% deposit enter seven years sooner for houses and six years sooner for units. By retirement in 2038, earlier buyers finish with $418,000 more in net wealth for houses and $315,500 more for units, expressed in 2026 dollars.

Rising property prices made it hard for the later buyer's savings to keep pace with the deposit required, which pushed back their entry into the market. Although they eventually saved a larger deposit, it went towards a more expensive property and still left them with a larger mortgage on both houses and units. Meanwhile, the earlier buyer was already benefiting from price growth and paying down their debt.

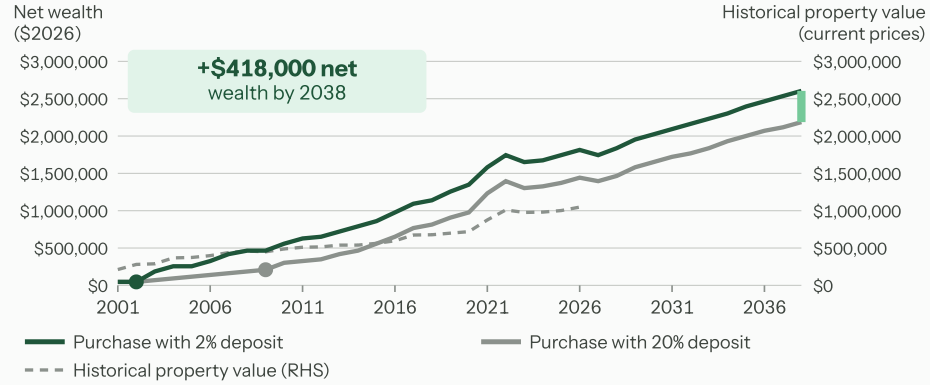
Units offer a more affordable pathway into Canberra's housing market. Increased construction during the 2010s added to the supply of units and townhouses, which helped moderate unit price growth relative to houses and kept the deposit hurdle lower for aspiring unit buyers. As both modelled buyers owned their properties through this period, price growth added the same dollar amount to each buyer's wealth. The wealth gap instead comes from differences in mortgage debt and savings.

Clearing the mortgage sooner frees up income for the earlier buyer to save as retirement approaches. Under the illustrative modelling, the earlier buyer is mortgage-free 11 years sooner on a house and nine years sooner on a unit, in 2016 and 2014 respectively. That gap is wider than the gap in entry dates because the later buyer carries a larger mortgage, and the extra repayment-free years add to the earlier buyer's savings. Because both buyers have repaid their mortgages by retirement, the final wealth difference comes entirely from the earlier buyer's larger cash savings.

Saving for a deposit and affording repayments remain challenges for many aspiring Canberra buyers. Around six in 10 aspiring buyers report insufficient deposit savings, while almost half identify mortgage repayments as a barrier. Younger buyers often face both constraints, but more than half of those aged 18-34 expect family assistance towards a deposit. That support could help them enter the market sooner, although they would still need sufficient income to service a mortgage.

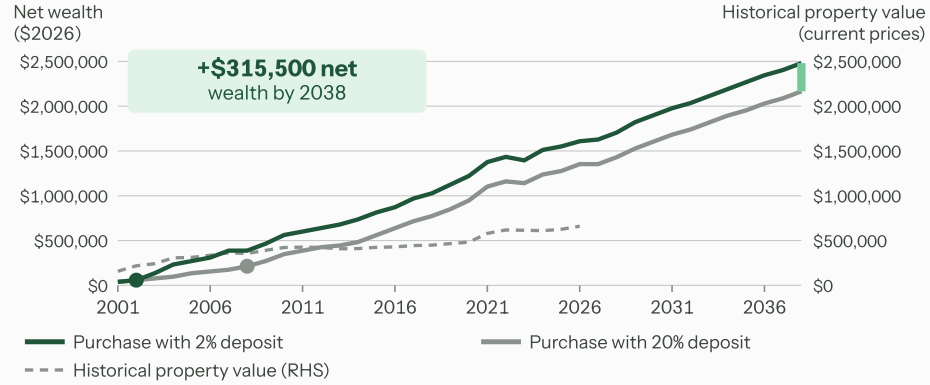
Note: Drawing on a survey of renters across all Australian capital cities, we modelled the wealth trajectories of two otherwise identical 30-year-olds from 2001 through to retirement at age 67 in 2038, with data inputs tailored to reflect local conditions in Canberra. The analysis compared purchasing a home with a 2% deposit against delaying purchase until a 20% deposit had been accumulated, incorporating historical and forecast residential property prices, income profiles across life stages, general living costs, savings and a 30-year mortgage term.

Illustrative individual net wealth by home ownership deposit requirement – Canberra houses



Source: Oxford Economics Australia

Illustrative individual net wealth by home ownership deposit requirement – Canberra units



Source: Oxford Economics Australia

The impact of earlier housing market entry on individual wealth – Hobart

Purchasing several years sooner leaves Hobart buyers with higher modelled wealth at retirement. The earlier house buyer enters five years sooner, while the earlier unit buyer enters three years sooner. By retirement in 2038, purchasing with a 2% deposit results in $550,300 more in net wealth for houses and $335,600 more for units, expressed in 2026 dollars.

Hobart's early-2000s housing boom increased the years spent saving for a larger deposit particularly costly. House prices rose by about 160% between the two buyers' purchase decisions, while unit prices almost doubled over a shorter period. As the later buyer continued saving, rising prices pushed up both the deposit required and the amount they ultimately needed to borrow. The earlier buyer benefited from those price increases while already paying down their mortgage, establishing a financial head start before the later buyer entered.

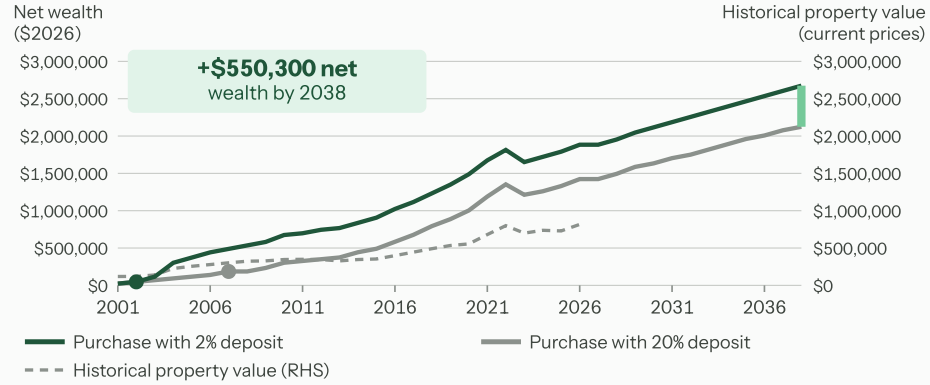
Hobart's subsequent housing boom lifted both buyers' wealth but did not narrow the existing wealth gap through property price growth. Both already owned their homes when prices rose strongly between 2016 and 2022. As they held equivalent properties, they received the same dollar gains, leaving differences in savings and mortgage debt to shape the wealth gap. The housing correction in 2023 then reduced property wealth for both, illustrating that ownership exposes buyers to losses as well as gains.

Paying off the mortgage earlier gives the 2% deposit buyer more time to accumulate savings before retirement. Under the illustrative modelling, the earlier house buyer is mortgage-free by 2009, 14 years before the later buyer. For units, the earlier buyer also clears the mortgage in 2009, a decade sooner. With repayments no longer absorbing part of their income, the earlier buyer can direct more towards savings and earn interest on those balances. Both buyers are mortgage-free by retirement, so the remaining wealth difference is entirely in accumulated savings.

Deposit savings remain a significant hurdle for aspiring Hobart buyers, with few expecting family assistance. Around three-quarters report insufficient deposit savings, including nearly four in 10 who do not identify repayments as a barrier. Only 13% expect family help towards a deposit, compared with 25% across the surveyed capital cities. Many therefore face the challenge of accumulating upfront savings themselves while continuing to pay rent, making the deposit requirement an important influence on how soon they can enter the market.

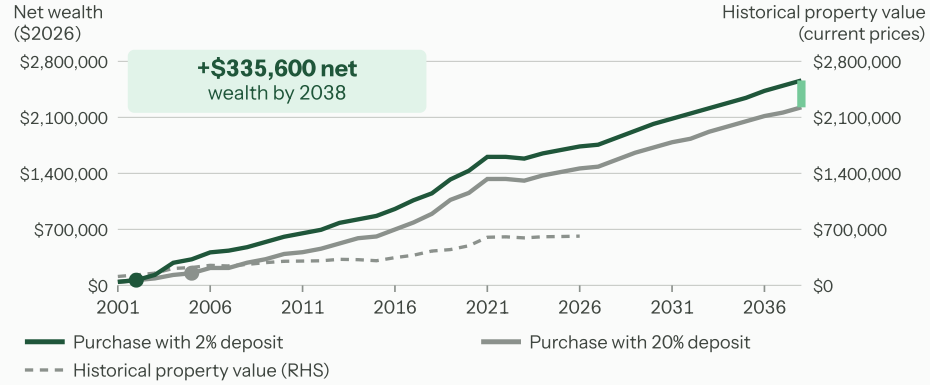
Note: Drawing on a survey of renters across all Australian capital cities, we modelled the wealth trajectories of two otherwise identical 30-year-olds from 2001 through to retirement at age 67 in 2038, with data inputs tailored to reflect local conditions in Hobart. The analysis compared purchasing a home with a 2% deposit against delaying purchase until a 20% deposit had been accumulated, incorporating historical and forecast residential property prices, income profiles across life stages, general living costs, savings and a 30-year mortgage term.

Illustrative individual net wealth by home ownership deposit requirement – Hobart houses



Source: Oxford Economics Australia

Illustrative individual net wealth by home ownership deposit requirement – Hobart units



Source: Oxford Economics Australia

The impact of earlier housing market entry on individual wealth – Darwin

Darwin records the largest modelled house wealth difference among the eight capitals. The earlier house buyer enters 13 years sooner, the longest gap in the comparison, while the earlier unit buyer enters four years sooner. By retirement in 2038, purchasing with a 2% deposit results in $883,100 more in net wealth for houses and $288,600 more for units, expressed in 2026 dollars.

The timing of Darwin's housing cycle makes the years spent saving for a larger deposit particularly costly. The earlier buyer bought in 2003, while the later buyer did not buy until 2016, by which time house prices had risen by about 170%. In those 13 years, the earlier buyer was building equity and paying down their mortgage, while the later buyer eventually entered as price growth eased and their savings accumulated.

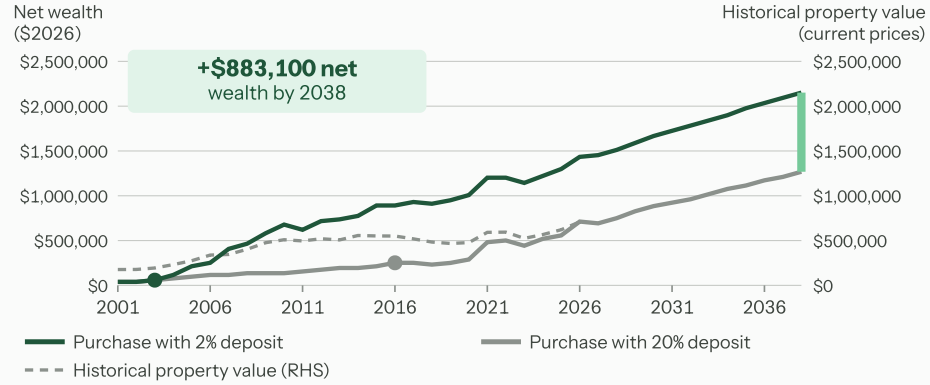
Darwin's housing market experienced a prolonged downturn following the resources investment boom. Slower energy-related construction, weaker population growth and increased housing supply contributed to falling prices. Between 2015 and 2020, house prices declined by approximately 20%, while unit prices fell by 40%. Darwin's unit segment is relatively shallow, which left it more exposed to changes in housing demand and construction and contributed to the larger price falls.

Savings and mortgage repayments helped the earlier buyer retain a wealth advantage through Darwin's downturn. Falling property values reduced wealth, but by then the earlier buyer had built up savings and paid down much of their mortgage, which cushioned the losses. Under the illustrative modelling, the 2% deposit buyer on a house is mortgage-free by 2015, 20 years ahead of the 20% deposit buyer and before the downturn took hold. The head start is smaller on a unit at 10 years, with the mortgage cleared by 2011.

The survey shows the upfront deposit is a big hurdle for Darwin buyers. Four in 10 report insufficient deposit savings without identifying mortgage repayments as a concern, suggesting that upfront savings may be the more immediate constraint for this group. Only 9% expect family assistance towards a deposit, leaving many reliant on their own savings to enter the market.

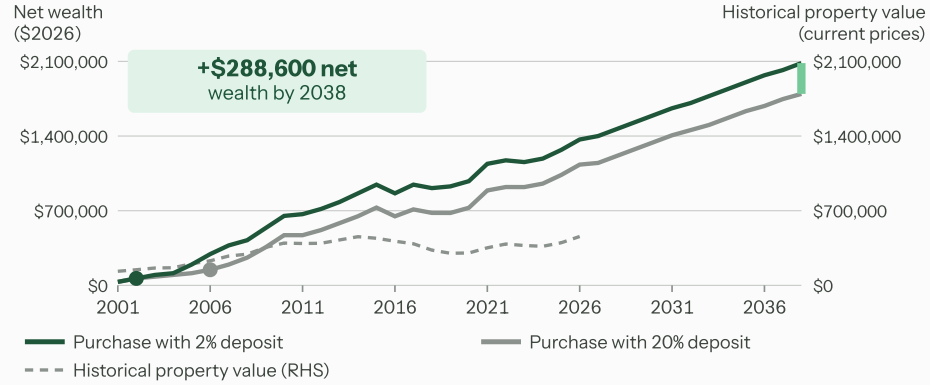
Note: Drawing on a survey of renters across all Australian capital cities, we modelled the wealth trajectories of two otherwise identical 30-year-olds from 2001 through to retirement at age 67 in 2038, with data inputs tailored to reflect local conditions in Darwin. The analysis compared purchasing a home with a 2% deposit against delaying purchase until a 20% deposit had been accumulated, incorporating historical and forecast residential property prices, income profiles across life stages, general living costs, savings and a 30-year mortgage term.

Illustrative individual net wealth by home ownership deposit requirement – Darwin houses



Source: Oxford Economics Australia

Illustrative individual net wealth by home ownership deposit requirement – Darwin units



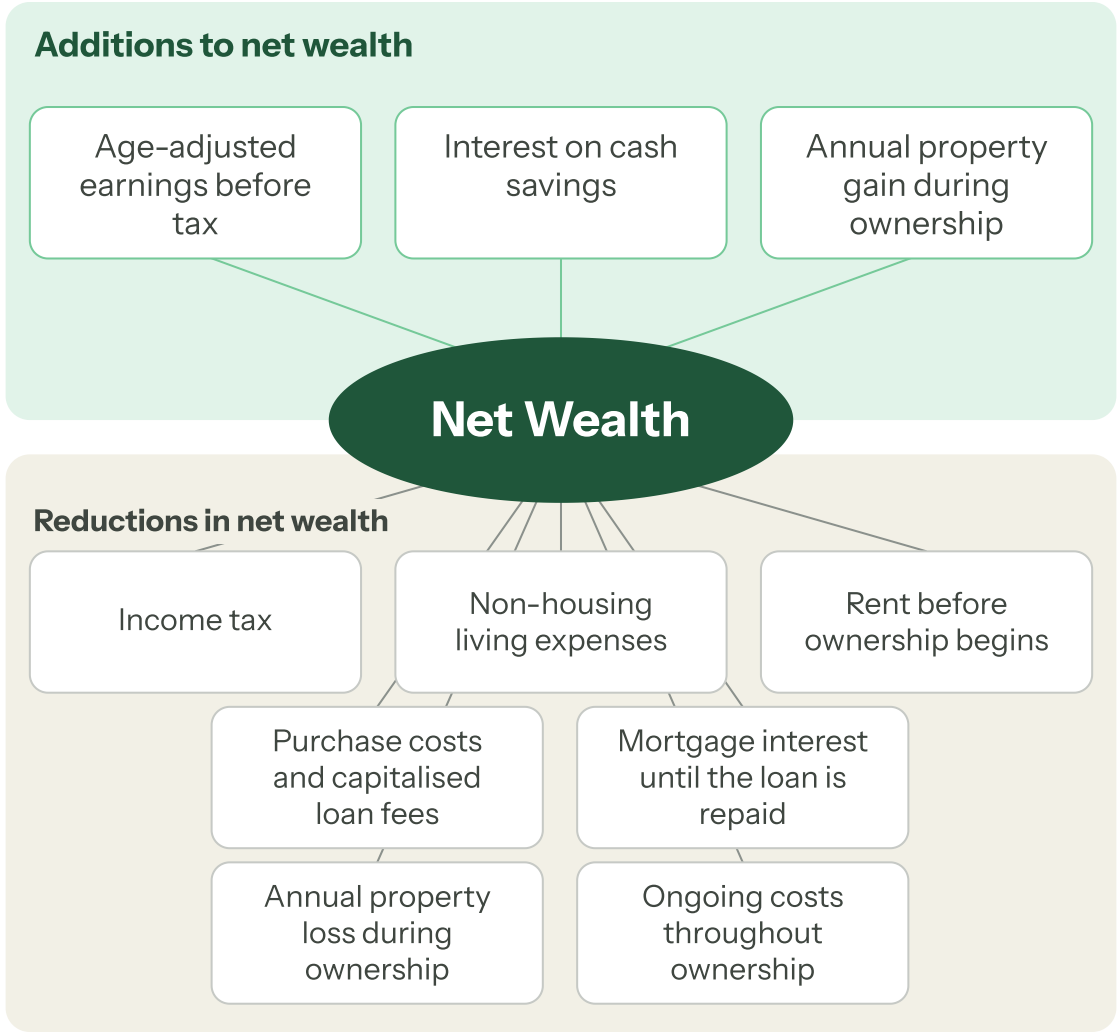
Source: Oxford Economics Australia

Methodology for comparing the wealth impacts of earlier home ownership

Modelling components and key assumptions

Model component	Approach and data sources
Buyer profile and starting position	Pair comparison of two individuals from age 30 in 2001 to age 67 in 2038. Both begin with the same savings, informed by the renter survey, and follow the same earnings profile.
Property prices and rents	Use city- and dwelling-specific historical data to the latest available observation, followed by Oxford Economics Australia projections to 2038.
Earnings and income tax	Adjust Oxford Economics Australia earnings data using ABS Census age-income profiles. Apply historical progressive tax schedules, holding 2025 brackets and rates fixed thereafter.
Non-housing expenditure	Allocate 45% of take-home income to living expenses, applying the same spending rule to both buyers.
Deposit and purchase conditions	Compare 2% and 20% deposits. Purchase requires funds for the deposit, transaction costs and a cash reserve, plus affordable repayments.
Purchase and ownership costs	Allow 3% of the property price for purchase costs. Annual ownership costs vary by city and cover council and water charges, maintenance and insurance.
Mortgage terms and pricing	Apply a 30-year principal-and-interest loan using Oxford Economics Australia mortgage-rate inputs. The 2% pathway includes a 20-basis-point premium, based on Skip Loans guidance. The 2% pathway also includes a separate Rate Reduction Fee of 3% of the property price, added to the mortgage. Neither pathway includes LMI.
Additional repayments	Both buyers use 80% of available savings for extra mortgage repayments, while maintaining a three-month cash reserve, allowing them to repay their loans well before the 30-year term.
Cash savings	Cash savings earn an assumed net return of 4% annually.
Scenario boundaries	Hold household circumstances constant, excluding partner income, shared expenses and changes in dependants. Buyers retain the property throughout. Moving, upgrading, selling costs and government assistance are excluded.
Wealth measurement	Calculate savings plus property value less mortgage debt at age 67, expressed in 2026 dollars. Superannuation and other assets are excluded.

Factors affecting net wealth



RESEARCH ON HOME OWNERSHIP ACCESSIBILITY

Existing Government Home Ownership Support

Prepared by Oxford Economics Australia

Government support for low-deposit home ownership

Government support offers several pathways to buying a home with a smaller deposit. Some programs allow eligible buyers to purchase with deposits as low as 2%. Federal schemes operate alongside state and territory programs, with availability reflecting local funding and policy priorities. Victoria's Homebuyer Fund closed in September 2025 after exhausting its funding, with federal Help to Buy now providing an alternative. New South Wales closed its shared-equity pilot in June 2024 following an evaluation and redirected funding towards other housing priorities. Elsewhere, state and territory programs continue to complement federal support.

A similar deposit requirement can lead to different borrowing and wealth outcomes. For renters whose incomes can support a mortgage, a low-deposit loan may bring forward ownership while allowing them to retain the property's future gains. A smaller deposit means borrowing more for the same property, making interest rates and fees important to the comparison. Shared equity may offer greater assistance where borrowing capacity also falls short, because the government's contribution reduces the mortgage required. The trade-off is a smaller share of future property gains and a government stake that may become more expensive to buy out if prices rise. The choice therefore affects both the repayments a household must meet today and the share of housing wealth it can retain over time.

Eligibility for support does not guarantee sufficient finance to buy. Income limits, ownership history and property requirements can exclude renters who otherwise appear ready to purchase. Those who qualify must still demonstrate repayment capacity under the lender's assessment. APRA-regulated banks generally assess borrowers at an interest rate at least three percentage points above the loan rate. A household may therefore have the required deposit and sufficient income to meet current repayments, yet remain unable to borrow the amount needed.

A lower deposit does not remove the other upfront costs of buying a home. Transfer duty, conveyancing and other transaction expenses still need to be funded. Grants and duty concessions can help eligible buyers meet these costs, complementing low-deposit finance and reducing the total cash required to enter ownership.

Government-backed low-deposit home ownership options

Federal Government · available in every state and territory

5% Deposit Scheme — 5%
No income caps · No LMI
First-home buyers and eligible previous owners · 2% for eligible single parents or legal guardians

Help to Buy — 2%
Shared equity · No LMI
Buyers within income limits unable to purchase without assistance

Northern Territory

HomeBuild Access — 2.5%
No LMI
Buying or building a new home · 2% for the Subsidised Interest Rate Loan

Western Australia

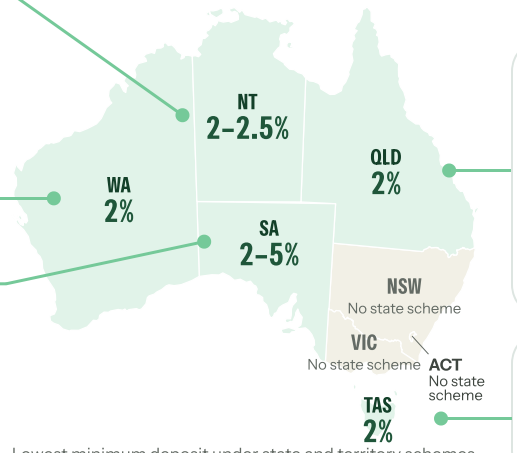
Low Deposit Home Loan (via Keystart) — 2%
No LMI
First-home buyers and eligible previous owners within income limits

South Australia

Low Deposit Loan — 3%
No LMI
Buying an existing home in the metropolitan area

Graduate Loan — 2%
No LMI
Eligible graduates and selected essential workers

HomeStart Loan — 5%
No LMI
First-home buyers and previous owners buying or building



Lowest minimum deposit under state and territory schemes. Federal schemes, including Help to Buy at 2%, apply everywhere.

Queensland

Housing Finance Loan — from 2%
No LMI
Buyers with limited deposits who meet income limits

Boost to Buy — 2%
No LMI · Shared equity
First-home buyers within income limits

Tasmania

MyHome — 2%
Shared equity
First-home buyers and previous owners

Note: Eligibility, property and lending requirements vary by scheme. Minimum deposits depend on the product and applicant's circumstances.

Assistance with purchase costs and deposit savings

Combining assistance can reduce the total cash required to enter ownership. Eligible first-home buyers can use state grants and stamp duty concessions alongside either the federal 5% Deposit Scheme or Help to Buy. This allows support with purchase costs to complement a smaller deposit requirement. For renters whose savings would otherwise be absorbed by transaction expenses, the combination may make an earlier purchase achievable. Access remains subject to each program's rules, and the two federal schemes cannot be used together.

The benefit depends on both the buyer and the property. An eligible first-home buyer purchasing a $600,000 new home in New South Wales could receive the $10,000 grant and pay no stamp duty. An established home at the same price would attract the duty exemption but no grant, leaving the buyer to fund more of the purchase. Ownership history can also limit the assistance available. A renter who last owned property more than ten years ago may qualify for the federal guarantee but remain ineligible for New South Wales's first-home duty relief. Similar incomes and savings therefore do not necessarily translate into the same ability to buy.

Savings assistance is most useful where households have capacity to save. The First Home Super Saver Scheme can help eligible buyers retain more of their earnings towards a deposit through the tax treatment of voluntary contributions. It may shorten the saving period, but offers less help to renters with little income left after living costs. Compulsory employer contributions remain preserved. Where voluntary contributions would otherwise have stayed in super, using them for a home also means forgoing future investment earnings on those amounts.

These supports can affect both when a household buys and how much it borrows. Buyers may use the assistance to enter ownership sooner or, where scheme rules permit, contribute more towards the same property and reduce their mortgage. Earlier entry changes the period over which housing gains and ownership costs accumulate, while a smaller mortgage reduces interest costs. The benefit depends on the assistance each household can access and its capacity to service the remaining loan.

Assistance with purchase costs and deposit savings

Support	How it helps	Examples
First home owner grants	Contributes funds towards an eligible home purchase or build	• **New South Wales**: offers $10,000 for eligible new homes. Value limits are $600,000 for purchases or $750,000 for land and construction combined. • **Queensland**: offers $30,000 for eligible new homes valued below $750,000, including land.
Stamp duty relief	Reduces the tax payable when purchasing a property	• **New South Wales**: exempts eligible first-home purchases up to $800,000, with reduced duty below $1 million. • **Queensland**: exempts eligible first-home purchases of new homes without a value cap. • **Australian Capital Territory**: exempts eligible purchases, with income and property value limits removed from July 2026.
First Home Super Saver Scheme	Uses the tax treatment of voluntary super contributions to help build first-home savings.	**Federal government**: counts eligible contributions of up to $15,000 per financial year and $50,000 overall, per person. Eligible amounts can be released with associated earnings, subject to tax and release rules.

Note: Ownership history, residency, occupation of the home and transaction-date requirements apply. Eligibility must be assessed separately for each form of assistance.

RESEARCH ON HOME OWNERSHIP ACCESSIBILITY

Implications of Capital Gains Tax Changes

Prepared by Oxford Economics Australia



Capital Gains Tax reform and housing wealth

Capital Gains Tax (CGT) applies to profits from selling assets such as investment properties and shares. The 2026-27 Budget announced that inflation adjustment will replace the 50% discount from 1 July 2027, alongside a minimum tax on gains. The reform also tightened negative gearing, which allows investors to deduct rental losses against other income. For housing, these reforms primarily affect investment properties, while the CGT exemption for qualifying owner-occupied homes remains unchanged.

Established housing is likely to face weaker investor demand. The reforms reduce the appeal of investments that combine low rental yields with expectations of strong capital growth. As prospective investors reassess their returns, some may withdraw from the market or lower their bids, placing downward pressure on prices in segments with substantial investor participation, particularly apartments and lower-priced established dwellings. Investor lending expanded following the introduction of the CGT discount in 1999, but lower interest rates and changes in lending products also contributed. The earlier expansion therefore offers limited guidance on how much investor demand might weaken under the current reforms.

The adjustment will depend on where investment returns come from. Investors whose gains substantially exceed inflation stand to lose more of the relief provided by the existing discount. Where inflation accounts for much of the gain, indexation may instead reduce the tax payable, although the outcome also depends on the investor's tax position and the minimum tax. The reform therefore changes the relative appeal of investments rather than raising tax uniformly. Eligible new builds retain a choice between treatments, giving them an advantage over established investment properties and potentially attracting a greater share of investor demand.

The family home retains its favourable position for building wealth. The main-residence exemption remains unchanged, preserving the ability of qualifying home owners to retain capital gains free of CGT. As the tax burden on some alternative investments rises, households may direct more savings towards home improvements or mortgage repayments. For renters, this reinforces the relevance of home ownership as a means of accumulating wealth, but does not create an additional tax benefit from entering the market earlier. Earlier purchase extends the period of exposure to property gains and losses, while bringing forward borrowing and ownership costs. Whether it improves net wealth depends on how these outcomes compare with continuing to rent and accumulate savings.

6. Australian Government, Budget 2026–27, Tax explainer: negative gearing and capital gains tax

Key changes to CGT treatment from 1 July 2027[6]

Component	Current treatment	Treatment from 1 July 2027
Taxable capital gain	Eligible capital gains receive a 50% discount	The cost base is indexed to inflation, so tax applies to real gains
Tax rate	Discounted gains are taxed at the individual's marginal rate	Real gains are taxed at marginal rates, with a 30% minimum, subject to exemptions
Eligible new-build investments	Eligible gains receive the 50% discount	Investors retain a choice between the 50% discount and indexation with the minimum tax
Main residence	Gains are exempt where the main-residence conditions are met	Exemption unchanged

Note: Simplified comparison for individual taxpayers and eligible assets held for at least 12 months. New arrangements apply to gains accruing from 1 July 2027, earlier gains retain their existing treatment. Exemptions from the minimum rate include recipients of specified income-support payments.

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Prepared by Oxford Economics Australia

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