

# QUESTION ON NOTICE

## Legislative Council

ASKED BY: Government Administration Committee 'B'

ANSWERED BY: Hon Felix Ellis MP

### QUESTION:

- 1) The total number of public/social housing properties as at 30 June, by year since 2014
- 2) The total number of properties sold each year since 2014
- 3) The total number of people connected to applications on the wait list
- 4) The total number of children connected to applications on the wait list
- 5) Wait times at the 90<sup>th</sup> percentile
- 6) The longest wait amount current applicants
- 7) Confirmation as to whether the arrangements offered by the Bank of us for MyHome to make fortnightly payments have a real impact on mortgage repayment direction and total interest paid over life of mortgage compared to making monthly payments
- 8) Provision of a comparative table of key characteristics (including interest rates) of all comparable state shared equity schemes (ie using commercial lenders) against the Homes Tasmania MyHome scheme
- 9) Whether Homes Tasmania is keeping data on how many MyHome client's agreement processes that commence, require extensions and the reasons for those extensions (ie whether the delay/extension is a result of Homes Tasmania, Bank of us, the client or the vendor)
- 10) How many agreements under the MyHome scheme have commenced that then required extensions due to delays caused by Homes Tasmania's processes or lack of timeliness in required actions
- 11) How many applications relating to existing dwellings have been discontinued or abandoned under the scheme. Can data be provided

on the cause/reason for discontinuation or abandonment of the application

- 12) Of the total number of successful applications that have been made to the MyHome scheme, how many have been house and land packages, and how many have been existing properties?

## ANSWER:

- 1) The total number of social housing dwellings in Tasmania as at 30 June by year since 2014 is shown in the following table.

| <b>Date (as at 30 June)</b> | <b>Number</b> |
|-----------------------------|---------------|
| 2014                        | 13 489        |
| 2015                        | 13 577        |
| 2016                        | 13 621        |
| 2017                        | 13 408        |
| 2018                        | 13 364        |
| 2019                        | 13 554        |
| 2020                        | 13 812        |
| 2021                        | 14 059        |
| 2022                        | 14 065        |
| 2023                        | 14 605        |

Source: Report on Government Services

- 2) The total number of Homes Tasmania properties sold per year since 2014 is shown in the following table. Note that land sales are not included.

| <b>Date (Financial Year)</b> | <b>Number</b> |
|------------------------------|---------------|
| 2014-15                      | 53            |
| 2015-16                      | 124           |
| 2016-17                      | 98            |
| 2017-18                      | 83            |
| 2018-19                      | 43            |
| 2019-20                      | 31            |
| 2020-21                      | 44            |
| 2021-22                      | 15            |
| 2022-23                      | 4             |
| 2023-24                      | 1             |
| <b>Total</b>                 | <b>496</b>    |

Source: Homes Tasmania

- 3) As at 31 July 2024, there are a total of 4 745 applications. The total number of people connected to applications on the Housing Register is 8 273. This includes 5 705 adults and 2 568 children.

- 4) As at 31 July 2024, the total number of children connected to applications on the Housing Register is 2 568.
- 5) As at 31 July 2024, the Housing Register wait time at the 90<sup>th</sup> percentile is 1 234 days.
- 6) As at 31 July 2024, the longest wait time among current applicants on the Housing Register is 4 430 days.
- 7) MyHome participants are required to make a minimum monthly repayment under their contract. However, participants may make repayments as frequently as they like to suit their own budget (i.e. daily, weekly, fortnightly etc.).

Any additional repayments on the loan above the minimum monthly repayment help to reduce the principal balance of the loan faster, which in turn reduces the amount of interest accruing over time. This can lead to substantial savings on interest.

- 8) The table at Attachment I provides a list of lenders in other jurisdictions and the interest rates offered for shared equity programs. The table does not provide further comparison of other features of shared equity programs across the states and territories, due to challenges with compiling this information within the time frame provided.
- 9) Homes Tasmania does not currently collect data in relation to how many client agreements commence, require extensions and the reasons for those extensions. Homes Tasmania has established regular meetings with the Bank of us to discuss the ongoing operation of the MyHome program. The meeting will identify areas that can be improved, including with respect to the collection of data and reporting arrangements.
- 10) This data is not currently collected by Homes Tasmania. Homes Tasmania will work with the current provider, Bank of us, to investigate improvements in the collection of data and reporting arrangements.
- 11) 77 MyHome applications have not proceeded, 69 of which were existing homes.

Summary of the reasonings:

|                          |    |
|--------------------------|----|
| Finance not met          | 4  |
| Security not met         | 10 |
| Unsatisfactory valuation | 5  |

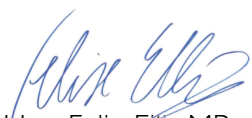
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|---|-----------|
| Unsatisfactory building condition (existing homes)      | 44        |
| Extension not granted - delays satisfying due diligence | 3         |
| Vendor accepted alternate offer or 48 hour clause       | 4         |
| Applicant change of mind                                | 3         |
| Proceeded to purchase without MyHome                    | 2         |
| Undisclosed   | 2         |
| <b>Total</b>  | <b>77</b> |

- 12) There are 468 successful MyHome applications (calculated as the total number of settlements from 1 July 2022- 30 July 2024).

|                     |            |
|---------------------|------------|
| New Homes           | 134        |
| Existing Properties | 334        |
| <b>Total</b>        | <b>468</b> |

\* New homes consists of house and land packages and new build homes that have not yet been occupied.

☒ APPROVED / ☐ NOT APPROVED



Hon Felix Ellis MP  
Minister for Housing and Planning

Date: 23/8/2024

## Attachment 1 – response to Question 8

| Program        | Cth  | Tas   | Qld   | NSW   | ACT  | Vic   | SA  | WA   |
|----------------|--|---|---|---|--|---|---|--|
|                | Help to Buy (H2B)  | MyHome  | Pathways Shared Equity Loan   | Shared Equity Home Buyer Helper (pilot closed 30 June 2024) <sup>1</sup>  | Shared Equity Scheme   | Homebuyer Fund  | HomeStart Shared Home Equity Scheme <sup>2</sup>  | Keystart Shared Home Ownership                     |
| Interest rates | TBD – Housing Australia to establish criteria and processes for approving entities as 'participating lenders', including competitiveness or mortgage products and interest rates | 6.86% variable - FlexiChoice MyHome home loan (no interest paid on Homes Tasmania's share); Fixed interest rates available:<br>1 year – 6.74%<br>2 years – 6.24%<br>3 years – 6.19% | If tenants access the Queensland State Housing Loan there is a discounted interest rate available and the rate is capped in the early years of the loan to protect participants from rising interest rates.<br><br>Variable or fixed interest rates available.<br>Interest rates are determined by the Chief executive Officer in line with section 13 of the <i>Housing Act 2003</i> . | Bendigo Bank offered fixed and variable rates for the Scheme. <sup>3</sup> As at 27 June 2024 the rates were:<br>Principal and interest variable rate: 6.24%<br><br>Principal and interest fixed rates:<br>1 year – 6.29%<br>2 years – 5.99%<br>3-5 years – 6.04%<br><br>Interest only variable rate: 6.24%<br><br>As the scheme is no longer offered, Unity Bank no longer advertises applicable interest rates. | The loan products available to participants are the same as those generally available, including the Budget Home Loan, Fixed Rate Home Loan and Essentials Home Loan.<br><br>Budget loan – 6.04% variable rate<br>Fixed loan – 5.99% fixed rate (2 years)<br>Essentials loan – 6.24% variable rate | <u>Bank Australia:</u><br>Basic loan (LVR <70) - variable 6.14% (current discount to 6.09%)<br>fixed 1 year - 6.24%<br>fixed 2 years - 6.14%<br>fixed 3 years - 5.99%<br><br>Premium loan<br>Variable 6.18%<br>fixed 1 year 6.24%<br>fixed 2 years 6.14%<br>fixed 3 years 5.99%<br><br><u>Bendigo Bank</u> offer fixed and variable rates for the Scheme. <sup>4</sup><br>Principal and interest variable rate: 6.24% | HomeStart loans <sup>6</sup><br>Variable rate 8.64%<br>Fixed 1 year - 7.79%<br>Fixed 2 years - 7.69%<br>Fixed 3 years – 7.59% | KeyStart loans <sup>7</sup><br>Variable rate 7.85% |

<sup>1</sup> Participants who have received pre-approval from Revenue NSW prior to 30 June 2024 have until 30 September 2024 to find and purchase a home (exchange contracts); <https://www.revenue.nsw.gov.au/grants-schemes/shared-equity-home-buyer-helper>

<sup>2</sup> Program delivered by the South Australian Government's housing finance company HomeStart Finance.

<sup>3</sup> As at 27 June 2024 - <https://www.bendigobank.com.au/globalassets/documents/interestrates/schedule-of-lending-interest-rates.pdf>

<sup>4</sup> As at 27 June 2024 - <https://www.bendigobank.com.au/globalassets/documents/interestrates/schedule-of-lending-interest-rates.pdf>

<sup>6</sup> [Rates & fees - HomeStart Finance](#)

<sup>7</sup> <https://www.keystart.com.au/loans/shared-ownership-home-loan>

|  |  |  |  |  |  |   |  |  |
|--|--|--|--|--|--|---|--|--|
|  |  |  |  |  |  | <p>Principal and interest fixed rates:<br/> 1 year – 6.29%<br/> 2 years – 5.99%<br/> 3-5 years – 6.04%</p> <p>Interest only<br/> variable rate: 6.24%</p> <p><u>Indigenous Business Australia</u><sup>5</sup><br/> If income is not more than \$83,000, the rate is 2.54% for the first 24 months then an extra 0.25% is added each year until the top rates is reached (currently 6.49%). The starting interest rate is higher for higher income brackets.</p> |  |  |
|--|--|--|--|--|--|---|--|--|

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<sup>5</sup> [IBA Shared Equity - Indigenous Business Australia](#)