



Will your adult children ever leave home?

The current property predicament

It's no secret that property prices have skyrocketed, making it challenging for young adults to spread their wings and fly the coop. Despite the seemingly stabilising of interest rates, the high cost of renting coupled with the daunting task of saving for a deposit has resulted in a significant trend...

Adult children are lingering in the family home well into their 30s and even 40s!

According to recent research, the average age of a first home buyer in Australia is now closer to 40 than 20. In fact, Aussies are, on average, 36 years old when they buy their first home. Yes, you read that correctly. It seems the dream of owning a home early in life has shifted further down the timeline.

But fear not, there are ways we can help our offspring take flight without jeopardising our own financial future.

Parental assistance with caution

Before we delve into the ways we can assist, let us emphasise one crucial point.

As parents, we must prioritise our own financial security.

Innovative strategies for independence

One intriguing and popular trend among first home buyers is 'rentvesting'. This innovative approach involves purchasing a property to rent out while continuing to rent elsewhere. It allows young adults to enter the property market without sacrificing their desired lifestyle.

Read more about Rentvesting [here](#). [Link to PDF](#)

Additionally, there are various state programs and grants to aid first home buyers.

For instance, in NSW, eligible buyers can opt for an annual land tax instead of stamp duty on properties up to \$1.5 million.

Similarly, Victoria provides stamp duty exemptions and a shared equity program for low deposit purchases.

These incentives can significantly ease the financial burden of entry into the property market.

Federal support for first home buyers

The government has also stepped in to support aspiring homeowners. The First Home Guarantee program, for instance, enables low deposit purchases without the need for mortgage insurance, making homeownership more accessible to young adults. If you have a potential first home buyer living with you, the good news is that there are several schemes set up by the Australian government to help them financially through the process.

The bad news is that it can be very confusing trying to navigate all the different schemes with their various eligibility criteria!

This is where we can help navigate the journey.

Here's an overview of the Government First Home Buyer Schemes and Grants available in 2024.

Government initiatives to support first home buyers can be broadly categorised into national schemes and state specific programs.

National initiatives

First home guarantee

Under this scheme, the government provides a guarantee for a portion of the deposit required for purchasing a home.

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This is where we can help navigate the journey.

First home super saver scheme

This initiative allows individuals to make voluntary contributions to their superannuation fund that can be withdrawn later for the purpose of a home deposit.



It allows first time home buyers to accumulate a deposit for their initial home purchase within their superannuation account, benefiting from favourable tax treatment.

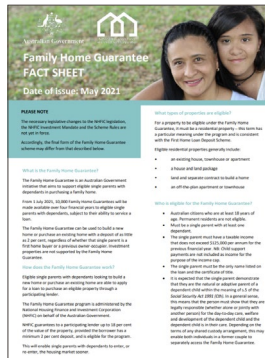
As part of the scheme, the government has raised the maximum amount of savings that borrowers can access from their super to contribute towards a home deposit by increasing it from \$30,000 to \$50,000.

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Home guarantee

Designed for single parents with dependants, this scheme helps by guaranteeing a portion of the deposit required for buying a home.


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Regional first home buyer support scheme

Geared towards individuals planning to purchase property in regional areas of Australia, this scheme provides government support by guaranteeing a portion of the deposit.

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To utilise this scheme, it's essential to obtain a determination letter from the Australian Taxation Office (ATO) specifying the eligible amount that can be withdrawn from your superannuation for use as a deposit towards a home loan.

Shared equity – Help to buy schemes

This program involves the government contributing towards the upfront costs of a home purchase in exchange for a stake in the property's equity. There are state specific incentives and different application criteria for each state. So be sure to investigate wisely.

Shared equity arrangements offer the opportunity to expedite property acquisition by diminishing the initial deposit and the burden of ongoing mortgage payments, however it is crucial to contemplate the enduring consequences.

These may encompass the government participating in the profits generated from your property so this decision should align with your individual aspirations.

State specific initiatives

First Home Owner Grant (FHOG)

While this grant is a national scheme, there are variations in its implementation across different states reflecting differing eligibility criteria and grant amounts.

One off transfer duty (stamp duty) waivers or concessions

Some states offer waivers or concessions on transfer duty (commonly known as stamp duty) for first home buyers to provide financial relief during the property purchasing process.

[Click through to see your state incentives for first home buyers.](#)



There's a lot to take in isn't there?

And that's where we can help.

We stay updated on new government initiatives to ensure you don't have to.

However, as with any financial undertaking, consulting with a qualified professional is imperative to make well informed decisions.

Homeownership may be achievable with the right support and planning.

Despite the challenges posed by the current property market, there is reason for optimism. Recent data indicates a growing number of younger Australians are achieving homeownership. This is a reflection of their resilience and determination. As parents, we can play a supportive role in this journey while ensuring our own financial stability.

There are positive trends emerging amidst the complexities of the property market.

However, remember that each individual's path to homeownership is unique and what works for one may not suit another.

As your trusted finance team, we urge you to navigate this journey with caution by prioritising your financial well being while offering support to your adult children.

So, as you ponder the prospect of reclaiming your empty nest, let's work together to empower our adult children to spread their wings and soar into homeownership.

Contact us to read

What is Rentvesting? and is it still worth it for first home buyers?

