

Shared Equity Option

Boost your home buying budget by up to 25%

If it seems like owning the right home is out of reach, our Shared Equity Option can help. With this additional loan, your borrowing budget may increase by up to 25% without increasing your repayments. It could be the boost you need to buy or build your own home.

1. Borrow up to 25% of the purchase price

With the Shared Equity Option, we can lend you between 5% and 25% of the property value or purchase price, whichever is lower. You become the owner of the home, but you share some of its value with HomeStart. You can only apply for this additional loan when you take out your home loan with HomeStart.

2. Repay at your pace

The Shared Equity Option can increase your options without adding to your monthly repayments. However, you can choose to make voluntary repayments of \$10,000 or more at any time. This would reduce HomeStart's share in the value of your property. To work out the new percentage, we'd need to arrange a property valuation.

You'll repay this loan when you:

- sell your property, or
- refinance with another lender, or
- voluntarily pay out the Shared Equity Option.

Until then, you'll continue only making the repayments that we've set for your home loan.

3. Interest-free borrowing

We don't charge interest on the shared equity part of your loan. Instead, when you sell your property, we'll share in any gain or loss in property value.

For example, if we lend you 20% of the purchase price with this loan, our share in the increase in value of your property will be 20%.

4. HomeStart shares the gain and the loss

When you sell your home, HomeStart will share in a portion of the gain or loss in property value. If you decide to refinance, HomeStart will only share in any gain in property value.



Shared Equity Option

The HomeStart difference



Repayment Safeguard

The certainty of our Repayment Safeguard makes budgeting and managing your finances easier once you've purchased your own home.

With HomeStart, your initial repayments are set for the year based on what you can afford, without a fixed loan term. Changes in interest rates won't impact your repayments (they remain the same for 12 months) but can impact the duration of your loan – if rates go down, you can pay off your loan faster but if they go up, it might take longer.

Each year on your loan anniversary, we review your repayments and adjust them in line with inflation. We will let you know your adjusted repayment amount for the upcoming year before it changes.



Additional loan options

We have a range of other additional loans to boost your borrowing power and could help turn your goals into a reality. You may also be eligible for the Starter Loan. This can help with the upfront costs associated with buying or building your home, such as any applicable stamp duty, establishment fees or other associated fees.



To be eligible for the Shared Equity Option you'll need to:

- ✓ Have your home loan with HomeStart and meet all other eligibility criteria.
- ✓ Have a net household income of up to \$110,000 per year, after tax.
- ✓ Buy or build a home to live in within South Australia. A maximum purchase price limit of \$675,000 applies.
- ✓ Have no more than \$40,000 in retained savings at settlement.
- ✓ Not have an Advantage Loan with us.
- ✓ Not own another property.

Contact us

1300 636 878

homestart.com.au

 **HomeStart**



Government of
South Australia