

First Home Buyer Grants & Deposit Schemes in Australia (2026 Guide) - Natloans

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First Home Buyer Grants & Deposit Schemes in Australia (2026 Guide)

By Mary Nebotakis, Managing Director, Natloans, B. Eco, Dip. Financial Services

For many Australians, buying a first home has felt increasingly difficult over recent years — largely due to rising property prices and the challenge of saving a full 20% deposit.

However, 2026 may be one of the most accessible years in a decade to enter the property market.

Recent updates to government housing support programs, shared-equity initiatives, and low-deposit home loan options mean many buyers can now purchase a home significantly sooner than they expected — sometimes years earlier.

This guide explains the key first home buyer incentives available in Australia and how they may reduce both your upfront costs and ongoing repayments.

Why the Deposit Is the Biggest Barrier

Traditionally, lenders prefer a 20% deposit to approve a standard home loan without additional costs. For a \$700,000 property, that means saving \$140,000 — which is often the main reason buyers delay purchasing.

If a buyer has less than 20%, lenders usually charge Lenders Mortgage Insurance (LMI) . LMI does not protect the borrower — it protects the lender — and it can cost \$15,000–\$35,000+ depending on the purchase price and deposit size.

Government housing programs are designed specifically to solve this problem.

The Home Guarantee Scheme (5% Deposit Home Loan — No LMI)

The Home Guarantee Scheme (HGS) allows eligible buyers to purchase a property with a low deposit while avoiding LMI.

Under this program, the government guarantees part of the loan, which reduces the lender's risk and allows them to approve higher loan-to-value ratio (LVR) lending.

Key Features

Minimum 5% deposit required

No Lenders Mortgage Insurance payable

Owner-occupied properties only

Available through participating lenders

Government guarantees part of the mortgage

For eligible single parents or guardians, deposits may be as low as 2% under specific streams of the program.

For many buyers, this alone can reduce upfront costs by tens of thousands of dollars and bring forward a purchase timeline by several years.

Property Price Caps

Eligibility also depends on property value caps, which vary by city and region. These caps are designed to keep the scheme focused on entry-level housing.

The Help to Buy Scheme (Shared-Equity Home Purchase)

One of the most significant housing initiatives being introduced is the Help to Buy Scheme .

Unlike the Home Guarantee Scheme, this is a shared-equity program — meaning the government contributes part of the purchase price in exchange for a proportional share of the property's future value.

How It Works

Minimum deposit: 2%

Government contributes up to 30% (existing homes)

Up to 40% contribution for new builds

You live in and own the property

Government shares in future capital gain or loss

Owner-occupied homes only

Because the government contributes equity, your loan amount is smaller , which usually results in lower mortgage repayments and improved borrowing capacity.

Income Eligibility

Singles: up to \$100,000 income

Couples or single parents: up to \$160,000 combined income

This scheme is not strictly limited to first home buyers, although it is primarily targeted toward them.

Other First Home Buyer Incentives Available

Several additional programs can further reduce upfront costs.

First Home Owner Grant (FHOG)

A one-off government grant for buyers who build or purchase a new home. Grant amounts vary by state and territory and may reach up to \$30,000 in certain areas.

First Home Super Saver Scheme (FHSSS)

Allows voluntary superannuation contributions to be withdrawn for a home deposit. Because contributions are taxed at concessional super rates, many buyers accumulate savings faster than through a standard savings account.

Stamp Duty Concessions

Many state governments offer stamp duty exemptions or discounts for eligible first home buyers. This alone can save tens of thousands of dollars in upfront costs.

Combining Incentives (Where Buyers Gain the Biggest Advantage)

A common misconception is that buyers can only use one support program.

In practice, many buyers may be eligible for multiple incentives simultaneously, such as:

5% deposit Home Guarantee Scheme (avoid LMI)

Stamp duty concessions

First Home Owner Grant

Super Saver Scheme withdrawals

Help to Buy shared equity (in eligible cases)

With proper structuring, the upfront cost of purchasing a home can be dramatically lower than expected.

Why Planning Early Matters in 2026

As access to low-deposit loans expands, more buyers are entering the market. This creates two effects:

Increased competition for entry-level properties

Stricter lender assessment processes

For this reason, pre-approval has become more important than ever . It helps buyers:

understand borrowing capacity

move quickly when they find a property

avoid contract risks

The Role of a Mortgage Broker

Many buyers approach a single bank, but every lender assesses applications differently.

A mortgage broker compares multiple lenders and helps:

determine eligibility for government schemes

structure the loan correctly

maximise borrowing capacity

combine available incentives

Natloans works with more than 50 bank and non-bank lenders across Australia and can help identify which programs may apply to your situation.

Steps to Buying Your First Home

Calculate borrowing capacity

Confirm eligibility for government incentives

Obtain home loan pre-approval

Begin property search with confidence

Ready to Start Your First Home Journey?

With the right preparation, 2026 may offer one of the strongest opportunities in years for Australians to enter the property market.

If you want to understand what you may qualify for — even just as a starting point — a Natloans home loan specialist can walk you through your options and estimated repayments.

You can:

Book a free consultation

Or begin your pre-approval application

Buying a home is a major decision, but understanding your options early can make the process far more achievable.

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[7/296 Bay Rd Cheltenham VIC 3192](#)

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