Australian Government

Australian Government 5% Deposit Scheme

Fact Sheet | 1 July 2026



Starting out or starting over – lower deposits can fast-track your path to buying a home

Imagine unlocking the door to your very own home, sooner than you ever thought possible. Own your first home sooner with the Australian Government 5% Deposit Scheme (Scheme).

The Scheme is for aspiring buyers just like you – first home buyers with a minimum 5% deposit, or single parents or legal guardians with a minimum 2% deposit.

No income caps, no waitlists and no Lenders Mortgage Insurance (LMI), reduce your upfront costs and get you on the path to home ownership sooner. Whether you're eyeing a cosy apartment, family house or building on vacant land – the Australian Government can help you into a home that suits your lifestyle, location and budget, right across the country.

Key features

- Low deposit options
- No income caps
- No LMI - save on upfront fees
- Wide choice of home types
- Government backing
- Unlimited spots and no waiting list

Who the Scheme can help

- First home buyers with a minimum 5% deposit
- Single parents or legal guardians with a minimum 2% deposit

How it works

1. Eligible home buyer	Home buyer meets all Scheme eligibility criteria.
2. Small minimum deposit	Home buyer saves a minimum deposit to contribute – 5% for first home buyers or 2% for single parents or legal guardians.
3. Government backing	The Australian Government provides a guarantee to a lender authorised to offer the Scheme (Participating Lender) so they can lend the home buyer up to 95% or 98% of the home's value.
4. Home loan	Participating Lender provides a home loan.
5. Home ownership	Home buyer finds and buys a home and moves in.

Features and benefits

Discover how the Scheme could help you own your own home sooner:

Low deposit	Minimum 5% for first home buyers or minimum 2% for single parents or legal guardians. ***Take years off your saving timeline.***
No income caps	Your income doesn't restrict your access. ***Support for more Australians, no matter what you earn.***
Avoid extra costs	No LMI fees, reducing upfront costs. ***Have more money to put towards the home you want.***
Wide choice of home types	Houses, townhouses, apartments, house/land packages, off-the-plan, or building on vacant land – all below location price caps. ***More flexibility to find a home that fits your lifestyle, location and budget.***
Government backed support	A Government guarantee is provided to the lender for your loan. ***Making home ownership more achievable.***
Unlimited spots and no waiting list	Apply when you're ready, no queues. ***Get into your own home sooner.***

Eligibility criteria

You could be eligible if you meet criteria including the ones below. You must also meet your Participating Lender's credit policy and loan approval criteria. Even if you are eligible for the Scheme, you may not get a home loan if you do not meet the lending requirements of your Participating Lender.

All applicants:

- Australian citizen or permanent resident, at least 18 years old
- buying a home in Australia priced at or below the location's price cap
- will live in the home as an owner-occupier (no investment properties)
- applying for an owner-occupier home loan with Principal and Interest repayments from a Participating Lender, up to 30 years (plus up to three years to build a new home).

First home buyer:

- saved a minimum deposit of 5%
- must be a first home buyer or you haven't owned a home or land in Australia in the last 10 years
- apply on your own or jointly with one other person (partner, friend, or family member).

Single parent or legal guardian:

- saved a minimum deposit of 2%
- can't own another home or have any other property interest once your new home settles
- apply on your own (no joint applications).

Wide choice of home types

Choose from new or existing houses, townhouses, apartments, house and land packages, off-the-plan purchases, or vacant land with a building contract – provided the property is at or below location-specific price caps. So many options, giving you flexibility to choose the type of home that suits your lifestyle, location, and budget, right across Australia.

Check the property price caps

State	Capital city and regional centres*	Rest of state
New South Wales	$1,500,000	$800,000
Victoria	$950,000	$650,000
Queensland	$1,000,000	$700,000
Western Australia	$850,000	$600,000
South Australia	$900,000	$500,000
Tasmania	$700,000	$550,000

Territory	All areas
Australian Capital Territory	$1,000,000
Northern Territory - capital city	$750,000
Northern Territory - rest of Territory	$600,000
Jervis Bay Territory & Norfolk Island	$550,000
Christmas Island & Cocos (Keeling) Islands	$400,000

** Regional centres are in New South Wales - Central Coast, Coffs Harbour-Grafton, Illawarra, Mid North Coast, Richmond-Tweed, Newcastle and Lake Macquarie, in Victoria - Geelong, and in Queensland - Gold Coast and Sunshine Coast.*

Both the purchase price and the home's value (as assessed by your Participating Lender) must be at or below the cap. For building a new home on vacant land with separate contracts, the total land price plus build costs need to come in under the cap too.

How to apply

Ready to turn your dreams into reality? Follow these simple steps:

1



Check your eligibility

Use our quick online Eligibility Tool to see if you could be eligible – it takes just minutes and asks about your situation, deposit, and home plans.

2



Contact a Participating Lender

Chat with one of our Participating Lenders. They'll guide you through loan options and the application process.

3



Apply and find your home

The Participating Lender will submit your application, and once approved, you're ready to start house hunting. Use our property price caps tool to check the price cap for the location you want to buy in. Then buy your home and move in!

For more information contact a Participating Lender or visit firsthomebuyers.gov.au

Important notice

Information in the Fact Sheet is general information about the Australian Government 5% Deposit Scheme only. While the authors have taken reasonable steps to ensure it is accurate, it does not provide any warranty that it is complete or that you can rely on the information. To apply for the Australian Government 5% Deposit Scheme, home buyers will need to contact a Participating Lender who can assess their particular circumstances to determine whether they are eligible.

Refer to the relevant Information Guide for further detail on how the Guarantee operates including the risks and key considerations of borrowing with a lower deposit.