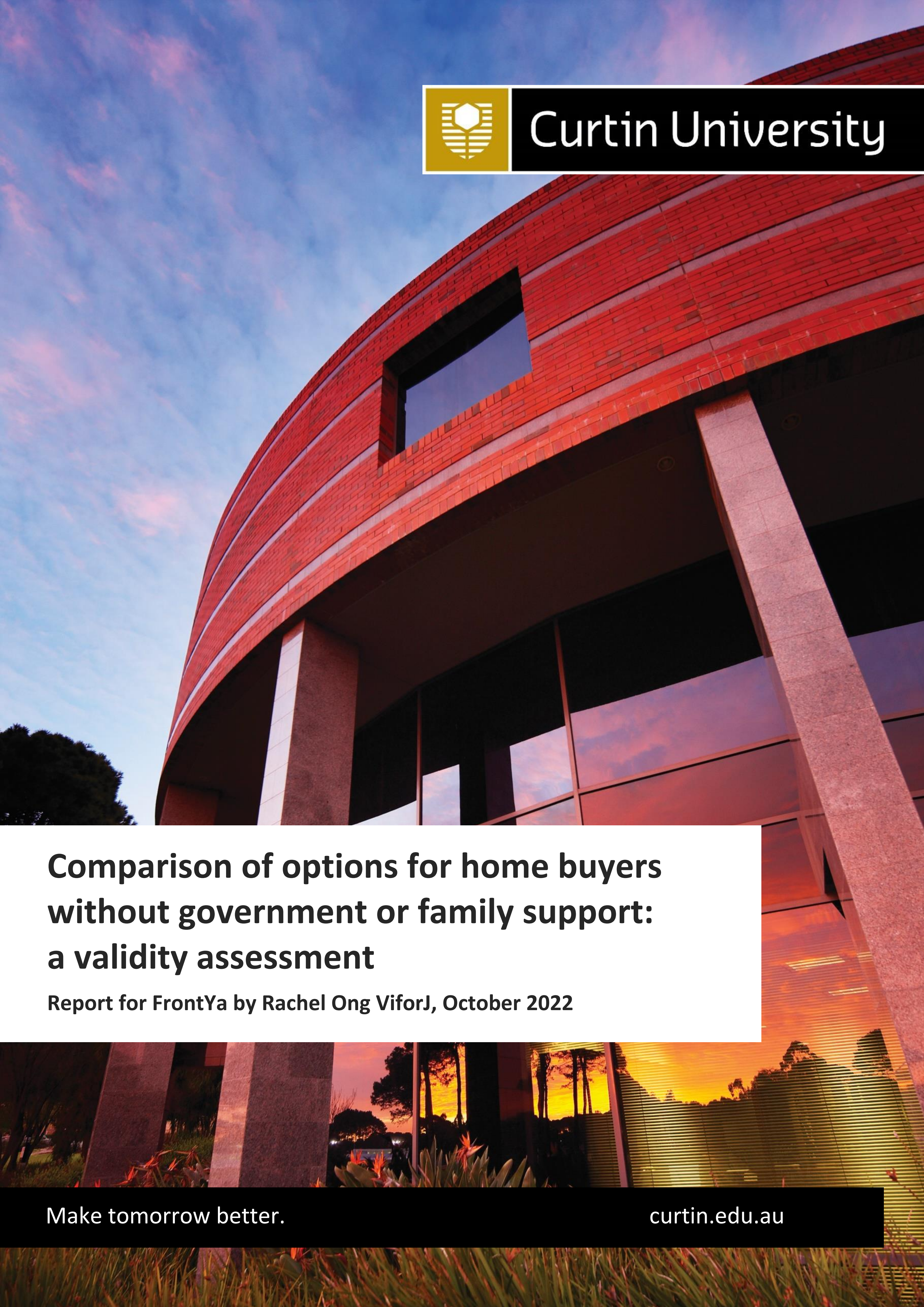

Curtin University

Comparison of options for home buyers without government or family support: a validity assessment

Report for FrontYa by Rachel Ong ViforJ, October 2022

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Executive Summary

This report details the validity exercise performed by Curtin University on FrontYa's research evaluating the options available to Australian homebuyers capable of servicing a mortgage but who do not yet have the deposit required to purchase their preferred property and do not qualify for government support.

The research compares the outcomes of buying on your own with your current savings, using rent-to-buy or using a shared equity product. OwnHome is the main rent-to-buy player, while FrontYa is the nationally available shared equity product so the research analyses the purchase price achievable and forecast financial returns of those products.

To determine which option makes the most financial sense, the research modelled 30 years of property market data along with estimated interest rates, rental yields, strata and rate levies across an average six year holding period. Ongoing costs were compared against growth achieved in a property, plus the rent saved from owning the home as opposed to renting.

The results demonstrated that buyers using FrontYa's shared equity model were likely to be financially better-off at all savings levels tested:

Savings	Buying On Your Own	Rent-To-Buy (OwnHome model)	Shared Equity (FrontYa model)	Best Option for Financial Return
$50,000	$189k	$175k	**$214k**	Shared Equity
$100,000	$300k	$212k	**$344k**	Shared Equity
$150,000	$377k	$237k	**$496k**	Shared Equity
$200,000	$491k	$262k	**$622k**	Shared Equity

On a probability weighted basis using data from the last 30 years, FrontYa's product should provide the customer with a better financial return by 13-32% when compared to buying on your own, and by 22-138% when compared to buying with OwnHome.

The validation exercise performed by Curtin University assessed the relevance, completeness and robustness of the inputs and processes used in FrontYa's analysis. The validation concluded that the analysis offers a sound basis for making recommendations regarding the home purchase options for deposit constrained first home buyers in Sydney who don't have government or family support. The inputs are relevant and complete, and the analysis is robust.

The broad conclusion derived from the Sydney analysis is applicable nationally across all capital cities combined, however, inter-city variations do exist in property price growth, strata rates, rental yields and stamp duty parameters. Hence, actual results may vary on a city-by-city basis.

Background

This report documents the outcomes of a validity exercise performed on FrontYa's analysis of various options available to a home buyer wishing to enter the property market without government or family support. FrontYa's analysis can be found in Appendix 1.

The deposit hurdle is a key constraint preventing many Australians from becoming home owners. The Federal government currently has programs in place that assist home buyers with overcoming the deposit hurdle, such as the First Home Guarantee and Help to Buy shared equity scheme. However, the places available under these schemes are limited and strict income and property price thresholds apply. For instance, Help to Buy can only be accessed by home buyers whose annual income fall below $90,000 for singles and $120,000 for couples. Property price caps vary across cities and regions. In NSW, this cap is $950,000 in the capital city and regional centres and $600,000 in the rest of state.[1] Help to Buy is currently limited to 10,000 places per year. A recent first home buyer survey shows that 23% of people asked their parents for help with the home purchase deposit.[2]

FrontYa's research using incomes, rent and household composition data from 2016 census data show that 1,000,000 first home buyers are blocked from entering the property market due to insufficient borrowing capacity or savings. This represents a significant segment of the first homebuying population who are attempting to make a home purchase without government or family support.

FrontYa's analysis

Against this background, FrontYa has analysed three key options for entering the property market without government or family support:

1. Own Your Own (OYO): Buy today with current savings;
2. Rent-to-buy: main player available across most of Australia is OwnHome;
3. Shared equity: main player available everywhere in Australia is FrontYa.

FrontYa's analysis is designed to generate the maximum purchase price and financial returns that can be achieved under each of the 3 options, given a home buyer's level of savings.

The **inputs** include:

- Data underlying market assumptions around interest rates, property growth rates, and the cost of renting versus owning;
- Historical property data to derive a probability distribution of annual property growth over a six-year period.

The analysis uses inputs that are largely based on Sydney data.

The **process** comprises of the following stages:

- Derivation of a probability distribution of annual property growth over a six-year period, which also includes an appraisal of historical property data.

[1] Australian Labor Party (n.d.), *Helping More Australians into Home Ownership: Help to Buy*, available https://www.alp.org.au/policies/helping-more-australians-into-home-ownership
[2] Finder (2021), *First Home Buyers Report 2021: A Finder Report*, available: https://www.finder.com.au/first-home-buyers-report-2021

- Calculations that give rise to estimates of the maximum purchase price and financial return under each of the three options.
- Comparisons that give rise to recommendations of the best option on the basis of the maximum purchase price and financial returns at different savings levels. Comparisons were also conducted on how the average financial return over a six-year period changes across the three options, at different savings levels and varying growth rates.

Validity assessment exercise

The validity assessment exercise seeks to determine how well FrontYa's analysis measures what it is designed to measure i.e. how well the analysis accurately reflects differences in outcomes under the three options of home purchase for those without government or family support. The assessment will be split into two parts, to address the validity of the inputs and processes of FrontYa's analysis separately. Different assessment criteria will apply, including the criteria of relevance and completeness for inputs, and the criteria of methodological robustness for process validity (see Table 1).

Table 1: Validity assessment criteria

Analysis component	Criteria	Details
Inputs	Relevance	Are the inputs of the analysis well-aligned to real-world parameters?
	Completeness	Does the analysis account for all relevant elements that are needed to compare alternative options for assisting home purchase? Are there any major missing inputs?
Process	Robustness	Is the analysis robust i.e. is the analysis built on reasonable and logical steps that allow for valid conclusions to be drawn?

Input validity

Table 2 sets out the details of the validity assessment against the relevance criteria by comparing each of FrontYa's assumptions to real-world parameters. As indicated in the table, the inputs of the analysis are sound and well-aligned to realistic scenarios based on long-run trends.

The analysis also accounts for all the major financial benefits and costs that contribute to tenure choice decisions by households which are covered in the existing housing economics literature.

Table 2: FrontYa's market assumptions and relevance to real-world parameters

Analysis input	FrontYa's source or assumption	FrontYa's value	Is the inputs of the analysis well-aligned to real-world parameters?
Term	FrontYa 25% cost structure lasts for 6 years before the upside increases by 2%, OwnHome requires customers to exit before 7 years.	6	Yes. Relevance in this case is dependent on alignment with the business model parameters of FrontYa and OwnHome.
Property growth rate p.a.	A probability distribution of annual property growth rates was derived from six-year movements in Sydney's property prices from the NSW Valuer General data.[3] The NSW data was used as it was the only state where public granular data could be provided to determine a true probability distribution of individual property movements over a six-year period.	Based on probability distribution. Median = 5.5%.	Yes. Refer to the Process Validity section for further details.
Interest rate	Median RBA cash rate 2010-2021 plus 2.5% premium.[4]	4.50%	Yes. Banks' home loan rates are closely tied to the RBA's cash rate movements. The average premium over the past decade is 2.5%, based on FrontYa's calculations from interest rates for owner occupier loans with LVRs greater 80%.
Maximum LVR		90.00%	Yes. Around 70% of first home buyers had LVRs of less than 90% in January 2022.[5] For the deposit constrained home buyers, one would expect their LVRs to be skewed towards the 90% LVR.
Strata, rates etc.	Based on analysis of strata fees and rates websites, the strata rate is 0.3% to 1.2% of property price in	0.5%	Yes. The average of 0.5% is sound. Estimates from Sydney households that pay body corporate fees and rates in the

[3] NSW VG (n.d.), *Bulk Property Sales Information*, available: https://valuation.property.nsw.gov.au/embed/propertySalesInformation
[4] RBA (n.d.), *Cash Rate Target*, available: https://www.rba.gov.au/statistics/cash-rate/
[5] Alfonzetti, M. (2022), *Are First Home Buyer Loans More Risky?*, RBA Bulletin March, available: https://www.rba.gov.au/publications/bulletin/2022/mar/pdf/are-first-home-buyer-loans-more-risky.pdf

Analysis input	FrontYa's source or assumption	FrontYa's value	Is the inputs of the analysis well-aligned to real-world parameters?
	Sydney.[6] Council rates are assumed to be 0.1% of average property value in NSW in 2019.[7] A 50/50 split on houses and unit give a rate of 0.5% for strata, council rates and other small maintenance costs.		2019-20 (latest) Australian Bureau of Statistics' Survey of Income and Housing give a mean of 0.46%. In the 2017-18 ABS survey, it is 0.44%. These are in line with FrontYa's assumption of 0.5%. Variations will most certainly apply across dwelling types and households, but there is scant public data on strata fees and rates, and the contribution of 0.5% is minor compared to the other inputs in the analysis.
Return on unused capital	It is assumed that unused capital is invested in shares and will achieve the historical six-year performance of the ASX 200 accumulation index since 2006.	7.00%	Yes. It is realistic to assume unused capital is invested in a common financial asset such as shares.
Exit costs	It is assumed that FrontYa would have no real estate selling fees involved on exit, allowing all options to be comparable. With OYO, it is assumed the home buyer still lives in the property after 6 years so there are no selling fees. With OwnHome, it is assumed customers buy out OwnHome via taking out a mortgage so again there are no selling fees. However, OwnHome customers would have to pay stamp duty when buying out their property.	$0 selling fees Stamp duty for OwnHome	Yes. Customers seeking to exit FrontYa by the sixth year without selling would need to refinance. It is assumed that refinancing will involve zero cost. Some changes to loans will involve fees such as break costs, exit fees and application fees. On average, these should be insubstantial as a percentage of property value. Stamp duty costs (and stamp duty concessions) have been calculated upon exit from renting into buying for OwnHome customers.
Rental yield	Median gross rental yield, all properties between 2010-2021[8]	3.50%	Yes. This average is realistic based on long-run trends.

[6] LookUpStrata (2022), *Cracking the Strata Fees Code*, available: https://www.lookupstrata.com.au/strata-fees/
[7] Kehoe, J. (2019), Why your council rates are skyrocketing, *Australian Financial* Review, 31 October.
[8] SQM (n.d.), *Property Gross Rental Yield – Sydney NSW,* available; https://sqmresearch.com.au/property-rental-yield.php?region=nsw%3A%3ASydney&type=c&t=1

Process validity

Probability distribution and appraisal of historical property data

The distribution of property movements over a six-year period is estimated using the NSW Valuer General data of residential property transactions in Sydney between 1990 and 2021. To estimate the property growth rate over each six-year period, the starting price is the sale price in a year and the end price is either the sale price (if sold within 6 years from the start year) or an appraised price (if not sold within 6 years from the start year).

Overall, the methodology is sound for the following reasons set out below.

- Granular level estimations: The exercise was conducted at a sufficiently granular level that enabled a realistic appraisal for each individual property that corresponded to market movements. The calculations of the median price were done for each asset type (house or unit) in each suburb (referred to as asset type x suburb data) in each year. The appraised value of a property was calculated by imputing the gaps between the last sale price and the next sale price of the property using the movement in median prices in the asset type x suburb combination.
- Appropriate restrictions:
    - A restriction was applied to the property prices to only include properties that are unlikely to qualify for government schemes (> $950k) but likely to qualify for rent-to-buy or shared equity schemes(< $2.5m). This aligned the data to the schemes of interest.
    - Other restrictions were applied to observation sets that were unlikely to produce robust median price estimates. First, if the asset type x suburb combination in a year resulted in less than 30 properties, the asset type x suburb data in that year were excluded. Second, in order to be included, the asset type x suburb combination had to provide at least 50 property sales per year in at least 10 of the 32 years of historical data.
- Removal of outliers: This ensured that results were not skewed by extreme values. Outliers that were removed included properties where the appraised or actual sale value grew by 50% or more in a single year, any property sold for less than $10k, and any property that grew by more than 200% per annum.
- Validation: A validation was done against historical movements in residential property price index from 1986 to 2021 using the “all capital cities” time series from the ABS Residential Property Price Indexes. Similar results were derived from the NSW Valuer General and ABS time series. This indicates that long-run property price change estimates from the Sydney time series are in line with the long-run property price change data across all capital cities combined.

Comparisons of maximum price and financial returns across the three options

The calculations of maximum purchase price and net financial returns draw on the appropriate inputs and are set out in a logical manner, as shown in Table 3. Comparisons were also conducted on how the average financial return over a six-year period change across the three options, at different savings levels and varying growth rates.

FrontYa does not provide funding for homebuyers who wish to use the FHOG, so its comparisons across the three options are focused on existing properties that do not qualify for the FHOG. However, a supplementary analysis was provided to show how the maximum price and financial returns would change if the homebuyer were able to access the FHOG under the OYO option by purchasing a new or significantly renovated property.

Table 3: Calculations and comparisons across the three options

<table>
<tr><th>Derived variable</th><th>OYO</th><th>OwnHome</th><th>FrontYa</th></tr>
<tr><td>Home buyer’s upfront costs</td><td>Deposit + stamp duty</td><td>Upfront contribution of 3.0% of the purchase price, of which 1% is set aside as the initial deposit. Upfront contribution is subject to OwnHome’s maximum price limit of $1.8m.</td><td>(Deposit + stamp duty) x 2

The FrontYa option doubles the home buyer’s contribution.</td></tr>
<tr><td>Maximum purchase price</td><td>Deposit + mortgage loan</td><td>Deposit + mortgage loan</td><td>Deposit + mortgage loan</td></tr>
<tr><td>Equity</td><td>Property valuation at the end of six years – mortgage balance at the end of six years</td><td>Property valuation at the end of six years – (mortgage balance at the end of six years + exit costs from third party funding + stamp duty on transfer of ownership)</td><td>Property valuation at the end of six years – (mortgage balance at the end of six years + exit costs from third party funding).

FrontYa’s exits costs are the original FrontYa contributions plus 25% of property price growth over the six-year period.</td></tr>
<tr><td>Financial return</td><td colspan="3">Equity at the end of six years – home buyer’s costs and savings over six years

The home buyer’s costs include their upfront costs, mortgage paid (in the case of OYO and FrontYa), rent paid (in the case of OwnHome), strata fees and rates. Their savings include the rent saved and return on unused capital (OwnHome).</td></tr>
</table>

Conclusion

The analysis offers a sound basis for making recommendations regarding the home purchase options for deposit constrained first home buyers in Sydney who don't have government or family support. The inputs are relevant and complete, and the analysis is robust.

Overall, the broad conclusion derived from the Sydney analysis is applicable nationally across all capital cities *combined* i.e. for existing property purchases, FrontYa's shared equity scheme should offer the highest financial return among the three current options for buying property (on your own, using rent to buy via OwnHome and using shared equity via FrontYa) across most savings levels.

However, inter-city variations do exist in property price growth, strata rates, rental yields and stamp duty parameters. Hence, actual results may vary on a city-by-city basis.

Author details

Rachel Ong ViforJ is the recipient of an Australian Research Council (ARC) Future Fellowship (project FT200100422) funded by the Australian Government. She is also a Professor of Economics at the School of Accounting, Economics and Finance, Curtin University. The views expressed herein are those of the author's and should not be attributed to the Australian Government or the ARC.

Appendix

Comparison of options for homebuyers without government or family support

Comparing buying on your own, rent-to-buy (OwnHome) and shared equity (FrontYa)

Background

Property prices have grown 7% p.a. over the last 25 years from 1997 to 2022, far outpacing the 3% annual wage growth. The net effect is the deposit and stamp duty, which are the main upfront costs to buy a home, have increased from 58% of average annual earnings to 208%[9] making it challenging for first homebuyers to save enough money to enter the property market. In Australia, where the demand for housing continues to outpace supply, there are structural reasons why property will continue to outgrow wages and further compound the problem for future generations.

There are housing affordability schemes at the federal and state government level that help address the growing problem of housing affordability, however, they are limited by income caps, property caps and numbers of spots per year. If you do not qualify or cannot get one of the limited spots what options are left? Roughly one in four first time homebuyers report receiving family support[10], but what about the remaining 75%?

Analysis

FrontYa performed an analysis comparing the quantifiable trade-offs of the various options available to a deposit constrained homebuyer wishing to enter the property market for an existing property without government or family support. The three main options across Australia are:

1) Buy today: with your current savings
2) Rent To Buy: main player available across most of Australia is OwnHome
3) Shared Equity: main player available everywhere in Australia is FrontYa

These three options can be compared across two quantifiable metrics being (i) the maximum purchase price achieved and (ii) the financial return when using the option.

Independent Validation

Professor Rachel Ong ViforJ, an ARC Future Fellow and Professor of Economics at the School of Accounting, Economics and Finance at Curtin University was engaged to validate the analysis and findings of this report. Curtin University's validation is in the body supporting this appendix.

Summary of Results

The report analysis demonstrates that for deposit constrained homebuyers, buying a property through FrontYa is more likely to result in a better financial position than buying a property on your own or through rent-to-buy. On a probability weighted basis using data from the last 30 years, FrontYa's product should provide the customer with a better financial return by 13-32% when compared to buying on your own, and by 22-138% when compared to buying with rent-to-buy.

This conclusion is also reached in the Curtin University validation report stating "FrontYa's shared equity scheme should offer the highest financial return among the three current options for buying property (on your own, using rent to buy via OwnHome and using shared equity via FrontYa) across most savings levels."

[9] ABS Average Weekly Earnings; ABS Wage Index; ABS Residential Property Price Indexes: Eight Capital Cities, 1986 to 2021; FrontYa maximum purchase price calculator API

[10] https://www.savings.com.au/home-loans/buying-first-home/new-trends-emerge-among-first-home-buyers and https://www.finder.com.au/first-home-buyers-report-2021

Comparison of options for homebuyers without government or family support

1. Options for entering the property market

Today there are three main options available across Australia for homebuyers wanting to buy established property:

1) Buy today: with your current savings
2) Rent To Buy: main player available across most of Australia is OwnHome
3) Shared Equity: main player available everywhere in Australia is FrontYa

2. Comparing the options

There are several factors to consider when comparing these options such as approval times, flexibility in choosing the property and its price, ownership status, maximum purchase price given level of savings, ability to renovate and financial return of the purchase.

The above factors can trade-off against one another, and personal circumstances can dictate what makes most sense for each household. However, two of these trade-offs are quantifiable and therefore can be compared numerically across the three options. These trade-offs are:

Trade-off	Description
1. Maximum purchase price given level of savings	The maximum purchase price obtained given your savings for a property purchase, where your savings needs to fund: • Deposit • Stamp duty
2. Financial return of the purchase	Taking into account: • Equity created • Mortgage repayments • Ownership costs (strata, rates etc.) • Rent saved post purchase

3. Analysis performed by FrontYa

1. Maximum purchase price

Savings	On Your Own	Rent To Buy (OwnHome model)	Shared Equity (FrontYa model)	Best Option for Maximising Purchase Price
$50,000	$0.43m	**$1.67m**	$0.72m	Rent To Buy
$100,000	$0.72m	**$1.80m**	$1.23m	Rent To Buy
$150,000	$0.95m	**$1.80m**	**$1.80m**	Rent To Buy and Shared Equity
$200,000	$1.23m	$1.80m	**$2.26m**	Shared Equity

Assuming: First time home buyer in NSW able to borrow at 90% LVR including LMI

Summary: If your savings to buy a property is below $150k you can maximise your purchase price with 'Rent To Buy', if it's above $150k you can maximise your purchase price with 'Shared Equity'.

2. Financial return

The above shows the maximum purchase price given the available household savings, however, it does not show the cost of using each of those options. Those costs include mortgage repayments, ownerships costs (strata, rates, etc.) and fees payable of using 'Rent To Buy' or 'Shared Equity'.

To determine which option makes the most financial sense, these ongoing costs need to be compared against the growth achieved in the property plus the rent saved from owning the home as opposed to renting. The metric modelled for financial return is equity generated plus rent saved.

Modelling financial return requires making an assumption of the underlying economic conditions. For this we have assumed a distribution of market growth from the past 30 years, and an estimation of interest rates, rental yields, and other costs from the last 12 years (since it's safe to say the days of 15%+ interest rates are behind us). These assumptions are:

- Property growth: distribution from past 30 years *(using NSW Valuer General data[11])*
- Interest rate: 4.5% *(median cash rate between 2010-2021 plus 2.5% premium – RBA[12])*
- Rental yield: 3.5% *(median rental yield, all properties between 2010-2021 - SQM research[13])*
- Strata, rates cost: 0.5% *(assumption based on analysis of strata and rates websites[14])*
- Holding period: 6 years *(longest period before either scheme changes cost structure[15])*

Savings	On Your Own	Rent To Buy (OwnHome model)	Shared Equity (FrontYa model)	Best Option for Financial Return
$50,000	$189k	$175k	**$214k**	Shared Equity
$100,000	$300k	$212k	**$344k**	Shared Equity
$150,000	$377k	$237k	**$496k**	Shared Equity
$200,000	$491k	$262k	**$622k**	Shared Equity

Summary: 'Shared Equity' provides the customer with a better financial return by 13-32% when compared to buying on your own, and by 22-138% when compared to buying with 'Rent To Buy'.

[11] Data from https://valuation.property.nsw.gov.au/embed/propertySalesInformation, only property that does not qualify for government schemes (> $950k) but qualifies for 'Rent To Buy' or 'Shared Equity' (< $2.5m) schemes is included in the distribution calculation. This filters to 800k transactions from 1990-2021.

[12] https://www.rba.gov.au/statistics/cash-rate/

[13] https://sqmresearch.com.au/property-rental-yield.php?t=1&avg=1

[14] Strata is 0.3% to 1.2% of property price from here. Council rates are expected to be 0.1% (using $1k rates from this AFR article on a $850k average house in NSW in 2019). If we assume 50/50 split on units and houses then it's (0.85% + 0.1%)/2 = 0.475%, round up to 0.5% for other small maintenance costs.

[15] FrontYa 25% cost structure lasts for 6 years before the upside increases by 2%, OwnHome requires customers to exit before 7 years.

FrontYa research appendix A: Example of Financial Return Calculation - $150,000

		On Your Own	OwnHome (Rent To Buy)	FrontYa (Shared Equity)
Upfront cost	Deposit	$112,206	$360,000	$216,549
	Stamp duty	$37,794	$83,200	$83,451
	Upfront fees	$0	$54,000	$0
	Total	$150,000	$497,200	$300,000
Third party contribution		$0	-$443,200	-$150,000
Consumer upfront cost		**$150,000**	**$54,000**	**$150,000**
Loan funding	Mortgage	$836,762	$1,440,000	$1,588,023
	LMI	$17,310	$0	$28,411
	Total	$854,072	$1,440,000	$1,616,434
Purchase Price		**$948,968**	**$1,800,000**	**$1,804,571**

… In Six Years …

		On Your Own	OwnHome (Rent To Buy)	FrontYa (Shared Equity)
Property Valuation (6% growth p.a.)		$1,346,130	$2,553,334	$2,559,819
Mortgage balance		-$761,306	-$1,440,000	-$1,440,865
Exit costs from third party funding		$0	-$496,433	-$338,812
Stamp duty on transfer of ownership		$0	-$108,028	$0
New mortgage balance		-$761,306	-$2,044,462	-$1,779,677
Equity		**$584,823**	**$508,873**	**$780,142**
Customer costs and savings over 6 years	Upfront costs	-$150,000	-$54,000	-$150,000
	Mortgage/rent paid	-$311,577	-$825,624	-$589,697
	Strata, rates etc.	-$33,097	$0	-$62,937
	Rent saved	$231,677	$439,445	$440,561
	Return on unused capital[16]	$0	$48,070	$0
	Total	-$262,996	-$392,109	-$362,073
Financial return for 6% growth		**$321,827**	**$116,764**	**$418,069**

The above shows the financial return for property growth of 6% p.a. The final financial return metric calculated the financial return for each growth rate from -2% p.a. to 15% p.a. and multiplies by the historical probability of each growth rate occurring. These probability adjusted returns are then summed up to represent the 'expected financial return' which is shown in the results table above.

[16] Assume unused capital can achieve the same annual return in line with property market growth.

FrontYa research appendix B: Impact of the First Home Owners Grant

A homebuyer purchasing a newly built home or significantly renovated home may be eligible for the first home owners grant (FHOG). While this report is limited to existing properties only which do not qualify for the FHOG we felt it was important to show how the grant can further assist a homebuyer in increasing their purchasing power and improving their financial return. FrontYa does not provide funding for homebuyers who wish to use the FHOG and therefore the only option able to use the grant is 'On Your Own' which is referred to as FHOG in the analysis below.

1. Maximum purchase price

Savings	FHOG	Rent To Buy (OwnHome model)	Shared Equity (FrontYa model)	Best Option for Maximising Purchase Price
$50,000	$0.52m	**$1.67m**	$0.72m	Rent To Buy
$100,000	$0.75m	**$1.80m**	$1.23m	Rent To Buy
$150,000	$0.95m	**$1.80m**	**$1.80m**	Rent To Buy and Shared Equity
$200,000	$1.23m	$1.80m	**$2.26m**	Shared Equity

2. Financial return

Savings	FHOG	Rent To Buy (OwnHome model)	Shared Equity (FrontYa model)	Best Option for Financial Return
$50,000	**$238k**	$175k	$214k	First Home Owners Grant
$100,000	$317k	$212k	**$344k**	Shared Equity
$150,000	$377k	$237k	**$496k**	Shared Equity
$200,000	$491k	$262k	**$622k**	Shared Equity