

THE WYATT LOAN

A 15-year partnership between HomeStart and The Wyatt Trust to help low-income South Australians into home ownership

Case study



March 2025



The Wyatt Trust (Wyatt) acknowledges the Kurna people of the Adelaide Plains on whose unceded lands we conduct our business. Wyatt acknowledges their Elders past, present and emerging leaders.

About The Wyatt Trust

The Wyatt Trust is working to achieve a South Australia free from poverty. Our grantmaking is focused on finding ways to support people experiencing financial hardship and housing stress. Across all our work, we value lived experience, self-determination and choice, collaboration and partnership.

About HomeStart

HomeStart helps South Australians achieve their dreams by breaking down barriers to make home ownership possible. Using a range of innovative, low deposit loans and additional options that cater to the diverse needs of the South Australian community HomeStart makes the path to home ownership straightforward and accessible.



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Background

Housing affordability in Australia has been in decline for decades and is worsening. One million low-income households were recorded as experiencing financial housing stress in 2019-20.¹ Poverty rates in non-metropolitan areas of South Australia are some of the highest in the country at 17.4 per cent.²

The Wyatt Trust has long recognised the correlation between housing insecurity and poverty. A lack of secure affordable housing worsens outcomes for people experiencing financial hardship, with steep increases in rent and short-term leases in the private rental market frequently adding to financial stress.

Relying on income support and renting in the private market increases the risk of poverty. In 2019-20, the poverty rate for people aged over 65 years who owned or were purchasing their home was 10%.³ However, recent research indicates that figure is as high as 2 in 3 renting privately.⁴ Women over 50 and single parents are disproportionately impacted by financial hardship and while 68 per cent of South Australian households are family households, 16.6 per cent are single parent families (slightly above the national average of 15.9%).⁵

Cost of living increases have exacerbated financial pressures, with rises in rents and mortgage payments dwarfing other expenses. SACOSS' *Cost of Living Update* found that non-housing inflation (including cost of food, utilities and transport) increased 16.3% since 2021 but rental prices for a 2-bedroom unit in Adelaide rose 41% and mortgage repayments soared 155%.⁶

The 15-year partnership between The Wyatt Trust and HomeStart was born from a place of curiosity: What, if anything, could a philanthropic entity like The Wyatt Trust do to help make home ownership a possibility for South Australians on low incomes?

Wyatt initiated discussions with HomeStart in 2007. Three key barriers to home ownership for low-income earners were the focus of the early exploratory conversations:

- The ability to borrow enough money to afford the home purchase price
- The ability to save the funds for the deposit
- The ability to pay the fees and charges associated with purchasing a home

At the time, house prices in SA were rising quickly, as were the fees and charges associated with buying a house. For low-income earners the 'dream' of owning a home was becoming further out of reach.

¹ Australian Institute of Health and Welfare: <https://www.aihw.gov.au/reports/australias-welfare/housing-affordability>

² ACOSS, Rate of poverty by location: <https://povertyandinequality.acoss.org.au/poverty/rate-of-poverty-by-location-in-2019-20-and-change-in-poverty/>

³ Davidson, P; Bradbury, B; and Wong, M (2023), *Poverty in Australia 2023: Who is affected? Poverty and Inequality Partnership Report no. 20*. Australian Council of Social Service and UNSW Sydney.

⁴ Brendan Coates, Matthew Bowes, Joey Moloney, *Renting in retirement: Why Rent Assistance needs to rise, 2025*, Grattan Institute

⁵ Australian Bureau of Statistics: <https://www.abs.gov.au/articles/snapshot-sa-2021>

⁶ *Cost of Living Update No. 60: Inflation, Housing and the Cost of Living 'Crisis'*: <https://sacoss.org.au/cost-of-living-update-no-60-inflation-housing-and-the-cost-of-living-crisis/>

In 2007, a non-first home buyer purchasing a house for \$156,678 needed an additional \$8,865 to cover fees and charges.

Based on these calculations, a home buyer with an annual income of \$30,000 would need to save 10 per cent of their gross household income for almost three years to cover these costs, by which time housing prices (and therefore fees) would have also increased.

Fees and charges associated with purchasing a home in 2007

Government charges	Approx. cost	Notes
Registration of Transfer	\$854	Less for first home buyers
Stamp Duty on Transfer	\$5,046	
Mortgage Registration Fee	\$108	
Title Search Fee	\$17	
TOTAL	\$6,025	
HomeStart charges		
Establishment Fee	\$600	Loan provision charge compared to mortgage insurance of approximately \$2827 through a bank)
Settlement Fee	\$50	
Loan Provision Charge	\$490	
TOTAL	\$1,140	
Third party charges		
Conveyancer	\$1,500	Can range from \$500-\$1500 Approx only
Valuation	\$200	
TOTAL	\$1,700	
OVERALL APPROX COST	\$8,865	

NOTE: In 2007, 85% of HomeStart home loans were for amounts under \$250,000



Collaborating to build a new product: The Wyatt Loan

HomeStart had already developed a number of products to assist people into home ownership such as Equity Start and Advantage Loan. It became clear that the opportunity with Wyatt was to fill a gap in available home loan products to assist in covering the sizeable fees and charges associated with buying a home.

By introducing a No Interest Loan (NIL) to cover some of these fees (as well as potentially contribute to a deposit), low-income earners would be helped into home ownership sooner by reducing the amount of time needed to save for a loan while paying rent and reduce the cost of the interest burden on the home loan.

In its earliest iteration, the NIL, dubbed the Wyatt Loan, had a five-year term and was designed to provide up to \$20,000 per eligible household using funds from a grant payment to HomeStart of \$1.775 million made over five years by The Wyatt Trust.

The partnership commenced in July 2008 with an initial amount of \$375,000 paid to HomeStart followed by annual contributions of \$350,000. Funds were to be 'recycled' to make Wyatt Loans available to additional HomeStart customers.

HomeStart provided the expertise in home loan eligibility and assessments, with capacity to deliver the Wyatt Loan through a number of offices including regional locations, Bank SA branches and Bernie Lewis Home Loans.

The Wyatt Loan was targeted towards single parents on low incomes and single women aged 50+ in rural or metropolitan areas. Eligible recipients were those who qualified for a HomeStart loan but were unable to pay the upfront charges for deposit and fees associated with their house purchase. The Wyatt Loan was effectively a secondary loan with no repayments required and no interest charged.

Throughout the process, Wyatt Loan recipients were supported by the HomeStart team who recognised that a large number of applicants had never purchased a home before. Many in fact were first-generation home buyers.

It was anticipated that more than 300 individuals or families would be assisted in the first five years (averaging five loans per month), with many more to follow as the loan funding was recycled.

Target group 1: Single parents	Target Group 2: Single women aged 55+
<ul style="list-style-type: none"> • Single parent with custody of child/children at least 50% of time • Household incomes of less than \$35,000 per annum net • Do not have funds to meet required deposit fees, charges • NIL for deposit, fees charges for First Home Buyers (FHB) • NIL for fees and charges for Non-First Home Buyers (NFHB) • Statewide • Purchasing properties up to the value of \$200,000 	<ul style="list-style-type: none"> • Household income less than \$35,000 net • Do not have funds to meet required deposit fees, charges • NIL for deposit, fees charges for First Home Buyers (FHB) • NIL for fess and charges for Non First Home Buyers (NFHB) • Statewide • Purchasing properties up to the value of \$200,000

Learning and refining

2009: A slow start

The Wyatt Loan was not the immediate success the organisations might have hoped for.

In the first year of reporting (dated September 2009), four customers had been helped into home ownership with a Wyatt Loan:

- a 41-year-old single mother was able to purchase a property for herself and her two children in their hometown of Peterborough
- a 20-year-old single mother was able to purchase a property in Whyalla for herself and her child
- a 55-year-old woman who was previously boarding with friends was able to purchase a home in Port Augusta
- a 54-year-old male was able to purchase a home in Port Pirie.

Three reasons were identified for the slow uptake:

1. The initial setting of income limits for applicants
2. The doubling of the First Home Owners' Grant (from \$7,000 to \$14,000)
3. A lack of knowledge of the availability of the new product among loan writers.

In response, promotion of the Wyatt Loan was increased to raise awareness among loan writers, and eligibility was expanded to include:

- Couples with children (not just single parents)
- Inclusion of Equity Start Customers (previously excluded due to more favourable loan arrangements)
- Income limits raised to \$41,000 net for singles, up to a maximum of \$60,000 for singles/couples with three or more dependents.

2011: The balance tips

The changes were very successful - in fact too successful. By May 2011 the uptake of loans had well exceeded funds available.

An additional payment of \$350,000 was made by Wyatt to cover the shortfall, effectively creating a \$2.125 million 'revolving fund', and steps were taken to reduce demand and streamline Wyatt Loan approvals. These included:

- Exclusion of EquityStart customers
- Older people singles or couples (aged over 50) maximum household income eligibility was reduced to \$40,000 p.a. (net)
- Income limits were applied for parents with custody of a child or children for at least 50% of the time
- Maximum eligible net incomes per annum were reduced:
 - singles/ couples with 1 dependent \$40,000
 - singles/couples with 2 dependents \$45,000
 - single/ couples with 3 or more dependents \$50,000
- The maximum loan amount was reduced to \$10,000.

As per the model, at the end of the five-year period the purchaser's HomeStart loan was increased by the Wyatt Loan amount with the grant funds then returned to the "revolving fund" to assist another household into home ownership.

Results recorded at the end of FY 2012/13 were positive:

- 336 low-income households had been assisted into home ownership
- \$3,603,025 in no interest Wyatt Loans had been granted (including \$1,478,000 in recycled grant funds)
- \$62,273,025 in home loans had been provided through HomeStart

At the time, it was expected that more than 1,000 low-income households would be assisted into home ownership over the course of the multi-year partnership.

2016: Reshaping lives

A University of South Australia evaluation published in 2016 found that the Wyatt Loan program delivered a cost/benefit ratio of 1:24.⁷

At the time of the report, home purchase assistance had been provided to 226 households and as at 1 May 2015 some 25 loans had been fully repaid while 201 loans continued to operate within the five year, interest-free, loan period.

Recipients ranged in age from 22 to 80 years. The average age of the first named applicant was 40.7 years, and 42.1 years for the second named applicant. There were 99 first home buyers amongst the Wyatt loan recipients, 43 per cent of the total. Four loan recipients were Aboriginal Australians, two of whom were first home buyers.

The average household income for all recipients of Wyatt Home Purchase assistance was \$32,828.

Seventy-eight per cent of female-headed households in receipt of Home Purchase assistance from Wyatt were sole parents, compared with only 20 per cent of male-headed households.

Two female-headed sole parent households whose stories were shared in the report believed "Wyatt housing assistance had allowed them to reshape their lives".

2020: A new loan product

HomeStart introduces the Starter Loan, an initiative of the South Australian Government as part of the Affordable Housing Fund. Based upon the successful Wyatt Loan structure, the Starter Loan is an additional loan taken out alongside another HomeStart product that provides up to \$10,000 towards upfront costs such as stamp duty and establishment fees. The loan has a seven-year term with no

⁷ Beer, A. Lester, L. and Horne, S. 2016 A Home for All: Cost-benefit Analysis of The Wyatt Trust Housing Initiative Grants (2016) https://find.library.unisa.edu.au/discovery/delivery/61USOUTHHAUS_INST-ROR/9916092507701831#13144669420001831

interest charged. At the end of the seven years, the Starter Loan balance is to be paid off or, at HomeStart's discretion, the balance can be rolled into the home loan.

2022: Post-COVID

After the upheaval and multiple impacts of the COVID-19 pandemic and the rapid escalation of house prices, more refinements to the Wyatt Loan were introduced in 2022 to broaden the criteria so that more low-income households were eligible.

- the maximum Wyatt Loan amount was increased from \$10,000 to \$12,000
- the maximum loan as '5% of the primary loan amount' rule was removed
- Income eligibility brackets were increased:
 - Couples/Singles with no dependents (50 years or over) \$42,500 to \$47,500
 - Couples/Singles with 1 dependent \$42,500 to \$47,500
 - Couples/Singles with 2 dependents \$47,500 to \$52,50
 - Couples/Singles with 3 or more dependents \$52,500 to \$57,500

The Post 2022 changes were more about untangling /broadening the criteria so that more low-income households were eligible. The numbers of Wyatt Loan issued were low and often in regional areas.

2023-24: Closing out the partnership

The HomeStart Wyatt Loan 15-year Terms of Reference ended on December 31, 2023.

Recognising that new HomeStart products were now fulfilling the same purpose and catering to a similar market as Wyatt Loan customers, the partnership between The Wyatt Trust and HomeStart reached its conclusion in September 2024.

The original funds provided to HomeStart have been returned to Wyatt and will be used for new projects to continue the organisation's work to eliminate poverty in South Australia.



15 years of impact

465 South Australians helped into home ownership

\$4.5 million in Wyatt Loans helped purchase over \$93 million worth of property across South Australia

Over 80% of Wyatt Loans helped women into home ownership

78% of Wyatt Loans were made to South Australians under the age of 50

56% of Wyatt Loan customers were first home buyers

64% of Wyatt Loan customers were single parents with children

52% of properties purchased were located in regional areas

89% of properties purchased were less than \$300,000

5.1% default rate (average HomeStart portfolio default rate is 5.2%)

Statewide reach

Metro	48%
Far North	1%
Fleurieu / Kangaroo Island	7%
Flinders Ranges	2%
Gawler / Barossa	7%
Lower North	1%
Murray Bridge	4%
Murray Mallee	2%
Onkaparinga	1%
Pirie	3%
Riverland	6%
SE / Mt Gambier	9%
West Coast	4%
Yorke	4%
Total	100%

Stories of home ownership

Angela

Angela used a HomeStart Wyatt Loan to buy a unit in Adelaide's Western suburbs in 2016, following the breakdown of her marriage. The 56-year-old is a full-time carer to her son James, 19, and worried this role may have limited her ability to buy.

"I thought the only option would be to rent, but that was something I really didn't want to do. Being a full-time carer was a big barrier because I didn't have a traditional full-time job," Angela says.

"But, the team at HomeStart were supportive. I felt like others looked down on me for being a Carer, but they didn't. They made me feel valued and were prepared to give me a chance. The Wyatt Loan was a good option for me because it reduced the upfront costs I needed. It meant that James and I were able to start over again, at our preferred location right by the beach, sooner."

"For me, it was also really important that I leave something for my son. If something was to happen to me, I know that this home can be sold and that it'll help him get by."

Ruth

Ruth lives in north Adelaide and worked in hospitality for more than 30 years before her arthritis made the work in hotels and restaurants too physically demanding. She now relies on unemployment benefits to support herself.

In the early 1990s Ruth and her former husband built a house on Adelaide's fringe but lost it when their lender (HomeStart) foreclosed because they could no longer service the debt. Since then she has moved through the private rental market, moving 12 times in 20 years.

Despite losing her first house after HomeStart foreclosed, Ruth returned to HomeStart for a loan after doing four years of research on the mortgage options available to her. She realised that with a deposit of just \$3,500 the only way she could enter the housing market would be to use the Wyatt interest-free loan alongside a HomeStart product.

For Ruth: 'The insecurity has been incredible over the last 20 years...When you are struggling, finances get on top of you...It is quite hard when you are an older person.'

'Housing is very important...I have always had a thing about having security in life...it's roots...it gives me something to leave my children...At worst, if my health goes down, I have my security here.'

Full story available in [*A home for all: Cost-benefit analysis of The Wyatt Trust Housing Initiative Grants*](#)



Single woman, mid-50s

Single female in her mid-50s with no children on a net yearly income of \$21,276. She wanted to buy a property in Munno Para West for \$230,000 which had fees of \$13,390. She qualified for a Wyatt Loan of \$10,000 and was able to reduce her upfront fees to \$3,390 plus the 5% deposit. With the Wyatt Loan, she was able to move out of boarding and into home ownership.

Single woman, mid-20s

Single female, mid 20s with two children on a net yearly income of \$45,600. She wanted to buy a property in Mount Gambier for \$220,000 as a first home buyer with fees of \$15,466. She qualified for a Wyatt Loan of \$10,000 and was able to reduce her upfront fees to \$5,466 plus her 3% deposit. The Wyatt Loan helped her and her two children to move out of private rental and into their own home.

Partner reflections: HomeStart

The success of The Wyatt Trust - HomeStart partnership fundamentally comes down to shared values. Both organisations recognise in their mission, and their role, that home ownership plays an important part in the outcomes of a person's life, and both organisations operate from the same desire to help improve the lives of South Australians.

The smart design of the Wyatt Loan has proven to be an efficient way of providing financial assistance with the funds being distributed, then repaid and recycled, to help even more people. This has meant that every dollar The Wyatt Trust contributed was able to be leveraged many times over to help many more people. As loans were repaid, new loans could be made and we could reloan the money out.

As a result, the investment of \$2,125,000 by Wyatt was leveraged to become four and a half million dollars, which provided 465 loans to South Australians who may not have otherwise been able to purchase a home of their own.

Importantly, the value of the Wyatt Loan goes beyond the product or the dollars themselves. The Wyatt Loan gave people confidence that they could overcome the barriers and that their dream of home ownership was possible. It brought what was for many a long-held dream, into reach.

In terms of amplified impact, being able to demonstrate the success of the Wyatt Loan program gave HomeStart the evidence base that enabled us to work with the State Government to develop another new product, the Starter Loan, which has a much bigger pool of capital behind it.

In many ways, The Wyatt Trust is the parent of the Starter Loan, because without the experience and the evidence base gained through working together to deliver the Wyatt Loan, the Starter Loan wouldn't have had the body of evidence to support it coming into life.

Since the introduction of the Starter Loan in 2020, we've now settled over 2,000 loans with the capacity to deliver around \$22 million worth of funding. This equates to an impact of around 10x Wyatt's investment. That's a powerful outcome that The Wyatt Trust and HomeStart should be jointly proud of.

Innovating new loan products isn't a huge step change for an organisation like HomeStart, but to see a long-standing philanthropic entity such as Wyatt have the courage and willingness to come forward to work with us and jointly develop a simple and efficient structure is commendable. It's a template other organisations could easily use or model upon – the structure is entirely replicable. Any other not for profit or institution with similar goals to The Wyatt Trust could leverage whatever capital they have available to work with a lender to achieve great results.

In the space of 15 years, we've already seen that the impact of the Wyatt Loan has been multiplied many, many times over. However, its impacts will continue for generations. The downstream effects on the 465 households that used a Wyatt Loan to enter home ownership are quite incredible to think about.

Beyond the money, the fact that a parent, or parents, have been able to role model home ownership for their children is very powerful with lasting effects. As homeowners these parents are creating new norms and confident beliefs for the next generation. When you consider all the flow-on effects



that were made possible by the Wyatt Loan, for example the Starter Loan, you're amplifying that impact across thousands of South Australians for years to come.

Andrew Mills, CEO, HomeStart

Partner reflections: The Wyatt Trust

The Australian dream of owning a house is something many people aspire to and plays a pivotal role in wealth creation. If you do not have the opportunity to enter home ownership because your income is low, you're automatically disadvantaged in terms of wealth creation for yourself and for future generations.

Creating opportunities for home ownership for people on low incomes plays an important part in breaking the intergenerational poverty cycle in the Australian context.

One of the defining characteristics that made the partnership between HomeStart and The Wyatt Trust a sustained success was the shared and genuine belief that everyone deserves the opportunity to enter into home ownership. We believe that housing is a fundamental human right.

Over the course of 15 years, that belief was never called into question, nor was there any judgement about who should or shouldn't have the opportunity for home ownership.

That's not to say that the Wyatt Loan itself was never re-examined – it was refined several times. But the positive working relationship between the HomeStart and Wyatt teams meant that revisiting the criteria of the Loan was always constructive because we both sought the same outcome.

As property values and wages changed, we always kept a very open dialogue about how environmental changes impacted the loans, and if we needed to tweak things we did. This again links back to the genuine desire from both parties to make home ownership happen.

In terms of the results, the numbers speak for themselves as far as helping women and single parents into home ownership, many of whom simply would not have had the means to secure a property without this support. The default rate was no higher than the other HomeStart products which also proved the loan was no riskier than others.

At a systems level, the Wyatt team and Board are proud that through this partnership, we've helped prove the effectiveness of these loans as a stop gap measure that helps people on low incomes into home ownership. To have it picked up and backed by the State Government now as a broader loan product that has the potential to help hundreds if not thousands of South Australians into home ownership is perhaps the best outcome we could've hoped for. It's a great demonstration of the role philanthropy can play as risk capital.

The fact remains that home ownership is still not an option for every person in our community, and in that sense, it shows that the ambition to get people into their own home was potentially greater than the practical application of the program. It's also true that many other systemic issues that contribute to unaffordability were not addressed with this product and remain as challenging as ever.

These include cultural narratives of home ownership as the gold standard of financial ‘security’ and the model to which all Australians should aspire. By leaving this narrative unchallenged, we limit alternatives and reinforce what has become the dominant pathways of wealth creation that are also some of the drivers of economic inequality.

While we recognise that a single loan product is not going to fix housing stress or intergenerational wealth disadvantage, this partnership is a success story. At the end of the day, 465 people were able to enter home ownership who may not otherwise have been in a position to do so. The challenge in front of Wyatt now is what else can be done to see that group grow.

Stacey Thomas, CEO The Wyatt Trust

More reading

[10x Impact: How a 15-year partnership between The Wyatt Trust and HomeStart is boosting home ownership in SA \(2025\)](#)

[Closing the property ownership gap \(2022\)](#)

[A home for all: Cost-benefit analysis of The Wyatt Trust Housing Initiative Grants \(2016\)](#)