



7 *Essential Tips for First Home Buyers*

1. How much deposit do I need?



You need at least
5% - 10%
of the property
value as a deposit.

E.g. for a loan valued at \$500,000
you would need at least \$25,000.



Tip: You can borrow without a deposit using a **guarantor loan** or ask your parents or a close relative to help with a **gifted deposit**.

2. How much does a home loan cost?

Getting a loan isn't all about the interest rate. It also comes to the additional costs that come with the purchase such as:

Registration fees

Transfer fee



Purchase stamp duty

Mortgage stamp duty

But wait, there's more...

Conveyancing costs:
\$800-\$1,500

Inspections: Estimated
around \$600

Home Loan fees:
Up to \$900

Lenders Mortgage Insurance: This is dependant on your loan amount.



Tip: Note that these costs may also include repairs or renovations to the property, as well as council and water rate adjustments. Speak with your conveyancer regarding the cost of buying the property.

3. Can I get a First Home Owners Grant?

The **First Home Owners Grant (FHOG)** is a one-off grant designed to help first home buyers get into the property market.

As a general rule:



Each applicant must be a **real person**, not a legal entity.



At least one applicant should hold a **permanent visa** or be an **Australian** or **NZ citizen**.



All applicants must **not have owned** a residential property in any state or territory before 1 July 2000.



Each applicant must be at least **18 years** of age.



At least one occupant will occupy the home continuously for at least **6 months**, commencing within 12 months of settlement or construction of the home.

4. How much is LMI?

If your loan is for more than 80% of the purchase price, you'll have to pay **Lenders Mortgage Insurance (LMI)** as a one-off fee to the lender when your loan is advanced.



Tip: Speak to a mortgage broker to find out if you qualify for a **90% LVR home loan plus LMI**, this is where you capitalise or “add” the cost of LMI onto your loan to avoid the cost upfront.

5. Which documents will I need to provide?

You need to provide certain documents as evidence of your income:

Bank statements

Payslips or an
employment letter



Tax returns

Your ID: citizenship, passport
or Australian driving licence

You may also need these additional documents, depending on your situation:

An accountant's letter

| Default explanation letter

| Gift letter



Tip: Make sure all of your documents are up to date and legible.
Approval of your loan depends a lot on the accuracy of these documents.

6. Which mortgage is right for me?

Recognising why you need a loan means you can match yourself with a mortgage that best fits your needs.

For instance, do you:

- 🏠 want to make extra repayments?
- 🏠 want to redraw any extra repayments you've made?
- 🏠 want easy access to your funds?



Tip: Think carefully about your options before simply going to your bank and picking the first home loan you see.

7. How can a mortgage broker help me?

Mortgage brokers will help you avoid spur of the moment decisions that can put your dreams of buying a home at risk.

They can objectively assess your needs and their services are usually free!



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