

Get it **right** first time

A number of loan options are especially suited to first home buyers, including introductory rate home loans and low deposit home loans. We can simplify the technical jargon and talk you through what could best work for you. We'll also confirm whether you're eligible for government assistance for example First Home Owner Grants or other state-based incentives.

Before you start your property search answer two big questions:

Are you really ready to **buy**?

You may be ready to become a homeowner if you have the following things in place:

- ▶ **A deposit** - The bigger the better when you're taking on your first property. As a rough guide aim to save 10% to 20% of the purchase price. Remember, if your deposit is below 20% you may need to pay Lenders Mortgage Insurance, or get a guarantor to offer their property as security – be sure to factor this into your plans.
- ▶ **A regular savings habit** - A solid track record of employment and regular savings make it easier for you to get a home loan.
- ▶ **A savings buffer** - If interest rates change and your repayments increase it's easy to find yourself in hot water. Work out how much you can comfortably repay and add a bit more to act as a buffer in case of interest rate rises.
- ▶ **A budget** - By setting out your regular income and expenditure you'll enter the world of property ownership more prepared. Include all the costs that come with home ownership - up-front costs like stamp duty and legal fees and ongoing costs like utility bills and insurance etc.

How much can you **afford**?

A good way to find out how much you can afford to spend is to meet with a Loan Market broker. Even before you start actively looking for a property, it's worth speaking with a broker. They'll give you an accurate assessment of your borrowing capacity (more accurately than an online calculator) and determine your eligibility for government grants. Your broker will explain all the government fees and charges and ensure you will be eligible for a loan when the time comes to buy.

Your broker can also put you in a stronger position to start your property search by working with you to organise a pre-approval. A pre-approval takes the uncertainty out of searching for a property by providing you with an accurate guide on how much you can afford to spend and allowing you to negotiate strongly on price.



Top tips:

Do as much research as you can to check that the properties on your short-list are not overpriced. You can do this by understanding the prices paid for similar properties in the area, and ask real estate agents for this information.

If you're worried about future interest rate rises then consider splitting your home loan, part fixed and part variable. The variable bit gives you flexibility and the fixed portion gives you more certainty over future repayments.

Don't over-stretch yourself. Getting on the property ladder may have been on your wish list for years, but you need to have a life too. Allow room in your budget for the finer things in life.



Contact your local Loan Market broker.