



10 STEP GUIDE FOR FIRST HOME BUYERS

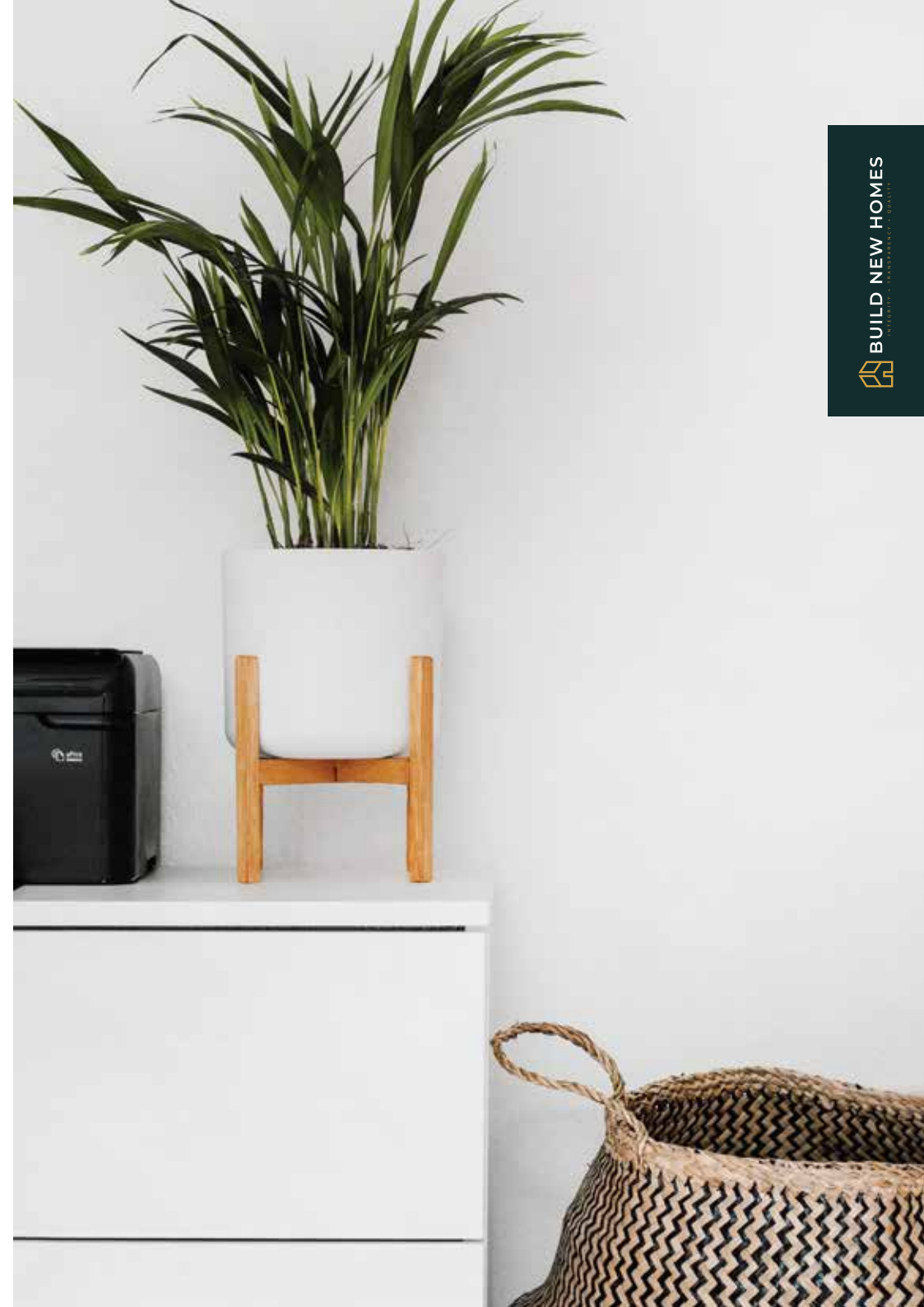
STEP 1

DETERMINE YOUR BUDGET - HOW MUCH CAN YOU REALLY AFFORD?

It is important to calculate your monthly expenses so that you can determine how much you can afford to repay. The income and expenditure calculator link below can be used to calculate the amount of money that you will be able to invest each month by subtracting your monthly expenditure from your monthly income. It is a handy tool when analysing which areas of your spending you need to adjust.

INCOME AND EXPENDITURE CALCULATOR

www.yourmortgage.com.au/calculators/income_and_expenditure/



STEP 2

HOW MUCH CAN YOU BORROW?

Now that you know how much you can allocate towards your mortgage repayments, you should determine how much you can borrow. See the link below. This will vary from lender to lender.

MORTGAGE CALCULATOR LINK

www.yourmortgage.com.au/calculators/how-much-can-i-borrow/

Once that you have determined how much you can borrow you can use the mortgage calculator to help you work out your monthly, fortnightly or weekly repayments.

CALCULATE YOUR MORTGAGE REPAYMENTS

www.yourmortgage.com.au/calculators/



STEP 3

ELIGIBILITY FOR THE FIRST HOME LOAN DEPOSIT SCHEME

The Australian Government has introduced the First Home Loan Deposit Scheme to support first home buyers to purchase a home sooner. It does this by providing a guarantee that will allow eligible first home buyers to purchase a home with a deposit of as little as 5 per cent without needing to pay for lenders mortgage insurance. Only 10,000 guaranteed loans. Starts on 1 Jan 2020 – applications need to be made through approved lenders – listed on the web site below.

FHLDS LINK

<https://www.nhfc.gov.au>

ELIGIBILITY FOR THE FIRST HOME OWNERS GRANT

The Queensland First Home Owners Grant (FHOG) is a state government initiative to help first home owners to get their first home sooner (Available for NEW property only). If you're eligible you will receive \$15,000 towards buying or building your new house, unit or townhouse (Valued at less than \$750,000) if you sign the contract from 1 July 2018 or later.

FHOG ELIGIBILITY LINK

<https://firsthomeowners.initiatives.qld.gov.au/>



STEP 4

STAMP DUTY CONCESSION

You may also be eligible for a concession on your stamp duty, which is often referred to as transfer duty. To find out if you're eligible for a first home concession visit the link below.

STAMP DUTY CALCULATOR LINK

www.stampduty.calculatorsaustralia.com.au/stamp-duty-qld



STEP 5

FIND A MORTGAGE BROKER

Now that you have determined how much you can borrow and if you are eligible for the First Home Owners Grant (FHOG), it's time to speak to a mortgage broker and get approved!

We recommend Emma Cattamole from Wealthfolio. Emma has over 12 years' experience as a finance broker and consultant, with a professional background working for a large worldwide accounting firm. See link below for more information on Wealthfolio.
www.wealthfolio.com.au/

Procedures vary from lender to lender, but it is likely you will be issued with either a 'home loan guarantee certificate' or a 'pre-approval certificate'. This means that, subject to a few conditions, your home loan either has been, or will be, approved when you find the property you want to purchase.



STEP 6

LOCATION

Once you've chosen a mortgage broker and got pre-approval, you can then start looking where you can afford to buy. See the location affordability calculator below to find out which suburbs you can afford to buy in.

TRY TO LOOK FOR PROPERTIES CLOSE TO THE FOLLOWING:

- Public transport
- Schools
- Cafes, restaurants & entertainment venues
- Shopping centres
- Hospitals
- Parks and recreation areas
- A sought after geographic feature such as a beach

LOCATION AFFORDABILITY CALCULATOR

www.yourmortgage.com.au/calculators/where-can-i-afford-to-buy/



STEP 7

SELECTING THE RIGHT PROPERTY TYPE FOR YOU

Next step is to try and find the right property type in your budget and locational requirements. This means deciding between a house, townhouse or unit depending on the price point.

Don't forget if you're eligible for the FHOG then the maximum spend of \$750,000.



STEP 8

QUALITY & INTEGRITY OF DEVELOPER/BUILDER

Doing early checks on your intended property developer is definitely worthwhile. Take a look at their past projects, and find out if there are any risks that you need to be aware of. You might also like to:

- Investigate the architect and builder of the property
- Look at past projects to get a sense of architectural finishes
- Visit the site of a new development to inspect the location and surrounding areas



STEP 9

APPOINTING A SOLICITOR

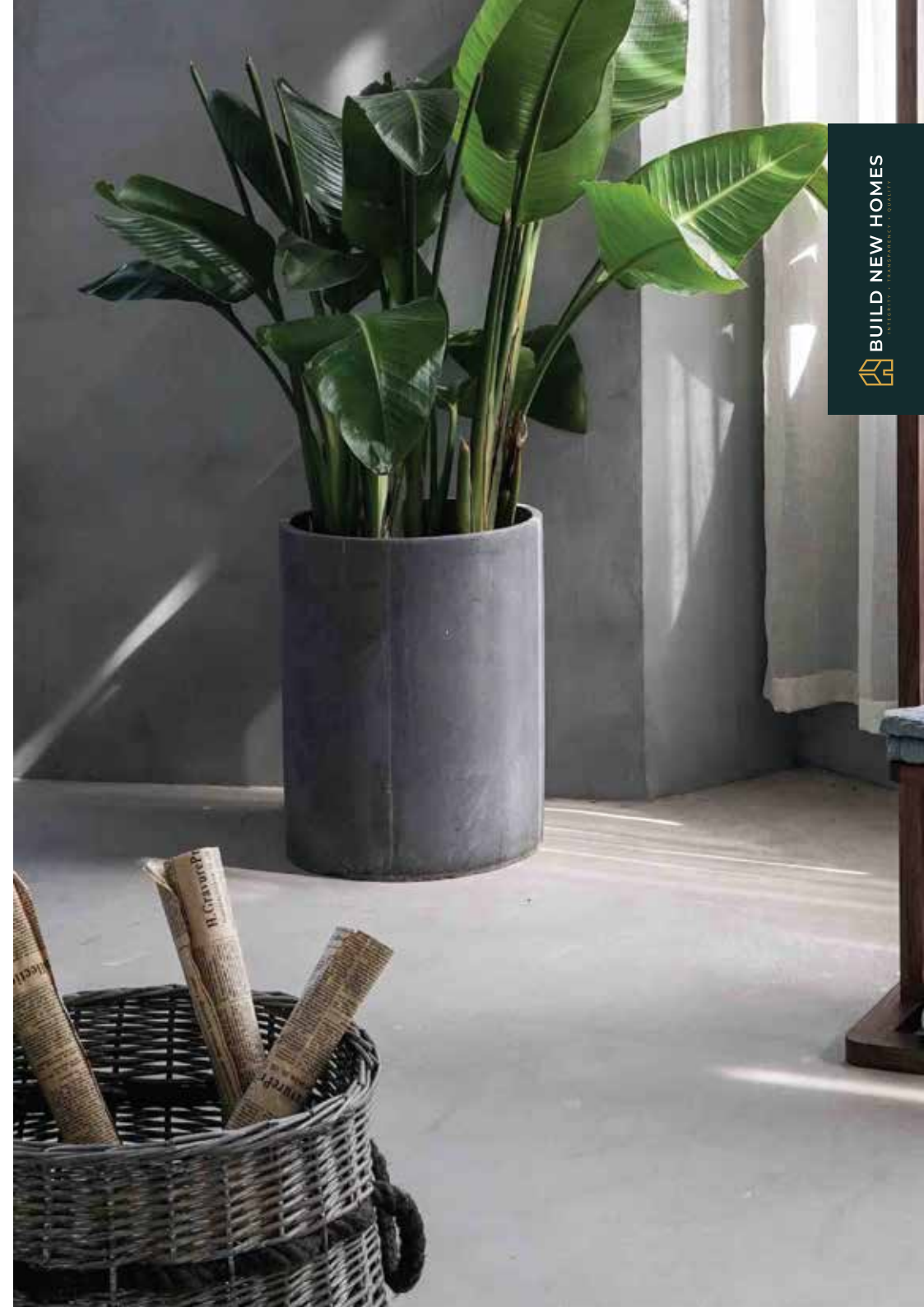
The next step is to appoint a solicitor to undertake the conveyancing work for you.

WHEN CHOOSING A SOLICITOR:

- Shop around for experience, services and costs
- Find a firm that specialises in property or conveyancing

Before you appoint a solicitor, ask for a detailed quote for the work you want done. Some conveyancing solicitors may charge a set price.

The price to engage a solicitor usually ranges from \$500 - \$1,500.



STEP 10

COMPLETE THE RELEVANT CHECKS

Once you've found the right property, be sure to complete the relevant checks to ensure there is nothing wrong with the property.

THE CHECKS THAT SHOULD BE UNDERTAKEN ARE:

- Building Inspection
- Pest Inspection
- Electrical Inspection

These inspections are vital and can cost you anywhere from \$200 - \$600 each.

