

# FIRST HOME BUYER GUIDE



# Everything you need to know:



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# Preparing for your Home Loan

Preparation is key when buying your first home—or any home, for that matter! We recommend starting the process at least three months before applying for a loan (six months is even better).

Why? Lenders carefully review your bank statements to assess your financial habits, including spending patterns and savings behaviour. Typically, they require three months of transactional bank statements to evaluate your salary deposits and monthly expenses. Ensuring your finances are in order well in advance can strengthen your loan application.

## What are the lenders looking for?

- Afterpay
- Non-disclosed debts
- Credit card payments
- Is your account overdrawn from over spending?
- Uber eats
- Sports bets and gambling
- Are you living from pay day to pay day - how much is left in your bank account each month?

Recommendation: LIVE LIKE YOU HAVE A HOME LOAN

- Stop any Afterpay, Zippay
- Disconnect from gambling sites
- Reduce your credit card limits
- Stop with Uber eats and start shopping from your own kitchen
- DIY coffee – (every \$4 - \$5 counts)
- SPEND LESS

Check Your Credit Score Before submitting your loan application, it's a good idea to check your credit score. Knowing where you stand can help you address any issues beforehand. You can check your credit score online at: [🔗 Equifax Credit Check](#)

## ACTION ITEMS

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**REMOVE APPS FROM YOUR PHONE**

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**REDUCE CREDIT CARD LIMITS**

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**CANCEL AFTERPAY**

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**SET UP A SEPERATE SAVINGS ACCOUNT AND ESTABLISH A SAVINGS PATTERN**

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**GET YOUR CREDIT REPORT**

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**BE AWARE OF YOUR ACCOUNT CONDUCT ON ALL FACILITIES**

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**DON'T APPLY FOR ANY CREDIT FACILITIES**

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# Savings



Most banks require **genuine savings** when you are borrowing over 85%. **So what exactly is genuine savings?**

Genuine savings is money being built up (and saved) in a bank account over a minimum period of 3 months and must equate to no less than 5% of the value of the property you are intending on buying.

**As an example, if you are looking to buy a property at \$400,000, then you would need to demonstrate savings of \$20,000 over a minimum 3 month period ( $\$400,000 \times 5\% = \$20,000$ )**

## Important to know:

- Your savings must be in an account in your **own name**.
- No large lump sum deposits. In fact, the bank will question lump sum deposits and usually not consider them to be genuine savings. Things like sale of personal assets and tax returns will not be considered unless you have held them in your bank account for a minimum of 3 months.

## Way's to help you save:

- Get clear and specific on your goals and understand your numbers.
- Set your savings goal and a realistic time line. Work backwards to calculate your monthly/ fortnightly/ weekly savings target. Set up an automatic transfer into a separate savings account away from your everyday spending.
- Utilise the Governments First Home Super Saver Scheme. This can be established well before you buy your first home and has been designed to help borrowers save money inside their super for the deposit of their first home.
- Explore Micro-Investing Apps – Consider Raiz and Spaceship, which round up everyday purchases and invest the spare change - helping you build savings effortlessly!

By implementing these strategies, you'll be well on your way to securing your home loan.

## ACTION ITEMS

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SEPERATE SAVINGS ACCOUNT (OUT OF SIGHT OUT OF MIND)

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SET UP AN AUTOMATIC SAVINGS TRANSFER AS SOON AS YOU GET PAID

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DO AN AUDIT ON YOUR SPENDING TO UNDERSTAND WHERE YOUR MONEY GOES

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START LIVING LIKE YOU HAVE A HOME LOAN

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LOOK INTO THE GOVERNMENT FIRST HOME SUPER SAVER SCHEME

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# How much deposit do you need?

Each bank has its own policy on how much it will lend. Many banks offer loans of up to 95% of the property's value for owner-occupied purchases. Some lenders even allow borrowers to add a portion of Lenders Mortgage Insurance (LMI) to the loan, increasing the Loan-to-Value Ratio (LVR) to as much as 98%.

Buying a home involves various costs, and several key factors will determine how much you need to save and contribute.

## GOVERNMENT ASSISTANCE

Stamp duty, fees, and charges vary by state, and each state also offers programs to assist first-home buyers. These may include stamp duty exemptions, concessions, or lump sum grants to help ease the cost of purchasing a home. To check your eligibility and explore available savings in your state, visit [firsthome.gov.au](https://www.firsthome.gov.au)

At this point in time, a federal government initiative allows eligible borrowers to have Lenders Mortgage Insurance (LMI) waived, helping to reduce upfront costs. However, these initiatives may change, so it's important to check for the most up-to-date information.

## CONVEYANCING

It's best to budget approximately \$2,000 – \$2,500 for legal conveyancing fees.

## LENDERS MORTGAGE INSURANCE

Lenders Mortgage Insurance (LMI) is required when borrowing more than 80% of the property's value. However, if you qualify for the Government Home Guarantee Scheme (HGS), this cost can be waived—resulting in a significant saving.

### Example One

- Victorian First Home Buyer
- Single Citizen Earning \$140K

Purchase Price	\$400,000
Costs:	
Government	\$1,175
LMI	\$13,500
Own legal	\$1,500
<b>TOTAL</b>	<b>\$416,175</b>
Maximum Loan 95%	\$380,00
<b>Your needed contribution</b>	<b>\$36,175</b>

### Example Two

- Victorian First Home Buyer
- Single Citizen Earning \$120K

Purchase Price	\$400,000
Costs:	
Government	\$1,175
LMI	WAIVED
Own legal	\$1,500
<b>TOTAL</b>	<b>\$402,675</b>
Maximum Loan 95%	\$380,00
<b>Your needed contribution</b>	<b>\$22,675</b>

# Calculators

STAMP DUTY

LMI

GOVERNMENT GUARANTEE

FIRST HOME BUYER

## ACTION ITEMS

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CALCULATE YOUR STAMP DUTY

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CALCULATE YOUR LMI

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ASK A PARENT IF THEY CAN ACT AS A LIMITED GUARANTOR

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RESEARCH YOUR ELIGIBILITY FOR THE GOVERNMENT GUARANTEE SCHEME

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RESEARCH OTHER GOVERNMENT GRANTS AND REBATES IN YOUR STATE

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# Government Assistance

## GOVERNMENT ASSISTANCE

### FIRST HOME OWNERS GRANT AND STAMP DUTY SAVINGS

Each state offers different programs to assist first-home buyers, including stamp duty exemptions, concessions, or lump sum grants. To check your eligibility and explore available savings in your state, visit [firsthome.gov.au](http://firsthome.gov.au)

### HOME GUARANTEE SCHEME

A federal government initiative that allows eligible borrowers to enter the market with just a 5% deposit while waiving Lenders Mortgage Insurance (LMI). Restrictions apply based on income, property prices, and borrower type. To see if you qualify, visit [nhfic.gov.au](http://nhfic.gov.au)

### FAMILY GUARANTEE SCHEME

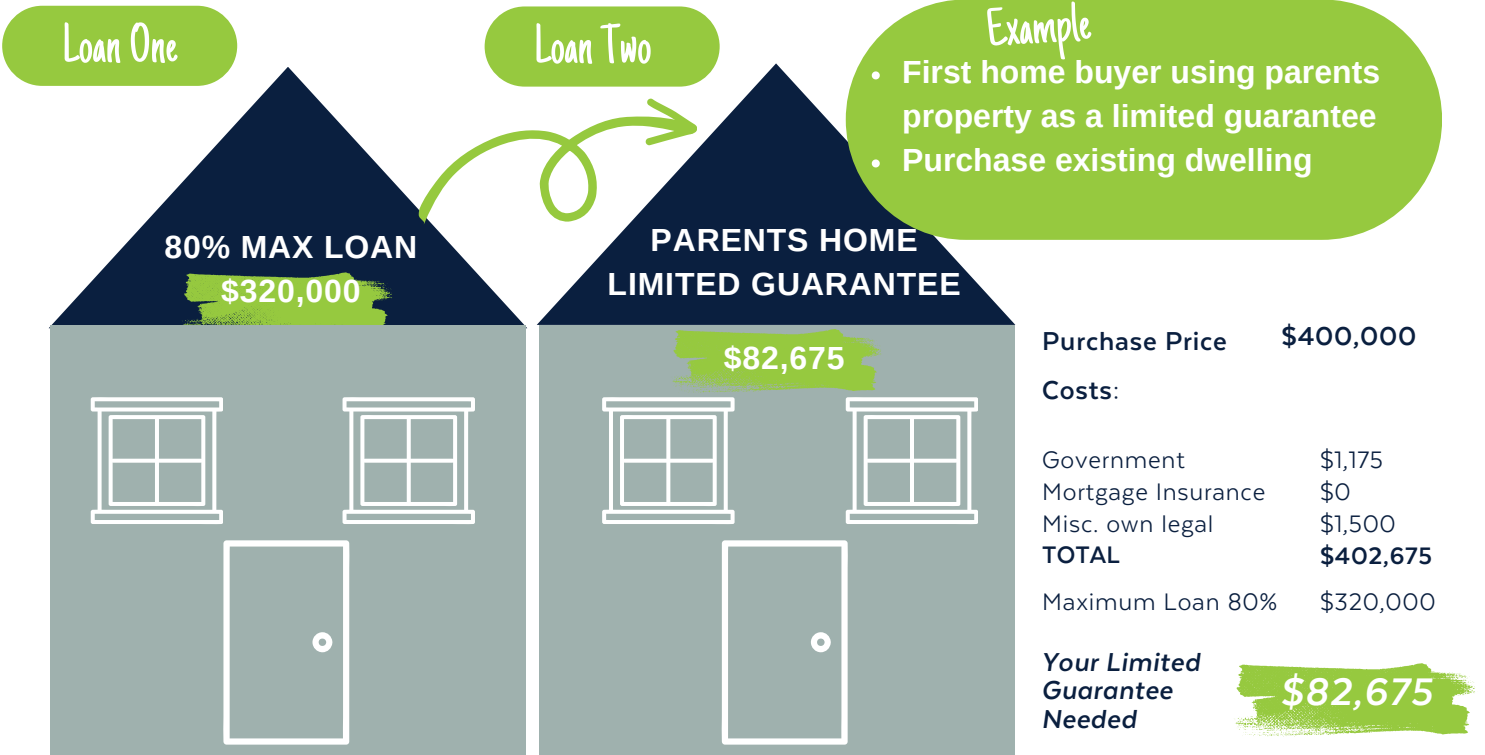
Designed to support single parents in purchasing a home with only a 2% deposit, without paying LMI. Eligibility criteria include income limits, property price caps, and borrower type restrictions. To check if you qualify, visit [nhfic.gov.au](http://nhfic.gov.au)

# Parental Guarantee

## FAMILY PLEDGE

### FAMILY PLEDGE LOANS

A Parental Guarantee Loan—also known as a Family Guarantee, Guarantor Loan, or Family Pledge—allows homebuyers to secure a home loan with support from their parents or immediate family members. Instead of needing to provide a full 20% deposit to avoid Lenders Mortgage Insurance (LMI), a parent can use the equity in their own home as security for a portion of the loan. This reduces the upfront deposit required and helps borrowers enter the property market sooner while avoiding the additional cost of LMI. The guarantee applies only to a portion of the loan rather than the full amount, which can help minimise risk for the guarantor.



# Victorian First Home Buyer Incentives

## What do you qualify for?

If you are a first home buyer and buying a property in Victoria, there are possibly 4 government incentives available to you.

- First Home Buyer Duty Exemption or Concession
- First Home Owners Grant
- First Home Guarantee Scheme (FHBG)
- The Victorian Homebuyer Fund (VHF)

## First Home Buyer Stamp Duty Exemption Or Concession

### Eligibility

A one-off duty exemption for your principal place of residence (PPR) valued up to \$600,000, or a concession for a PPR with a dutiable value from \$600,001 to \$750,000. This duty exemption/concession is separate and distinct from the First Home Owner Grant. The grant is a payment made to you, whereas the first home buyer duty exemption/concession is a reduction in the amount of land transfer duty you pay.

## First Home Owners Grant

### Eligibility

A \$10,000 First Home Owner Grant (FHOG) is available when you buy or build your first new home. Your first new home can be a house, townhouse, apartment, unit or similar. The contract price for the home, must be \$750,000 or less. When you sign a contract to build a home it is the contract to build price that must be \$750,000 or less. A new home has not been sold previously as a place of residence or, occupied.

For more information and to research what you qualify for, please visit: <https://www.sro.vic.gov.au/first-home-owner>

## First Home Guarantee (FHBG)

### Eligibility

The First Home Guarantee (FHBG) is part of the Home Guarantee Scheme (HGS), an Australian Government initiative to support eligible home buyers to buy a home sooner. Under the FHBG, part of an eligible home buyer's home loan from a Participating Lender is guaranteed by Housing Australia.

This enables an eligible home buyer to buy a home with as little as 5% deposit without paying Lenders Mortgage Insurance.

- For the FY 2024-25, 35,000 places are available.
- Earning up to \$125,000 for individuals or \$200,000 for joint applicants, as shown on the Notice of Assessment for 2024 (issued by the Australian Taxation Office).
- Intending to be owner-occupiers of the purchased property.
- First home buyers or previous homeowners who haven't owned or had an interest in a real property in Australia (this includes owning land only) in the past ten years.
- Acceptable properties include: an existing house, townhouse or apartment, a house and land package, land and a separate contract to build a home OR an off-the-plan apartment or townhouse.
- Price caps apply for different postcodes.



# Victorian First Home Buyer Incentives cont....

## The Victorian Homebuyer Fund (VHF)

### Eligibility

The Victorian Homebuyer Fund (VHF) is the Victorian Government's shared equity scheme. The scheme will support thousands of Victorians to enter home ownership.

While many people can afford to rent a home that meets their needs, saving for a deposit and purchasing an affordable home is increasingly challenging, placing home ownership out of reach for many Victorians.

The Victorian Homebuyer Fund makes getting into home ownership more achievable for many Victorians.

### How it all works....


The Victorian Homebuyer Fund is a shared equity scheme, where the Victorian Government makes a financial contribution to the purchase of a home in exchange for an equity share in the property, which participants can buy back over time.

Through the scheme, the Victorian Government provides eligible participants with a contribution of up to 25 per cent of the purchase price of the home. Participants need to contribute a minimum of 5 per cent of the purchase price and cover any acquisition costs, such as stamp duty and conveyancing costs. The remaining amount is to be secured through a home loan from a partner lender.

Additional supports are available for Aboriginal and Torres Strait Islander participants.

#### IMPORTANT NOTE:

Participants are required to buy back the government's share in their property over time through refinancing, using accumulated savings, or upon sale of the property. The Victorian Government does not charge interest on its investment in participants' homes, but shares in any capital gains or losses proportionate to its share in the property.



# NSW First Home Buyer Incentives

## What do you qualify for?

If you are a first home buyer and buying a property in NSW, there are possibly four government incentives available to you.

- First Home Buyers Assistance Scheme
- First Home Owners Grant
- First Home Guarantee Scheme (FHGS)
- Shared Equity Home Buyer Helper

## First Home Buyers Assistance Scheme

### Eligibility

From 1 July 2023, a full exemption from transfer duty will be available if you are buying a new or existing home valued up to \$800,000, while homes valued over \$800,000 and less than \$1,000,000 may qualify for a concessional rate.

If you are purchasing vacant land on which you intend to build a home, you may receive an exemption for land valued up to \$350,000 and a concessional rate for land valued over \$350,000 and less than \$450,000.

## First Home Owners Grant

### Eligibility

If you're buying or building your first home, you may be eligible for a \$10,000 First Home Owner Grant. Your first home can be a newly built house, townhouse, apartment, unit or similar. It can also include properties purchased off the plan or homes that have been substantially renovated.

To be eligible, the purchase price of a newly built or substantially renovated home must not exceed \$600,000. If you're purchasing vacant land and entering into a building contract, the combined value of the land, the comprehensive building contract, and any variations agreed upon at the time must not exceed \$750,000.

## First Home Buyer Guarantee (FHBG)

### Eligibility

The First Home Guarantee (FHBG) is part of the Home Guarantee Scheme (HGS), an Australian Government initiative to support eligible home buyers to buy a home sooner. Under the FHBG, part of an eligible home buyer's home loan from a Participating Lender is guaranteed by Housing Australia.

This enables an eligible home buyer to buy a home with as little as 5% deposit without paying Lenders Mortgage Insurance.

- For the FY 2024-25, 35,000 places are available.
- Earning up to \$125,000 for individuals or \$200,000 for joint applicants, as shown on the Notice of Assessment for 2024 (issued by the Australian Taxation Office).
- Intending to be owner-occupiers of the purchased property.
- First home buyers or previous homeowners who haven't owned or had an interest in a real property in Australia (this includes owning land only) in the past ten years.
- Acceptable properties include: an existing house, townhouse or apartment, a house and land package, land and a separate contract to build a home OR an off-the-plan apartment or townhouse.
- Price caps apply for different postcodes.

# NSW First Home Buyer Incentives cont....

Shared Equity Home Buyer Helper

Eligibility

The Shared Equity Home Buyer pilot closed on 30 June 2024.

Participants who have received pre-approval from Revenue NSW prior to 30 June 2024 have until 30 September 2024 to find and purchase a home (exchange contracts). Those with pre-approval extensions must adhere to their respective expiry dates. No pre-approval extensions will be granted after 30 June 2024. Current participants will continue to be supported by Revenue NSW and must maintain their obligations under the scheme for as long as they own their home.

## How it all works....

The NSW Shared Equity Home Buyer Helper assists eligible single parents (with dependent children), single people (50 years and over) and first home buyers who are employed as key workers with buying a home. It is aimed at those in New South Wales who want to purchase a home but would not be approved for a mortgage because of their circumstances.

The NSW Government will pay up to 40% of the purchase price of an eligible property, retaining it as equity for as long as you are eligible for Shared Equity or until you sell the property.

Payments or rent aren't required on the Government's equity interest in the property while you remain eligible for Shared Equity.

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# ACT First Home Buyer Incentives

## What do you qualify for?

If you are a first home buyer and buying a property in ACT, there are possibly two government incentives available to you.

- Home Buyer Concession Scheme
- First Home Buyer Guarantee (FHBG)

## Home Buyer Concession Scheme

### Eligibility

To be eligible for the HBCS the following criteria must be met:

- The total gross income of all buyers, including their partners (if any) must not be greater than the **relevant income threshold**.
- All buyers including their partners (if any) must not have owned (legal or equitable interest) any other property in the last two years. A partner includes your spouse, civil union partner or de facto partner.
- At least one buyer must live in the home continuously for at least one year, starting within 12 months of the date of completion (settlement date) or the date that a certificate of occupancy has been issued.

## First Home Buyer Guarantee (FHBG)

### Eligibility

The First Home Guarantee (FHBG) is part of the Home Guarantee Scheme (HGS), an Australian Government initiative to support eligible home buyers to buy a home sooner. Under the FHBG, part of an eligible home buyer's home loan from a Participating Lender is guaranteed by Housing Australia.

This enables an eligible home buyer to buy a home with as little as 5% deposit without paying Lenders Mortgage Insurance.

- For the FY 2024-25, 35,000 places are available.
- Earning up to \$125,000 for individuals or \$200,000 for joint applicants, as shown on the Notice of Assessment for 2024 (issued by the Australian Taxation Office).
- Intending to be owner-occupiers of the purchased property.
- First home buyers or previous homeowners who haven't owned or had an interest in a real property in Australia (this includes owning land only) in the past ten years.
- Acceptable properties include: an existing house, townhouse or apartment, a house and land package, land and a separate contract to build a home OR an off-the-plan apartment or townhouse.
- Price caps apply for different postcodes.

# QLD First Home Buyer Incentives

## What do you qualify for?

If you are a first home buyer and buying a property in QLD, there are possibly three government incentives available to you.

- First Home Concession
- First Home Owners Grant
- First Home Buyer Guarantee (FHBG)

## First Home Concession

### Eligibility

You can claim a first home concession for transfer (stamp) duty when acquiring your first residence if you meet certain requirements.

- The first home concession only applies to a home valued under \$800,000 and can save you up to \$24,525. The home concession may still apply for a home valued over \$800,000.
- The threshold for the concession changed on 9 June 2024. See the current and previous threshold and rates.
- You do not have to be an Australian citizen or permanent resident to claim a concession, but you must meet the eligibility criteria. Additional foreign acquirer duty may apply if you are a foreign person.

## First Home Owners Grant

### Eligibility

As of the 20th of November 2023, the first home owner grant gives eligible first-time home buyers \$30,000 (previously \$15,000) towards buying or building a new home in Queensland. You must move into your brand new home as your principal place of residence within 1 year of the completed transaction, and live there continuously for 6 months. The maximum purchase price is \$750,000.

## First Home Buyer Guarantee (FHBG)

### Eligibility

The First Home Guarantee (FHBG) is part of the Home Guarantee Scheme (HGS), an Australian Government initiative to support eligible home buyers to buy a home sooner. Under the FHBG, part of an eligible home buyer's home loan from a Participating Lender is guaranteed by Housing Australia.

This enables an eligible home buyer to buy a home with as little as 5% deposit without paying Lenders Mortgage Insurance.

- For the FY 2024-25, 35,000 places are available.
- Earning up to \$125,000 for individuals or \$200,000 for joint applicants, as shown on the Notice of Assessment for 2024 (issued by the Australian Taxation Office).
- Intending to be owner-occupiers of the purchased property.
- First home buyers or previous homeowners who haven't owned or had an interest in a real property in Australia (this includes owning land only) in the past ten years.
- Acceptable properties include: an existing house, townhouse or apartment, a house and land package, land and a separate contract to build a home OR an off-the-plan apartment or townhouse.
- Price caps apply for different postcodes.

# South Australia First Home Buyer Incentives

## What do you qualify for?

If you are a first home buyer and buying a property in South Australia, there are possibly four government incentives available to you.

- Stamp Duty Relief
- First Home Owners Grant
- First Home Buyer Guarantee (FHBG)
- Shared Equity Home Buyer Helper

2024-25 State Budget removes the property value cap for stamp duty relief for eligible first home buyers for contracts to purchase a new home or vacant land entered into on or after 6 June 2024

## Stamp Duty Relief

Full stamp duty relief is available to eligible first home buyers who enter into a contract to purchase a new home, an off-the-plan apartment, vacant land or house and land (contract to build – comprehensive building contract) on or after 6 June 2024.

If you are a first home buyer you may be eligible for stamp duty relief if you are buying:

- A new home\*\* (including a house, flat, unit, townhouse or apartment); or
- An off-the-plan apartment;
- A house and land package (contract to build - comprehensive building contract); or
- Vacant land to build your new home on;
- In South Australia and that home will be your principal place of residence.

Eligibility

\*\*New home – a home that has not been previously occupied or sold as a place of residence, including a substantially renovated home.

## First Home Owners Grant

Eligibility

If you are a first home buyer you may be eligible for the first home owner grant of up to \$15,000, if you are:

- Buying or building a new home\* (including a house, flat, unit, townhouse or apartment) in South Australia; and the home will be your principal place of residence. (New home – a home that has not been previously occupied or sold as a place of residence, including a substantially renovated home.)

## First Home Buyer Guarantee (FHBG)

Eligibility

The First Home Guarantee (FHBG) is part of the Home Guarantee Scheme (HGS), an Australian Government initiative to support eligible home buyers to buy a home sooner. Under the FHBG, part of an eligible home buyer's home loan from a Participating Lender is guaranteed by Housing Australia.

This enables an eligible home buyer to buy a home with as little as 5% deposit without paying Lenders Mortgage Insurance.

- For the FY 2024-25, 35,000 places are available.
- Earning up to \$125,000 for individuals or \$200,000 for joint applicants, as shown on the Notice of Assessment for 2024 (issued by the Australian Taxation Office).
- Intending to be owner-occupiers of the purchased property.
- First home buyers or previous homeowners who haven't owned or had an interest in a real property in Australia (this includes owning land only) in the past ten years.
- Acceptable properties include: an existing house, townhouse or apartment, a house and land package, land and a separate contract to build a home OR an off-the-plan apartment or townhouse.
- Price caps apply for different postcodes.

# SA First Home Buyer Incentives continued...

Shared Equity and Home Helper Scheme

Eligibility

'Shared Equity' can cover the gap between what you can afford and the cost of a property, so you can boost your borrowing power and buy your own home sooner.

For example, with shared equity you may only need to make repayments on 75 per cent of the loan, with the remainder being held by a lender.

A lender could be a bank, financial institution, or the government.

How does it work?

At the South Australian Government's housing financing company, [HomeStart Finance](#), the [Shared Equity Option](#) allows people to partner with HomeStart to get into the housing market, with HomeStart contributing up to 25% of the purchase price. Repayments are based on borrowings for the remaining 75% of the purchase price and not the shared equity component.

HomeStart acts as a silent partner which will share in the profit or loss when the house is sold.

In South Australia, the HomeSeeker SA website managed by SA Housing Authority has a range of properties available for purchase with Shared Equity through HomeStart.

# WA First Home Buyer Incentives

## What do you qualify for?

If you are a first home buyer and buying a property in WA, there are possibly three government incentives available to you.

- First Home Owner Rate
- First Home Owners Grant (FHOG)
- First Home Buyer Guarantee (FHBG)
- Shared Equity

## First Home Owner Rate

### Eligibility

For Transactions entered into on or after 9 May 2024:

- The unencumbered value of the home and land together must not exceed \$600,000.
- No duty is payable if the dutiable value does not exceed \$450,000.
- If the dutiable value is between \$450,000 and \$600,000, duty is payable at a rate of \$15.01 for every \$100, or part of \$100, by which it exceeds \$450,000.

Vacant land

- The unencumbered value of the vacant land must not exceed \$400,000.
- No duty is payable if the dutiable value does not exceed \$300,000.
- If the dutiable value is between \$300,000 and \$400,000, duty is payable at a rate of \$13.01 for every \$100, or part of \$100, by which it exceeds \$300,000.

## First Home Owners (FHOG)

### Eligibility

The first home owner grant (FHOG) is a one-off payment offered to first home buyers to buy or build a new property for use as their principal place of residence. The grant is \$10,000 and only one grant is payable per eligible transaction. If you are a first home owner, you may qualify for the grant if you are purchasing or building a new home. A home that has been substantially renovated may be considered a new home. The grant is not available for the purchase of an established home or for renovations to an existing home. See the Lodgement Guide for information about how to apply for the grant.

## First Home Buyer Guarantee (FHBG)

### Eligibility

The First Home Guarantee (FHBG) is part of the Home Guarantee Scheme (HGS), an Australian Government initiative to support eligible home buyers to buy a home sooner. Under the FHBG, part of an eligible home buyer's home loan from a Participating Lender is guaranteed by Housing Australia.

This enables an eligible home buyer to buy a home with as little as 5% deposit without paying Lenders Mortgage Insurance.

- For the FY 2024-25, 35,000 places are available.
- Earning up to \$125,000 for individuals or \$200,000 for joint applicants, as shown on the Notice of Assessment for 2024 (issued by the Australian Taxation Office).
- Intending to be owner-occupiers of the purchased property.
- First home buyers or previous homeowners who haven't owned or had an interest in a real property in Australia (this includes owning land only) in the past ten years.
- Acceptable properties include: an existing house, townhouse or apartment, a house and land package, land and a separate contract to build a home OR an off-the-plan apartment or townhouse.
- Price caps apply for different postcodes.



# WA First Home Buyer Incentives cont....

## Shared Equity

## Eligibility

A person may qualify for the FHOR when purchasing some or all of the interest in their home with or from the Housing Authority. The assessment of duty on these transactions differs depending on the circumstances. Shared equity transactions with the Housing Authority that are for 100 per cent interest in the property can be self-assessed in Online Duties. If the transaction involves the purchase of a partial or further interest from the Housing Authority or the repurchase of a partial interest by the Housing Authority, the transaction must be lodged with RevenueWA

## How it all works....

### Examples – Purchase with the Housing Authority

- Tim and Noelle, together with the Housing Authority, enter into a contract to purchase a home for \$420,000. They will buy a 60 per cent interest in the property and the Housing Authority will buy the other 40 per cent.
- Although they are not entitled to receive the FHOG as the contract is for the purchase of an established home, duty assessed at the FHOR is nil as the total value of the property does not exceed \$430,000.
- Joe and Mary, together with the Housing Authority, enter into a contract to purchase a home for \$500,000. They will buy a 60 per cent interest in the property and the Housing Authority will buy the other 40 per cent.
- Although they are not entitled to receive the FHOG as the contract is for the purchase of an established home, duty assessed at the FHOR is \$13,433. Joe and Mary are required to pay duty of \$8,059.80 (60 per cent x \$13,433).
- Jane, together with the Housing Authority, enters into a contract to purchase an apartment for \$800,000. She will buy a 60 per cent interest in the property and the Housing Authority will buy the other 40 per cent.
- The value of the property is more than the established home threshold so the first home owner rate of duty does not apply.

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# NT First Home Buyer Incentives

## What do you qualify for?

If you are a first home buyer and buying a property in the Northern Territory, there are possibly four government incentives available to you.

- Stamp Duty Exemption On House And Land Packages
- HomeGrown Territory – Buying Or Building A New Home
- First Home Buyer Guarantee (FHBG)
- HomeGrown Territory Grants – Buying An Established Home

## Stamp Duty Exemption On House And Land Packages Eligibility

To be eligible, you must:

- Buy a house and land package from a building contractor and sign the contract between 1 July 2022 and 30 June 2027.
- The exemption is not means tested and there is no cap on the value of the property.

## HomeGrown Territory – Buying Or Building A New Home

The Home Grown Territory Grant offers \$50,000 for first-home buyers to put towards building or buying their first home. You can also use it for a new transportable home, as long as it's permanently fixed and legally approved to be lived in.

### Eligibility

The grant is available for:

- Owner-builders
- Off-the-plan purchases.
- There is no cap on the build or purchase price.

To be eligible, you must:

- Sign a contract to buy or build a home in the Territory between 1 October 2024 and 30 September 2025
- The home must have never been previously lived in or sold as a place of residence
- Ensure one applicant is an Australian citizen or permanent resident
- Live in the home for at least 12 months after taking possession of the property (name is on the title) or once construction of the home is complete.

## First Home Buyer Guarantee (FHBG) Eligibility

The First Home Guarantee (FHBG) is part of the Home Guarantee Scheme (HGS), an Australian Government initiative to support eligible home buyers to buy a home sooner. Under the FHBG, part of an eligible home buyer's home loan from a Participating Lender is guaranteed by Housing Australia.

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- Intending to be owner-occupiers of the purchased property.
- First home buyers or previous homeowners who haven't owned or had an interest in a real property in Australia (this includes owning land only) in the past ten years.
- Acceptable properties include: an existing house, townhouse or apartment, a house and land package, land and a separate contract to build a home OR an off-the-plan apartment or townhouse.
- Price caps apply for different postcodes.

# NT First Home Buyer Incentives cont....

## HomeGrown Territory Grants – Buying An Established Home

The First Home Owner Grant of \$10,000 is for first-home buyers to put towards the purchase of an established home. This includes:

- Houses
- Townhouses
- Apartments.

Eligibility

There is no cap on the purchase price.

To be eligible, you must:

- be a first-home buyer (not have owned a home before anywhere in Australia)
- sign a contract to buy a home in the Territory between 1 October 2024 and 30 September 2025
  - it must not replace other contracts signed before 1 October 2024
- be a person and not a company or trustee
- have at least one person over the age of 18
- ensure one applicant is an Australian citizen or permanent resident
- live in the home for at least 12 months after taking possession of the property (name is on the title).

All owners of the home must be applicants and meet the eligibility requirements.

The HomeGrown Territory Grant cannot be used in conjunction with the **FreshStart New Home grant**.



# Tasmania First Home Buyer Incentives

## What do you qualify for?

If you are a first home buyer and buying a property in Tasmania, there are possibly three government incentives available to you.

- First Home Buyers Of Established Homes Duty Concession
- First Home Owners Grant
- First Home Buyer Guarantee (FHBG)

## First Home Buyers Of Established Homes Duty Concession

### Eligibility

To be eligible for duty relief all of the purchasers/transferees must purchase an established home in Tasmania that has a dutiable value of:

- \$750 000 or less for property purchases between 18 February 2024 and 30 June 2026 inclusive.
- Must be an Australian citizen or permanent resident - or if there is more than one applicant, at least one of them must meet this criteria; and
- Must not have previously owned a home (or have a spouse/partner who owned a home) in Australia;
- Must not have received a First Home Owner Grant in any state or territory of Australia or the Duty Concession before (or have a spouse/partner who has);

## First Home Owners Grant

### Eligibility

First home buyers who are building a new residence or purchasing a newly built residence may be eligible for a grant of up to \$ 10,000. The applicant(s) must:

- Be an Australian citizen or permanent resident (if more than one applicant only one applicant is required to be an Australian citizen or permanent residence); and
- Occupy the home as your principal place of residence for a continuous period of at least six months commencing within 12 months.

## First Home Buyer Guarantee (FHBG)

### Eligibility

The First Home Guarantee (FHBG) is part of the Home Guarantee Scheme (HGS), an Australian Government initiative to support eligible home buyers to buy a home sooner. Under the FHBG, part of an eligible home buyer's home loan from a Participating Lender is guaranteed by Housing Australia.

This enables an eligible home buyer to buy a home with as little as 5% deposit without paying Lenders Mortgage Insurance.

- For the FY 2024-25, 35,000 places are available.
- Earning up to \$125,000 for individuals or \$200,000 for joint applicants, as shown on the Notice of Assessment for 2024 (issued by the Australian Taxation Office).
- Intending to be owner-occupiers of the purchased property.
- First home buyers or previous homeowners who haven't owned or had an interest in a real property in Australia (this includes owning land only) in the past ten years.
- Acceptable properties include: an existing house, townhouse or apartment, a house and land package, land and a separate contract to build a home OR an off-the-plan apartment or townhouse.
- Price caps apply for different postcodes.

# What documents you need to show the bank.....

Here are some of the mandatory documents requested by the banks. Depending on your own personal situation, the bank may ask for more information and documents to support your loan application.

## 100 Points ID

Typically a passport/ birth certificate and drivers licence are the best forms of ID. A medicare card and other documents may also be accepted.

## Income

- PAYG -2 most recent consecutive payslips, 3 months bank statements, most recent months statement.
- Self-employed- 2 years individual and company tax returns and financial statements along with the last two years NOA.

## Genuine Savings

3 months bank statements showing your savings being held or accumulating. A minimum of 5% of the property purchase price needs to be demonstrated in a bank account held in your name.

## Rental History

Providing a 12 month rental ledger helps demonstrate your on-time payment of monthly rent and can be particularly important in some cases, as a rental ledger can also be classified as genuine savings by certain banks.

## Transactional Bank Accounts

3 months bank statements showing your income deposits and monthly expenses.

## Credit Cards

3 months credit card statements showing your monthly spending and conduct.

## Buy Now Pay Later

Latest statement showing your account balance and minimum monthly payment.

## Car loan or Personal loan

3 months statement showing account balance and minimum monthly payment and conduct of the loan.

# Bank Policies you should know.....

**Here are some important bank policies you should be aware of before you make your purchase.**



Internal size of your property is really important! Some banks require a minimum size of 50m2 for apartments.

Property zone - Residential, freehold zoning is preferred. Be careful with leasehold, commercial or crown.

Title - Torrens and Strata Title is preferred. Be careful with Company and Community Titles

Self-employed. Most banks want 2 years tax returns and ABN's registered for 2 years. Income used for serviceability is the TAXABLE income , not the gross income or revenue generated.

HELP/HECS debt will reduce your borrowing capacity, regardless of what's owing.

Buy Now Pay Later (BNPL) is a debt and needs to be disclosed in your application.

Certain suburbs and high density buildings will attract a lower Lending Value Ratio. Each bank has a different policy. Don't assume that your pre-approval bank will accept any security.

Not all banks offer fully assessed pre-approvals. Some banks only offer computer generated pre-approvals, whilst other lenders will complete a full assessment with a credit officer. These are preferred.

# Prepare for your home loan and bank jargon explained....

## WHAT IS THE MINIMUM DEPOSIT I NEED?

Some lenders will allow you to borrow up to 95% of the property value. If you don't qualify for the Government Guarantee schemes or have a parental guarantor, then you will also have to save up for the Lenders Mortgage Insurance (LMI). This is a significant cost of approx. \$14,000 based on a \$400,000 purchase price.

There are also lenders who allow you to add on part of your mortgage insurance.. This is called capitalisation which brings the total loan up to approx 97% or 98%.

## WHAT DOES LVR STAND FOR?

LVR stands for LOAN TO VALUE RATIO. The Loan to Value ratio (LVR) is the amount of your loan compared to the value of your property. LVR is calculated by dividing the amount of the loan by the value of the property. For example, if the property is worth \$400,000 and your loan is \$320,000, the LVR will be 80%.

## WHAT IS LENDERS MORTGAGE INSURANCE (LMI)?

LMI is a once off insurance premium that is payable when you borrow over 80% of the value of the property. The cost can range from 1 %- 4.5% of the loan amount (ouch!). The higher the LVR, the higher the LMI cost. LMI protects the bank if you default on your loan. It does not protect you as the borrower.

## WHAT IS GENUINE SAVINGS?

To demonstrate your genuine savings, the bank wants to see your money in a bank account in your own name building UP over a minimum of 3 months. This must be a minimum of 5% of the purchase price of the property.

## WHAT BANK STATEMENTS DO I NEED TO SHOW?

Lenders typically require your most recent three months of bank statements for all relevant accounts. These statements help them verify your salary deposits, monthly living expenses, and general account activity. The purpose of this review is to understand your spending habits, identify any undisclosed debts or liabilities, and assess whether you're living pay-to-pay or demonstrating healthy savings behaviour. Providing accurate and complete statements will help support a smooth application process.

## WHAT'S HEM AND WHAT EXPENSES ARE INCLUDED IN HEM

HEM stands for Household Expenditure Measure, and it's used by lenders as a benchmark to estimate the minimum monthly living expenses for a household based on income, family size, and location.

It's important to note that HEM does not include certain personal or discretionary expenses. Costs such as body corporate fees, health insurance, private school fees, personal insurance premiums, and HELP (student loan) repayments are not captured in the HEM figure and must be added on top.

This helps ensure the lender has a complete and realistic view of your financial commitments when assessing your borrowing capacity.

## WHAT IS A CREDIT REPORT?

Your credit report contains information about your credit history. If you've ever applied for a loan or any form of credit, it's likely that a credit reporting body such as Equifax holds a file on you. Credit can come in many forms. In addition to credit cards, personal loans, and mortgages, it also includes mobile phone plans, electricity and gas accounts, store finance, and rental finance arrangements. Your credit report helps lenders, utility providers, and phone companies gain a clearer understanding of your creditworthiness. It gives insight into your current credit commitments and how likely you are to meet repayments on future loans. All lenders will conduct a credit check as part of their loan assessment process.

## HOW DO I PAY THE DEPOSIT FOR MY PROPERTY?

A 10% deposit is typically required and paid from your savings. However, if you have less than 10% saved, negotiating a smaller deposit before signing the contract is necessary. This requires approval from the vendor through the real estate agent. If you don't have enough cash on hand, you can apply for a deposit bond, which functions similarly to a bank guarantee. Keep in mind that vendor approval is necessary before signing the contract. This is not the preferred way to pay your deposit



# continued....

## WHAT IS THE FHSS?

The First Home Super Saver (FHSS) scheme was introduced by the Australian Government as part of the 2017-18 Federal Budget.

The scheme allows first home buyers to save for a deposit by making voluntary contributions into their superannuation fund, taking advantage of the tax benefits that super offers. This can help you grow your savings faster than through a standard savings account.

From 1 July 2017, you can make voluntary concessional (before-tax) and non-concessional (after-tax) contributions into your super to save for your first home. From 1 July 2018, eligible individuals can apply to release those voluntary contributions, along with associated earnings, to put towards the purchase of their first home.

You can request the release of up to \$15,000 in voluntary contributions per financial year, with a total cap of \$30,000 across all years. Earnings related to those contributions will also be included in the amount released.

To be eligible, you must meet specific requirements set by the ATO. For full details, visit the ATO website. (can we make sure this has the link)

## WHEN DOES THE LOAN START?

The loan is drawn down and 'starts' on settlement day, so you don't need to pay your monthly mortgage repayment until one month after settlement.

## WHEN DO I NEED TO GET A CONVEYANCER OR SOLICITOR?

It's important to engage a conveyancer or solicitor before signing a contract of sale. They can review the contract and advise you on any encumbrances, restrictions, or special conditions that may affect the property or your obligations. Having legal advice upfront helps ensure you fully understand the terms of the contract and can make an informed decision before committing.

## HOW LONG DOES THE PRE-APPROVAL LAST FOR?

Generally a pre-approval lasts for 90 days. Some lenders offer a pre-approval for 120 days.

## WHAT HAPPENS IF I DON'T FIND A PROPERTY AND MY PRE-APPROVAL EXPIRES?

If your pre-approval has expired, that's totally ok! We can go back to the same bank, give them updated documents and re-sign a statement to confirm your financial situation has not changed.

If the bank has withdrawn your loan as it has been a longer period of time, we may need to re-apply.

## HOW MUCH DOES A PRE-APPROVAL COST?

Nothing, but gives you EVERYTHING!!! Peace of mind and total confidence to buy your first home.

## WHAT IF A BETTER DEAL COMES OUT WITH ANOTHER BANK, AM I LOCKED IN?

NO! We can always lodge your loan with another bank if there is a better offer released in the market. We have done this for many customers over the years. It's our job to get you the best deal!

## CAN I HAVE INTEREST ONLY REPAYMENTS TO HELP INCREASE MY BORROWING CAPACITY AND REDUCE MY MONTHLY REPAYMENTS TO BORROW MORE?

In short, no—interest-only repayments are generally not available for the purpose of increasing your borrowing capacity or reducing repayments on owner-occupied loans. Interest-only terms are typically used for investment properties, not for homes you plan to live in. Additionally, lenders usually assess interest-only loans over a shorter loan term, often 25 years instead of 30, which actually reduces your borrowing capacity, not increases it. While interest-only repayments may result in lower monthly repayments for a limited time, they are not a strategy lenders support for boosting borrowing capacity on owner-occupied purchases.

## DO WE CHARGE ANY FEES?

No – we do not charge you any fees for our service. We are paid a commission by the lender once your loan settles. This commission is fully disclosed to you upfront in a document called the Credit Quote and Statement of Credit Assistance, so you'll know exactly how we're paid before proceeding.



# PRACTICAL TASK

- HOW MUCH SAVINGS DO I NEED FOR MY FIRST HOME?
- WHAT ARE MY REPAYMENTS?



Purchase Price	\$	
Costs:		
Government	\$	
Mortgage Insurance	\$	
Misc. own legal	\$	
<b>TOTAL</b>	\$	
Maximum Loan	\$	
<i>Your needed contribution</i>	\$	

MY MONTHLY  
REPAYMENTS  
HERE

## ACTION ITEMS

KNOW MY NUMBERS

HOW MUCH CAN I BORROW

HOW MUCH SAVINGS DO I NEED

WHAT'S MY MAXIMUM PURCHASE PRICE

WHAT'S MY MONTHLY REPAYMENTS



# Loan Types Explained: What's Good For You

VARIABLE	FIXED
<p><b>What's good:</b></p> <ul style="list-style-type: none"><li>• You can make extra repayments at any time</li><li>• Access to a redraw facility</li><li>• Option to link an offset account</li><li>• Flexible repayment structures</li><li>• Easier to refinance or switch lenders</li></ul> <p><b>Things to consider:</b></p> <ul style="list-style-type: none"><li>• The interest rate can fluctuate, increasing or decreasing in line with Reserve Bank of Australia (RBA) movements</li><li>• Best suited to borrowers who value flexibility and may want to make extra repayments or pay off the loan sooner</li></ul>	<p><b>What's good:</b></p> <ul style="list-style-type: none"><li>• Repayments stay the same during the fixed term, making budgeting easier</li><li>• Protection from interest rate rises during the fixed period</li><li>• Peace of mind knowing exactly what your repayments will be</li></ul> <p><b>Things to consider:</b></p> <ul style="list-style-type: none"><li>• Limited flexibility—extra repayments are usually capped or restricted</li><li>• Redraw and offset features may not be available or are limited</li><li>• Break costs may apply if you refinance or pay off the loan early during the fixed term. Not ideal if you're planning to sell, refinance, or make large extra repayments during the fixed period</li></ul>
BASIC	PACKAGED
<p><b>What's good:</b></p> <ul style="list-style-type: none"><li>• Typically lower interest rates</li><li>• Redraw facility available (free online)</li><li>• No ongoing fees</li><li>• Flexible repayment options</li></ul> <p><b>Things to consider:</b></p> <ul style="list-style-type: none"><li>• Additional setup fees may apply</li><li>• Offset account is usually not available</li><li>• Setup costs may be charged for additional loans</li></ul>	<p><b>What's good:</b></p> <ul style="list-style-type: none"><li>• Extra repayments allowed</li><li>• Redraw facility available</li><li>• Offset account can be linked (some banks offer multiple offsets)</li><li>• Flexible repayment options</li><li>• Credit card may be included</li><li>• Discounted insurance options</li></ul> <p><b>Things to consider:</b></p> <ul style="list-style-type: none"><li>• Annual fee of around \$400 per year</li><li>• The rate may be higher than a basic loan</li></ul>

## Redraw vs Offset

Managing your home loan can be tricky - especially when it comes to finding smart ways to save on interest over time. Two common features to consider are redraw and offset accounts. Here's how they work:

- **Redraw Facility:** This allows you to make extra repayments directly onto your home loan. These additional funds reduce the interest charged and help you pay off your loan faster. You can access the extra funds if needed, though some lenders may have restrictions on how and when redraws can be made.
- **Offset Account:** An offset is a separate everyday bank account linked to your home loan. Any money sitting in this account helps reduce the interest you pay, as it's offset against your loan balance. The key benefit is that you can access your money at any time, just like a regular transaction account.

Which one is right for you? If your goal is to pay off your loan faster, and you're comfortable not accessing extra funds regularly, a redraw facility could suit you - it also helps reduce the interest charged, just like an offset account.

If you want to save on interest while keeping your money readily accessible, an offset account may be a better fit.

# Your Guide to Getting a Pre-Approval and Buying Your First Home

- STEP 1:** We'll send you an invitation to complete our online fact find with all your personal information, and you'll have the opportunity to upload your supporting documents to the portal.
- STEP 2** We'll review your financial profile and supporting documentation to ensure everything is in order.
- STEP 3** We'll schedule a discovery call with you to discuss your needs, objectives, and goals. During this call, we'll ask detailed questions to ensure we understand what's important to you and capture the right information to provide the best home loan recommendations.
- STEP 4** Our team will prepare a range of loan options for you to consider, along with a funding position and details of the recommended home loan products for comparison.
- STEP 5** It's time to lodge your loan application with the bank for pre-approval. We'll prepare our compliance documents and the loan application for your review and signature. Once everything is ready, including all required supporting documents, we'll submit the application electronically. The bank's assessment and issuance of pre-approval can take anywhere from 24 hours to 20 business days, depending on their service levels. We'll keep you updated throughout the process and let you know what to expect.
- STEP 6** Congratulations, your pre-approval is valid for 90 days—now, the fun part—happy house hunting!
- STEP 7** You've found your dream home and signed the contract of sale! Well done, you've made it!
- STEP 8** Next, we need to get your formal approval. Send us the fully executed contract of sale, and we'll forward it to the bank, order your property valuation, and prepare for settlement.
- STEP 9** You're officially approved! It's time to sign your mortgage documents, arrange your property insurance, and make sure your funds are in place for settlement.
- STEP 10** YOU DID IT! It's settlement day, and you're all set to move into your new home!



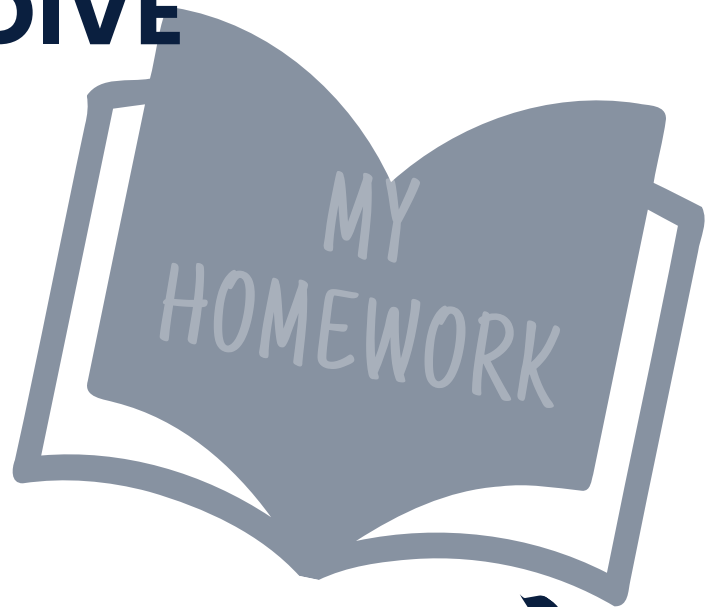
**SOLD**

# BUDGET DEEP DIVE

HOW MUCH AM I SPENDING EACH MONTH

HOW MUCH AM I SAVING EACH MONTH

MY MONTHLY  
BUDGET AND  
SPENDING



## Get Educated, Take Control

Start by reading books, listening to podcasts, and downloading free resources to help you manage your money, invest, and achieve your financial goals. There's a wealth of incredible information out there—you just need to begin.

## Understand Your Spending

Before making a purchase, ask yourself: Is this a NEED or a WANT? Taking control of your spending habits is a powerful step toward financial independence.

### ACTION ITEMS

**KNOW WHERE MY MONEY GOES**

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**DOWNLOAD A FREE BUDGET TOOL OR APP**

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**TRACK YOUR SPENDING OVER 3 MONTHS**

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**REVIEW YOUR DIRECT DEBIT AND SUBSCRIPTIONS**

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**AUDIT YOUR UTILITIES TO GET A BETTER DEAL**

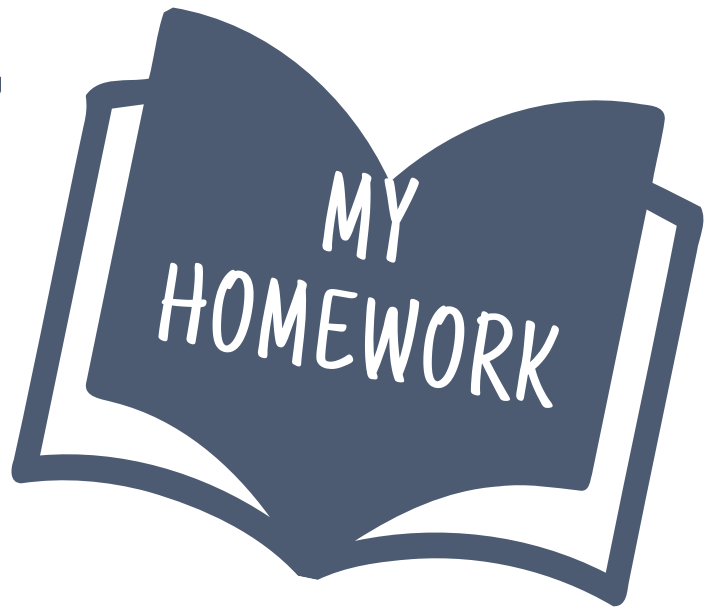
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**SPLIT UP YOUR BANK ACCOUNTS INTO DIFFERENT CATEGORIES**

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# GOAL SETTING

## SAVINGS GOAL PLANNER



## BE SPECIFIC

Write down your goals, look at them daily and keep them specific.

*What do you want to buy?*

Suburb

Price Range

Property Description

*When do you want to buy it?*

Date (month/ year)

## ACTION ITEMS

**OWN YOUR FINANCIAL FUTURE**

---

WRITE DOWN YOUR GOALS AND BE SPECIFIC

---

USE THE SAVINGS GOAL PLANNER TO HELP BUDGET

---

REVIEW YOUR PROGRESS MONTHLY

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# NOTES



# Go dive on in and buy your first home!

**Congratulations!**  
**You're ready to embark on your home  
ownership journey.**

Becoming a first home buyer is an exciting milestone, and we're here to support you every step of the way. If you have any questions or need further assistance, I'm always available to help. Don't hesitate to reach out—your dream home is closer than you think!





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Disclaimer: The information provided in the Guide to Buying Your First Home is used for general education purposes only and does not constitute specialist advice. Your full financial situation will need to be reviewed prior to acceptance of any offer or product.



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