

## Top tips for buying your first home ...

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After the boom in the 2009-10 period, they seemed to have disappeared from the property market radar and are now starting to return - we're talking about First Homebuyers. Affordable property prices, high rents, stable interest rates and incentives are enticing Gen Y and Z to start planning and rethinking their first home purchase. There's only a certain amount of time that young people are prepared to stay living at home with their parents ... and vice versa!!

We put the most frequently-asked first homebuyers questions to a home loan expert and here are her tips:

### How much can I borrow, and how much deposit do I need?

Your borrowing limit depends mainly on two key factors: **deposit, and current income.**

As a general rule of thumb, you will need a **deposit** of around **5-10%** of the property purchase price. Some lenders may take a family guarantee as your deposit, e.g. your parents give a guaranteed virtual deposit or use their home equity to guarantee the deposit. Most banks like to see these amounts as **genuine savings** (in your bank account for at least 3 months), though some banks will look at the rent you have paid for the last year as "genuine savings".

### What additional costs will I have?

These costs will include your lender's application fee, government duties e.g. stamp duty (if not eligible for rebate), land transfer duty, conveyancing, inspection fees and mortgage insurance (if you are borrowing more than 80% of the price).

### Am I eligible for the various government first homebuyer incentives, and how do I get them?

Federal and State Governments offer generous incentives - First Home Owner Grant, and Stamp Duty Concessions. If you are buying or building your first home then you may be eligible for these government grants if:

- You're over 18 years old and have never owned a property in Australia before 2000, or have owned a property here after July 2000 but never lived in it; and
- You're an Australian citizen or permanent resident (or it is a joint application with an Australian citizen or permanent resident); and
- You move into the home within 1 year of buying the property, and then live in it continuously for at least 6 months.

**Example:** A first homeowner recently bought a CBD apartment for \$400,000, received the \$7,000 Government grant and didn't have to pay the \$11,825 Stamp Duty - that's an effective saving of \$18,825!

For more information visit: <http://www.osr.qld.gov.au/first-home-owner-grant/eligibility-fhog/index.shtml>

These grants and initiatives form part of your financing and a mortgage broker can help you organise these.

### What type of home loan is right for me?

Everybody's circumstances are different and there are some flexible products out there that might suit you better than a basic low interest loan (without costly "extras", which keeps interest payments and fees to a minimum).

For instance, a family home loan (where the family member(s) are guarantors) is proving popular with First Homeowners, as some banks realise that parents and family often want to give their children a helping hand.

Many thanks to Colleen Nicholson (credit license no. 385325), from Smartline Personal Mortgage Advisors, for her specialist information. For further information please call her on (07) 3372 8828 or email [cnicholson@smartline.com.au](mailto:cnicholson@smartline.com.au).

*Disclaimer: This information is of a general nature and does not substitute the need to seek personal professional advice on what home loan strategies best suit your situation.*

## High-profile Properties

Brisbane CBD's best selection of fabulous apartments ... our **TOP 3 of the month** ...



**River Place** 82 Boundary St, CBD  
Views! 2bed 1bath car **\$499K**  
Fab investment! Top location!



**Felix** 26 Felix St, CBD  
Best 2bed design **\$524K**  
Space & living! 2bath car



**Evolution** 18 Tank St, CBD  
2bed 2bath car **\$629K**  
180° River views! Own courtyard



Hannah Schuhmann  
Principal

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