WELLMAN FINANCE

WELCOME TO YOUR FIRST HOME JOURNEY



Buying your first home is a huge milestone — and it's exciting!

But if you're anything like most first home buyers, it can also feel a little overwhelming. There

are new words to learn, numbers to crunch, and decisions to make.

This guide is here to make it simple. You'll find clear, practical steps from start to finish, so you

can go into the process feeling confident and ready.

Think of this as your go-to map for the journey ahead — and remember, with the right

preparation, your first home is closer than you think!

What's inside:

1. Preparing to buy
2. Understanding home loans & deposits
3. Support options for first home buyers
4. Budgeting & upfront costs
5. Researching the market
6. How to buy — from offer to settlement



Getting Started

So you've decided to buy your first home — what now?

The first step is getting informed. The more you understand about the process, the less stressful it will be.

Here are some quick tips to set yourself up:

Get familiar with the process – Read guides like this, attend open homes, and chat to professionals.

Be clear on your "why" – Are you buying to live in long-term, to get on the property ladder, or to renovate and sell?

Start looking at the market early – Even before you're ready to buy, see what's out there so you know what's realistic for your budget.

Home Loan Basics

You'll hear a few key terms come up when you start looking into loans. Here's a simple breakdown:

Variable interest rate – Can go up or down depending on the market. More flexibility, but repayments can change.

Fixed interest rate – Stays the same for a set period. More certainty, but less flexibility.

Comparison rate – Shows the true cost of a loan by including some fees as well as the interest rate.

Contract of sale – The legal document setting out the agreed terms between buyer and seller.

Stamp duty – A state government tax on the purchase price of your property.

Learning this lingo now means you'll feel more confident when lenders, solicitors, or agents use it later.



Crunching the Numbers

Before you start house-hunting, it's important to know how much you can borrow and what your repayments might be.

Helpful tools:

Borrowing power calculator – Estimates the amount a lender might offer you.

Repayments calculator – Shows what your monthly payments could look like.

Stamp duty calculator – Works out the government costs for your property's location and price.

Savings calculator – Helps plan how long it'll take to reach your deposit goal.

Tip: Lenders will also look at your spending habits, so the earlier you tidy up your bank statements, the better your borrowing chances.



Saving Your Deposit

In most cases, you'll need a deposit of around **20% of the property's value.**

If you have less than this, you may still be able to buy — but you might need **Lenders Mortgage Insurance (LMI).**

LMI explained:

- Protects the lender if you can't repay the loan.
- Lets you buy with as little as 5–10% deposit.
- Can be paid upfront or added to your loan.

Example:

If you're buying for $500,000:

- 20% deposit = $100,000 (no LMI)
- 10% deposit = $50,000 (LMI required)



Family Guarantee & Other Support

If saving a big deposit feels out of reach, there may be options to help you buy sooner.

LMI explained:

A close family member can use the equity in their home or cash in a term deposit as extra security for your loan.

Benefits:

- Avoid or reduce LMI.
- Borrow up to 100% of the purchase price plus costs.

Risks:

- If you can't repay the loan, the guarantor is responsible for the guaranteed amount.
- Guarantor's borrowing power may be reduced until the guarantee is released.

Other help:

First Home Owner Grant (FHOG) – A lump sum from the government (eligibility varies by state).

Stamp duty concessions – Reduced or zero stamp duty for first home buyers in some states.



There are a range of national and state government schemes designed to help first home buyers get into the property market. Some of the key ones include:

Federal Schemes (Australia-wide)

1. First Home Guarantee (FHBG)

Buy with as little as a 5% deposit, with the Government guaranteeing up to 15% of the loan (avoiding LMI).

Applies to both new and existing homes.

Eligibility: First home buyers, plus some returning buyers who haven't owned property in the past 10 years.

2. Regional First Home Buyer Guarantee (RFHBG)

Similar to FHBG (5% deposit, no LMI).

At least one borrower must currently live, or have recently lived, in the regional area where the property is located.

Regional price caps apply (generally lower than capital city thresholds).

3. Family Home Guarantee (FHG)

For single parents or single legal guardians of dependants.

Allows purchase with just a 2% deposit, with the Government guaranteeing up to 18%.

Available for both new and established homes.

State-Based Support

Most states and territories also offer a First Home Owner Grant (FHOG) — a one-off payment (usually $10,000–$30,000) for eligible buyers of new homes.

Many states provide stamp duty exemptions or concessions for first home buyers, depending on the property's value.

Important to Know

Each scheme has its own eligibility rules, price caps, and conditions. They also change regularly, so it's essential to check the latest details or speak with your mortgage broker to understand which options may apply to you.

Upfront Costs & Budgeting

Your deposit isn't the only cost you'll need to cover. Common upfront costs include:

- Stamp duty (unless you qualify for a concession)
- Legal or conveyancing fees
- Title transfer and registration fees
- Building and pest inspections
- Home insurance before settlement

Budget tip:

Work backwards from your maximum borrowing amount and factor in these costs so you're not caught short.



Research & Preparation

Good research can save you time and money.

What to look for in an area:

A close family member can use the equity in their home or cash in a term deposit as extra security for your loan.

- Public transport options
- Schools, shops, parks, and medical facilities
- Planned developments (new roads, buildings)
- Flood or bushfire risk

Approval in Principle (AIP):

This is pre-approval from a lender. It tells you the maximum you can borrow and shows sellers you're a serious buyer.

An AIP usually lasts 90 days and can be renewed if your circumstances haven't changed.



The Buying Process

Private sale:

- Negotiate the price with the seller (usually via the agent).
- You may have a “cooling-off” period after signing.

Auction:

- Must register to bid.
- No cooling-off period — if you win, you sign the contract and pay the deposit on the day.

After your offer is accepted:

- Finalise your home loan application.
- Arrange a property valuation.
- Prepare for settlement (usually 4–6 weeks).



Wrapping Up & Next Steps

Buying your first home is a big step, but with the right preparation, it's achievable.

This guide has given you the key points — now it's about putting them into action:

1. Work out your budget and deposit goal.
2. Get your Approval in Principle.
3. Research areas and properties that suit your lifestyle.
4. Be ready to act when you find "the one".

Remember — the journey is exciting. Stay patient, keep learning, and you'll be holding the keys before you know it!



We'd love to help however we can. Get in touch at taylor@wellmanfinance.com.au or visit us online at wellmanfinance.com.au