LNG MORTGAGE SOLUTIONS

FIRST HOME BUYER GUIDE

Your clear path from dreaming to owning in Australia



Grants & Schemes | **Loan Guidance** | **Step-by-Step** | **Expert Support**

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1. Introduction

Buying your first home is one of life's biggest milestones; exciting, but often complex. This guide cuts through the noise and gives you clear; practical steps tailored for first-home buyers across Australia.

You'll learn how to get your finances ready, unlock government support, choose the right loan, find a property, navigate contracts, and settle with confidence.

Quick Tip

You don't have to do this alone. A mortgage broker can save you time, money and stress by comparing lenders and guiding you through every stage.

2. Understanding Your Financial Situation

Before you start house hunting, get clear on where you stand. A solid financial foundation makes every later step easier and strengthens your loan application.

Know your numbers

Track income, expenses, debts and savings so you understand exactly what you can afford.

Build your deposit

Aim for at least 5–20%. Even small automatic transfers add up quickly over time.

Protect your credit score

Pay bills on time, keep credit utilisation low, and check your report for errors.

✓ Action Step

Request a free credit report from Equifax or Experian and review it carefully before applying for pre-approval.

3. Understanding the Costs Involved

The purchase price is only part of the total cost. Smart first-home buyers budget for several additional expenses from day one.

Budget for the full picture, not just the property price

Deposit	Typically, 5–20% of the property price. Under 20% usually triggers Lenders Mortgage Insurance (LMI), unless you qualify for an eligible government scheme or a lender's LMI waiver.
Stamp Duty	State tax on property purchases. Many first-home buyers receive full or partial exemptions.
Transfer of Land Fee	Fee charged by the state/territory land titles office to transfer ownership into your name. Amount varies by state and property value.
Lenders Mortgage Insurance	Protects the lender if you default. Can add thousands when your deposit is under 20%.
Upfront costs	Lenders' fees, conveyancing fees, building/pest inspections, moving costs, utility connections.
Ongoing costs	Council rates, strata fees (if applicable), home insurance.

⚠ Important
Always keep a buffer of several thousand dollars beyond the deposit and known fees. Unexpected costs are common in property purchases.

4. Government Grants, Schemes & Incentives

Australia offers a range of federal and state-based support for first-home buyers. Rules, property value caps and grant amounts change over time, always verify the latest details.

Australian Government 5% Deposit Scheme

Buy with as little as 5% deposit (2% for eligible single parents/guardians) without paying LMI.

First Home Super Saver (FHSS) Scheme

Save up to $50,000 in super for deposit with tax benefits.

Help to Buy Scheme

Shared equity scheme (2% deposit) where the government can contribute a portion of the purchase price.

Most states also offer a First Home Owner Grant (usually for new homes) and stamp duty concessions or exemptions. Amounts and rules differ significantly between states.

Tip

Grant & scheme details change frequently. Check the relevant state revenue office website or speak with your broker for the most current eligibility and amounts that apply to you.

5. Preparing for Home Loan Application

Strong preparation improves your chances of approval and better loan terms.

Preparation Checklist

1. **Check** and, if needed, improve your credit score
2. **Build** your deposit and an emergency buffer
3. **Get** a realistic borrowing power assessment
4. **Organise** key documents (ID, payslips, tax returns, bank statements, assets/liabilities)
5. **Reduce** or clear high-interest consumer debt where possible

✓ Broker Advantage

A mortgage broker can assess your situation across multiple lenders and help package your application for the strongest chance of approval.

6. Types of Home Loans & Key Features

Understanding the main loan structures helps you choose what suits your goals and comfort with risk.

Variable vs Fixed

Variable rates move with the market and offer flexibility. Fixed rates lock in certainty for 1–5 years but have less flexibility.

Principal & Interest (P&I) vs Interest-Only (IO)

P&I reduces your loan balance over time (ideal for owner-occupiers). IO keeps repayments lower initially but doesn't reduce the principal.

Useful Features

Look for offset accounts, the ability to make extra repayments, and redraw facilities. These can save you thousands over the life of the loan.

Tip

Always compare the comparison rate as well as the headline interest rate. It gives a clearer picture of the true cost of the loan.

7. Securing Pre-Approval

Pre-approval (conditional approval) gives you a clear idea of how much a lender is willing to lend, subject to final checks and a satisfactory property valuation.

- **Strengthens** your position when making offers
- **Helps** you search within a realistic price range
- **Usually** valid for 3–6 months
- **Still** subject to the property meeting the lender's requirements

8. The Property Search Process

Once you know your budget, focus on the type of property and location that match both your lifestyle and longer-term goals.

Location matters

Consider transport, schools, amenities, future infrastructure and growth potential, not just the house itself.

Property type
Houses, apartments, townhouses, new vs established, and off-the-plan each come with different pros, cons and cost profiles.

Due diligence
Always arrange building & pest inspections, check strata reports, zoning, flood/bushfire risk and any heritage overlays.

9. Contracts, Cooling-Off & Legal Steps

Once you find a property you like, the legal process begins. Never sign a contract without understanding the key terms.

Cooling-Off Periods by State

Most states give buyers a short window after signing to change their mind (usually for a fee). Auctions almost always have no cooling-off rights.

State / Territory	Cooling-Off Period
New South Wales	5 business days (10 for off-the-plan)
Victoria	3 business days
Queensland	5 business days
South Australia	2 business days
Australian Capital Territory	5 business days
Northern Territory	4 business days
Tasmania	No statutory cooling-off period
Western Australia	No mandatory period (must be negotiated)

During the cooling-off period you can usually withdraw, but you will typically forfeit a termination fee (often 0.25% of the purchase price in several states). This right does not apply to auction purchases.

⚠ Important - Always Confirm

Cooling-off rules, exact start and end times, and any applicable fees can vary based on the specific contract and circumstances. Always confirm the exact details that apply to your purchase with your solicitor or conveyancer.

Conveyancing

A solicitor or licensed conveyancer handles the legal transfer, reviews the contract, conducts title searches and manages settlement. Choosing an experienced professional is one of the best protections you can have.

10. Settlement & Moving In

Settlement is the final step where the balance of the purchase price is paid, and ownership officially transfers to you.

- **Your** lender and conveyancer coordinate the transfer of funds
- **You** receive the keys (usually on settlement day or shortly after)
- **Arrange** home and contents insurance to commence from settlement
- **Organise** removalists, utility connections and any immediate repairs

After you move in

Set up a realistic household budget, consider making extra repayments when you can, and review your loan after any fixed period ends or when your circumstances change.

11. Frequently Asked Questions

1. Can I use more than one government scheme at the same time?

Yes, in many cases. You can usually combine the Australian Government 5% Deposit Scheme with a state First Home Owner Grant and stamp duty concessions. However, Help to Buy generally cannot be combined with the 5% Deposit Scheme or most other shared equity programs for the same purchase.

2. What is the difference between the 5% Deposit Scheme and Help to Buy?

The 5% Deposit Scheme is a government guarantee that lets you buy with a 5% deposit (or 2% if you're an eligible single parent) without paying Lenders Mortgage Insurance. Help to Buy is a shared equity scheme where the government contributes up to 30–40% of the purchase price and you only need a 2% deposit. Help to Buy has income caps and limited places; the 5% Deposit Scheme currently has neither.

3. Can permanent residents access the Australian Government 5% Deposit Scheme?

Yes. The 5% Deposit Scheme is available to both Australian citizens and permanent residents. Help to Buy is currently limited to Australian citizens only.

4. How much deposit do I really need as a first home buyer?

It depends on the pathway you use. With the 5% Deposit Scheme you can buy with as little as 5% (or 2% if eligible as a single parent). Without a government scheme, most lenders prefer at least 10–20% to avoid or reduce Lenders Mortgage Insurance.

5. Is Lenders Mortgage Insurance (LMI) still required if I use the 5% Deposit Scheme?

No. One of the main benefits of the 5% Deposit Scheme is that you do not pay Lenders Mortgage Insurance, even though your deposit is below 20%.

6. Do first home buyer grants apply to established homes or only new homes?

Most First Home Owner Grants are only available for new homes (or substantially renovated homes). Stamp duty concessions, however, often apply to both new and established homes, depending on the state or territory.

7. How long do I have to live in the property after using a grant or scheme?

Most grants and schemes require you to live in the property as your principal place of residence for a continuous period (commonly 6 or 12 months). The exact requirement varies by state and scheme.

8. Can I use my First Home Super Saver (FHSS) withdrawal together with the 5% Deposit Scheme?

Yes. You can withdraw eligible contributions under the FHSS Scheme and use that money as part of your deposit when buying through the 5% Deposit Scheme.

9. Are the grant amounts and stamp duty thresholds the same in every state?

No. Each state and territory sets its own First Home Owner Grant amount, property price caps, and stamp duty concession rules. What is available in one state can be quite different from another.

12. Ready to Take the Next Step?

If you're ready to explore your options or simply want a clear picture of what you can afford, I'm here to help.

Let's make your first home a reality

- **Get** a personalised borrowing capacity assessment
- **Compare** loan options across multiple lenders
- **Understand** which grants and schemes you may be eligible for
- **Book** a free, no-obligation consultation

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Disclaimer

This guide is intended for general informational purposes only and should not be considered financial, legal or professional advice. Government grants, schemes, stamp duty concessions and lending criteria change regularly and vary by state and individual circumstances. Always verify current details with the relevant government agencies, your solicitor or conveyancer, and a licensed mortgage broker or financial adviser before making any decisions.

LNG Mortgage Solutions does not guarantee the availability or applicability of any scheme mentioned. For advice tailored to your situation, please contact us directly.