

Tips for first home buyers

Applying for a mortgage the first time can be intimidating. At CORE lending we take the pain and intimidation out of the home loan process for first home buyers. In our experience we have found it best to be prepared and well versed before you start the process.

Here are some tips to help first home buyers prepare for their first property purchase.

1. Do your research

Apart from visiting and dealing with a reputable mortgage broker – much more savvy than visiting 10 or more lenders to find out what loan products are on offer – start to take note of property and mortgage related information sources that can help you make informed choices.

2. Assess your borrowing capacity and options

Your employment and income position and asset and liabilities position along with your current living arrangements determines how much you can borrow and what the repayments will be on a particular loan amount. Let CORE Lending give you an understanding on your borrowing capacity.

3. Write up a budget

If you don't already have a budget plan in place, create one. If you can follow a budget for a year long period or more, making small adjustments along the way, you will have a strong idea of what money you need to put aside for things that crop up regularly throughout the year, and start to build a plan to pay off the mortgage sooner (potential saving you thousands in interest)

4. Determine if you are eligible for the First Home Owners Grant (FHOG)

You may be eligible for the Australian Governments FHOG allowance. There are also a range of state concessions available on top of the FHOG, as well as concessional stamp duties.

5. Think about concessions and other costs involved

You may know how much you can afford but have you considered the new car you'll need in a years time or that overseas trip you've been thinking of or perhaps even the new/replacement furniture you may need for your home. When committing your money to a mortgage, you're committing your lifestyle to a mortgage as well.

6. Consider suitable loan types

Many people, let alone first home buyers are not aware that there are many different types of mortgages available. Everything from family equity loans to paying of a loan with a friend rather than by yourself can bring property ownership closer than you may think.

7. Determine your property picture

Once you have a better idea of the loan type, costs, repayments and loan amount you can start to build a picture of what type of home and the areas you think you can afford.

8. Consider a pre approval

Consider a loan pre approval before going on the serious hunt to purchase your first home. These are normally valid for a period of 3 – 6 months at a time and help frame your budget.

Contact us at CORE Lending today to help find out what home loan suits your needs.

To talk further with us at CORE Lending please drop into our office at 8/9 Longland St Newstead or call us directly on 07 32 600 600 today.

