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What are my options?

The options available to you can seem overwhelming when looking to purchase your first home... and that's just thinking about what and where to build.

Then, there's the finance. It's not the "fun" part of buying a home, but it involves decisions that will affect your home buying and home owning experience.

In this guide you will discover more about the things you need to consider right from the beginning of your first home buying journey and what options are available to you.

What you need to consider:

Is Rent Money Dead Money?

Currently, in 36% of Australian suburbs it's cheaper to buy a house than rent one. The median weekly rent here in Perth is now up 21.6% from June 2020 to $450 per week. There are some house and land packages available from just $296 per week!

Stop paying for someone else's home.
There are many advantages when buying a home, and there are even government grants to help you on your way. If you feel like you are wasting money by renting, give Mike a call and see just how quickly you can escape the rent trap.

How Much can I Borrow?

How much you can borrow depends on quite a few factors. Things like, how much you earn, if your job is full time/part time/casual, how much of a deposit you have, if you have any assets, your age, what type of debt you have, and the list goes on.

Give Mike a Call!
The best way to find out how much you can borrow is to call Mike and give him all your details as accurately as you can. This lets him calculate and give you the right information. Just like you, the amount you can borrow is unique.

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How Much will my Repayments be?

To know how much your repayments will be you need to know the loan amount, what the interest rate is, and the term of the loan (how long you have the loan for - usually 30 years for a first home). From here you will get an idea of exactly how much you could be saving by building or buying a home rather than renting.

Options available to first home buyers in Perth.

Easier than you think.

Your landlord has just increased your rent. Again.
We understand that saving your deposit seems to be a further goal to reach than ever before. Let me reassure you... you don't need to give up on your goal of buying your very first home! There are so many lesser-known solutions that can get you into a place of your own even with little to no deposit saved.

20% deposit myth
Banks love money. It's their job. So yes, they do love to see a deposit of at least 20% of your property's purchase price. Did you know, it may be possible to buy your home with less than a 20% deposit.

Some lenders offer finance of up to 95% of the property's value. This means you can potentially get into the property market for as little as a 5% or 10% deposit. Keep reading to see how these options might work for you.

First Home Owner Grant.

If you are choosing to build your very first home in Perth then you could be eligible for a State Government First Home Owner Grant (FHOG). This basically means that you will receive a one-off payment of $10,000 to help you build your first home, providing you intend to live in the house as your principal place of residency.

Like most things these days, there are conditions to consider if determining of the FHOG is right for you. You must be 18 years or over at the time of making the application and at least one of the applicants needs to be an Australian citizen.

Fortunately, this grant is **not** means-tested which means that no matter your income you can be eligible for this type of grant.

Guarantor Loans.

We all love the security of a guarantee. Banks are no exception.
If you need extra help when buying your first home, you could consider a guarantor loan. This particular type of loan is where someone else (usually a family member like a parent, sibling, aunt/uncle or even grandparent) provides a "guarantee" to the lender on your mortgage.

This option can save tens of thousands of dollars over the life of your loan. This is usually because when using a guarantor option, banks consider the lender less of a risk, so they often lower the interest rate you pay.

You can often keep any money you have saved for a deposit, or not even need a deposit at all, as the bank does not necessarily need a deposit for a guarantor loan. You also save money by avoiding LMI (Lenders Mortgage Insurance) costs as the bank has the 'security' of a guarantor.

Keystart Home Loans.

Keystart Home Loans are a Western Australian Government Initiative providing low deposit home loans to those who may not meet the minimum deposit requirement of the "Big 4" banks.

Keystart loan lenders also avoid Lender's Mortgage Insurance (LMI) so you can get into your new home much sooner with a significantly lower deposit that you might normally have to pay.

First Home Loan Deposit Scheme.

Do you know that you could be paying less per week for your mortgage than what your weekly rent costs, but you find it impossible to save a deposit because you're paying higher rent? The Australian Government's National Housing Finance and Investment Corporation (NHFIC) offers the First Home Loan Deposit Scheme to eligible first home buyers.

If you are eligible, the NHFIC acts as guarantor over your loan, meaning you can purchase a home with as little as 5% deposit. Meaning you can act sooner and save more.

Final things you need to consider.

Buying a first home can be a confusing time where you can second guess a lot of your decisions because you don't have all the info.

Options like Low Deposit home loans, Guarantor Loans, and First Home Loan Assistance Schemes might seem like a foreign language, but you can rest assured if there is anyone who can help you navigate through the red tape of home buying, it's Mike.

Booking a phone call with Mike means you can have a chat about which of these options you might like to consider and just how soon you could be out of the rent-trap/share-house and in your very own home.

Now is the right time. Start your journey today.

Book an appointment today!