



# SW BROKERAGE

YOUR PARTNERS IN FINANCE

## BUYING YOUR FIRST HOME

**WE'RE GOOD WITH NUMBERS, BUT**

**WE'RE BETTER WITH PEOPLE**

**RESIDENTIAL - COMMERCIAL - BUSINESS**

# OUR FIRST HOME BUYER'S GUIDE

---



We understand that applying for a loan or embarking on a new financial journey can be daunting. To help you understand the process and know what's coming next, we've developed our SWB Way – a detailed breakdown of the process and of how we structure our ongoing relationship.

# WHAT INCENTIVES ARE AVAILABLE FOR FIRST HOME BUYERS IN AUSTRALIA

Australia has a number of incentives to help first homebuyers get into the property market, we have summarised a few of the key incentives that can benefit you:

## **First Home Buyers Guarantee Scheme**

This scheme allows buyers to purchase a home with as little as a 5% deposit without paying Lenders Mortgage Insurance (LMI). MI varies between lenders but could be \$15,000-30,000 for a \$700,000 home.

## **First Home Buyers Stamp Duty Concession**

Stamp Duty is a tax that buyers pay when they purchase a property. This differs from state to state and is a sliding scale depending on the purchase price of the property. In QLD, stamp duty on a \$700,000 property is about \$8,750. If you qualify for this incentive, your stamp duty contribution will be reduced or eliminated depending on the purchase price.

## **First Home Owners Grant (QLD)**

This scheme provides a \$30,000 grant (formerly \$15,000) to first home buyers who build their own home or purchase a home that has never been lived in.

## **First Home Super Saver Scheme**

If you make voluntary superannuation contributions, this scheme allows you to withdraw some of those to put towards a deposit on your first home.

# FIRST HOME GUARANTEE SCHEME

---

You've probably heard that you need a 20% deposit to buy a property, otherwise you will get stuck paying expensive Lender's Mortgage Insurance (an insurance premium that protects the lender, not you) and higher interest rates

This scheme is extremely popular at the moment and has 35,000 spots per year, so speaking to us about reserving your spot is vital

The First Home Guarantee Scheme allows you to purchase a property with as little as a 5% deposit. The Australian Government then provides a guarantee to the lender for the difference, allowing you to avoid paying LMI and higher rates

Let's go ahead and break down the key criteria



# FIRST HOME GUARANTEE SCHEME

Buying as an individual or 2 applicants  
(no more than 2, can be a couple or  
buy with a family member or friend)

Income in the previous financial year  
was not above \$125,000 for individuals  
or combined \$200,000 for couples

You must be planning to live in the  
property yourself (no investment  
properties)

You can buy an existing house,  
townhouse or apartment, a house and  
land package, an off-the-plan  
apartment/townhouse



All applicants are first homebuyers

All applicants are Australian Citizens or  
Permanent Residents and at least 18

The purchase price must be below  
\$700,000 for metropolitan areas and  
below \$550,000 for regional areas (QLD)

For construction, you must enter a fixed  
price contract with a licenced or registered  
builder, begin construction within 12 months  
and move in within 24 months

## KEY CRITERIA



# FIRST HOME BUYER STAMP DUTY CONCESSION

---

Stamp Duty is a tax that buyers pay when they purchase a property. This differs from state to state and is a sliding scale depending on the purchase price of the property.

This concession will allow you to pay zero stamp duty on homes \$700,000 or under, or a reduced amount for homes under \$800,000. For vacant land, the full concession applies at \$350,000 and partial concession under \$500,000.

In Queensland, stamp duty on a \$700,000 property is \$17,350. Each State has different limits so these numbers are based on Queensland purchases

Let's go ahead and break down the key criteria



# FIRST HOME BUYER STAMP DUTY CONCESSION

You are buying the property as an individual or as individuals with other borrowers and are at least 18

The property is being purchased for under \$700,000 (full concession) or under \$800,000 (partial concession)

You have never owned residential property in Australia or overseas (if one buyer has owned property and another hasn't, the second buyer can still apply for a concession for their share of Stamp Duty)



You are planning to live there yourself and will move in within 12 months of the purchase

You must be paying market value if the property is valued between \$700,000 and \$800,000

You do not dispose of (sell, transfer or lease) any or all of the property before you move in (if a lease is currently in place when you buy, tenants can remain for a maximum of 6 months)

## KEY CRITERIA



# FIRST HOME OWNER GRANT (QLD)

---

This grant provides \$30,000 (formerly \$15,000) to first home buyers who are purchasing a brand new residence or constructing a new residence

Each State has their own scheme and criteria, so the following information only covers the scheme in Queensland

Let's go ahead and break down the key criteria





# FIRST HOME OWNER GRANT (QLD)

You have never received a first home owner grant in any State or territory in Australia

You are an Australian Citizen or Permanent Resident and at least 18

You have not owned a property that you lived in after 1 July 2000 or owned any property at all prior to 1 July 2000 (if you owned an investment property that you have never lived in, you may still be eligible)



The total value of the final residence (land and property) must be less than \$750,000

You are planning to live in the property, will move in within 12 months of the purchase and live there continuously for at least six months

You are purchasing a brand-new residence that has never been lived in, are constructing a brand-new residence or (under some circumstances) substantially renovating a residence before you move in

## KEY CRITERIA



# WHAT HAPPENS NEXT?

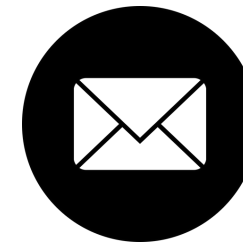
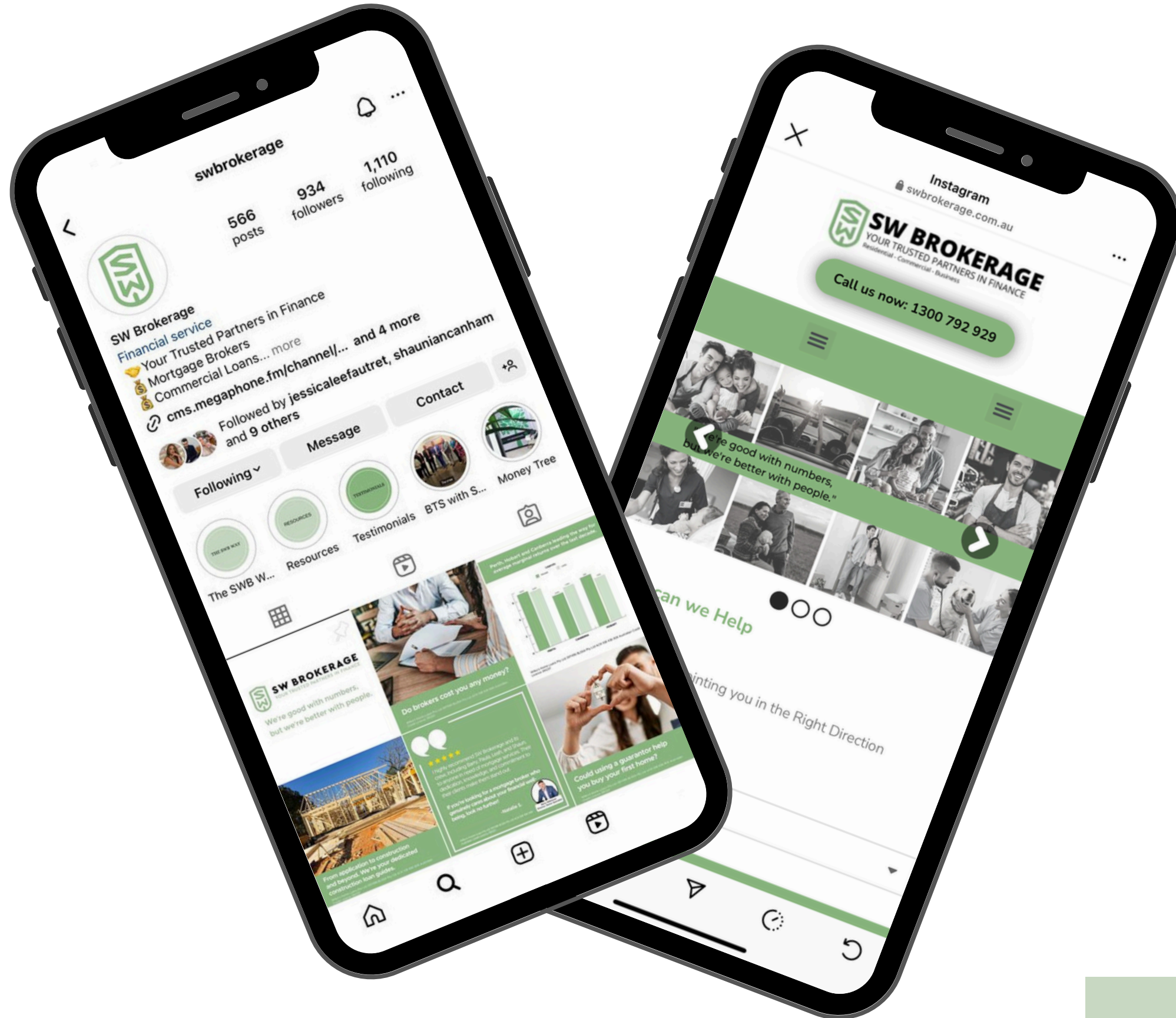
---

## Key words and concepts to know

- **What is a deposit? How much do I need?**
- **What is Lender's Mortgage Insurance (LMI) and should I pay it?**
- **What is a guarantee?**
- **What are genuine savings?**

## The four steps to buying your first home

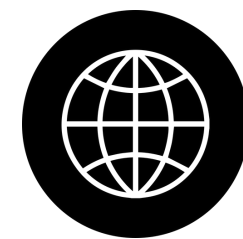
- **Nail your deposit and budget**
- **Navigate the loan process**
- **Understand industry jargon and concepts**
- **Find your dream home**



[INFO@SWBROKERAGE.COM.AU](mailto:INFO@SWBROKERAGE.COM.AU)



07 3371 1603



[WWW.SWBROKERAGE.COM.AU](http://WWW.SWBROKERAGE.COM.AU)