Save thousands by securing government grants

This month, the Australian Bureau of Statistics released new Lending Indicators data, highlighting more than one in three loans were issued to first home buyers (FHBs).

In the last three months to July 2024, loans issued to FHBs made up 35.4 per cent of the overall home buying market. With land now selling from $545,000 and home and land packages starting at $885,000, Bingara Gorge is witnessing an uptick in enquiry and purchases from FHBs.

According to Xavier McCoy, Credit Advisor at Mortgage Works, buying a home can be a stressful experience when you have knowledge gaps and more so for a first property purchase.

"Using a mortgage broker to help navigate the banking environment and secure government grants can swap stress for excitement. With the right information purchasers can save thousands when buying their first home."

Three government grants are currently available:

First Home Guarantee Scheme: This federal government scheme allows eligible buyers to purchase a home with a deposit as low as 5 per cent without paying Lenders Mortgage Insurance (LMI). To qualify individual income must not exceed $125,000, and for couples, the combined income limit is $200,000.

Family Home Guarantee (FHG): The FHG aims to support eligible single parents or single legal guardians of at least one dependent with an income of $125,000 or less to buy a home, whether a first home buyer or previous homeowner. This scheme enables an eligible home buyer to purchase a home with as little as a 2 per cent deposit without paying LMI.

First Home Buyer Assistance Scheme: Offers exemptions or concessions on stamp duty. If purchasing a new or existing home valued up to $800,000 stamp duty is waved, and between $800,000 to $1,000,000 a concessionary rate is applied.

Housing Australia's Annual Home Guarantee Scheme (HGS) Trends & Insights Report (September 2024) indicates a steady uptake of grants among FHBs, reflecting ongoing interest in new properties as well as positive market sentiment amongst purchasers.

During 2023–24, 50,000 places were made available to eligible home buyers under the HGS, comprising 35,000 places for the First Home Guarantee, 10,000 places for Regional First Home Buyer Guarantee and 5,000 places for the Family Home Guarantee.

Xavier shares five tips for FHBs starting their home journey:

1. Speak to a mortgage broker: A good mortgage broker will generally be a free service to the buyer; banks pay the broker. Engage a mortgage broker to navigate the complexities of loan options and assist in finding the best deal for your circumstances. If you are a FHB it can be confusing to understand the best value and schemes for you. A good broker will help navigate you through the journey.

2. Understand grants and schemes: Familiarise yourself with available grants and schemes to ensure you're making the most of the financial support available.

3. Understand your budget: Start by having a broker assist in assessing your financial situation including savings, income and expenses. From there, take that information away and determine how much you can comfortably borrow and repay each month.

4. Obtain pre-approval: Secure a pre-approval for a mortgage. Generally, pre-approval lasts for three months and can be easily extended for a further three. Should the six months go past without finding a property, don't worry, your broker will do a full re-assessment and have it reinstated. There is no fee for pre-approval, nor an obligation to use it.

5. Inspect and research: Thoroughly inspect properties, ensure pest and building due diligence is done and ask a conveyancer to review the contract.

Buying your first home is incredibly exciting. Undoubtably people look back at this experience as one of their fonder memories and most significant milestones in life. Obtaining the right support not only assists in making the correct financial decisions, but also enables the process to be a positive one.

Visit mworks.com.au for further information or call Xavier McCoy to discuss your mortgage needs today on 0410 990 991.

Land is from $545,000, home and land packages are priced from $885,000 and completed homes start at $1.050 million. For further information visit bingaragorge.com.au or phone 1800 647 155 (7 days) 10am – 5pm.