

How to buy your first home

Buying your own home is still the great Australian dream. It is however one of the biggest financial and emotional decisions you'll ever make – and one that can seem daunting and fraught with potentially costly mistakes if you're not armed with all the right facts and figures.

So before you embark on your home ownership journey, print out our easy-to-follow checklist – just think of these tips as your all-important crib notes for buying that dream home.

1. Check the pennies – work out how much you can spend and repay.

Before you even start your search, make sure you can answer the following questions confidently:

- What is my budget? How much can I really afford to spend?
- How much can I expect to borrow?
- How much can I afford on loan repayments?
- Am I eligible for The First Home Owner Grant?
- Your finances will, of course, depend on your income/ assets and living expenses. (See "How to estimate the real cost of buying" guide for a breakdown of expenses)

2. Choose a loan – and apply for it

When choosing your loan you should first consider the type of loan that best suits your needs (for example, a fixed rate or a variable rate), the interest rate charged and other fees and charges (which will vary depending on the loan product you select). Compare loans to find the best deal, and make sure you get the lender to explain all the loan features and costs.

3. Do your homework – research the market

Location, location, location! Yes, we know – its clichéd, but buying a home is a long-term investment and with all investments, it should appreciate – or have the potential to appreciate – over time, which means buying in an area with good growth prospects.

- Have property values in the area been going up and by how much?



- What facilities (e.g. schools, public transport, shops, access roads to major cities, parks) are nearby?
- Are there any major developments planned for the area that might affect property values in the future?
- Jump online and do some research or check through the local council.

4. Make an offer – negotiate a price

Once you've found your dream home, it's time to make an offer and negotiate a price and deposit amount (usually 10 percent).

Now, here's where it's really important to let your head rule your heart. Buying property, particularly your first home, is an emotional experience. But it's also a major financial investment that can affect you for the next 30 years, so remember stay within your budget!

5. Arrange conveyancing

Conveyancing is simply when ownership of the property is legally transferred from the seller's name to the buyer's name. Although you can do this yourself with special do-

