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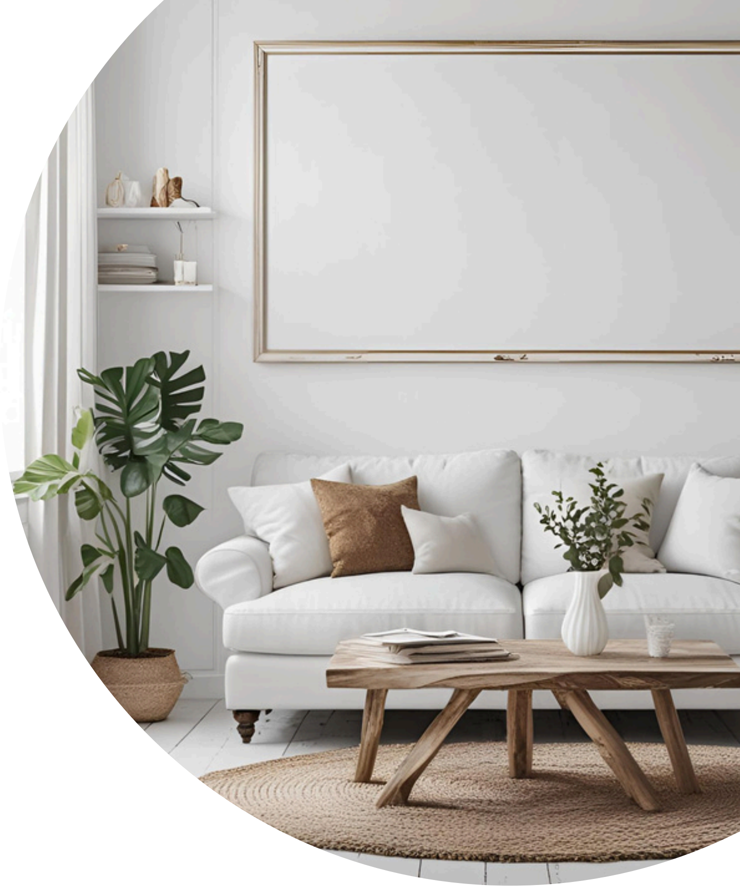

Victorian First Home Buyers Guide

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Kingdom Mortgage Broking

Using the **Buyers Guide**

Saving enough for a deposit to enter the property market can feel daunting. But, there are plenty of ways to help make homeownership a reality.

This guide walks you through the options available to first home buyers in Victoria, and the good news is, many of them can be combined. Similar schemes exist in other states too.

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Government Scheme 1

5% Deposit Scheme

What it is

The Scheme gives all Australian first home buyers the chance to enter the market with a deposit of as little as 5% or 2% for single parents and avoid Lenders Mortgage Insurance. The government guarantees up to 15% of your loan.

How it works

The government will be your guarantor for the remaining 15%. Meaning, if you default on your loan, have to sell and the house sells less then what you paid. The government will pay the bank that shortfall but will still hold you liable.

Pros

- No LMI costs, saving $10,000-$30,000.
- Only need 5% deposit
- Unlimited places

Cons

- Higher repayments due to higher LVR and larger loan
- Property price caps: $950,000 capital and regions, $650,000
- Australian citizen or permanent resident
- Can only be used once in your lifetime

https://www.housingaustralia.gov.au/first-home-guarantee

Government Scheme 2

Help to Buy

What it is

The government becomes a co-owner, contributing up to 30% for existing homes (40% for new homes). The Help to Buy scheme allocates 10,000 spots per year for four years. It started late 2025.

How it works

You provide a minimum 2% deposit, the government contributes 30% of the purchase price, and you get a mortgage for the remaining 68%. **Participants must not be able to purchase the home without the assistance.**

Individuals must earn less than $100,001 and couples less than $160,001. You must not own any home in Australia at the time of accessing the scheme. Available to first home buyers or if you haven't owned in the last 10 years.

Pros

- Smaller deposit required (just 2%)
- Lower mortgage repayments (only paying 68% of property value)
- Government doesn't charge rent or interest on their share
- No repayments to government until you sell

Cons

- Higher repayments due to higher LVR and loan size
- VIC property price caps: $950,000 capital and regions, $650,000
- Income caps $100k for individuals & $160k combined
- Can only be used once in your lifetime
- You must pay all fees and taxes (Inc. stamp duty

https://treasury.gov.au/policy-topics/housing/home-ownership-support#help-to-buy

Government Scheme 3

First Home Super Saver

What it is

A tax-effective way to save for your first home by making voluntary contributions into your superannuation. You can save up to $50,000 ($100,000 for couples) and withdraw it to use as a deposit.

How it works

Make extra contributions to your super (salary sacrifice or after-tax), then apply to withdraw these contributions plus earnings when you're ready to buy. Each year you can contribute up to $15,000. Savings put into super also earns interest.

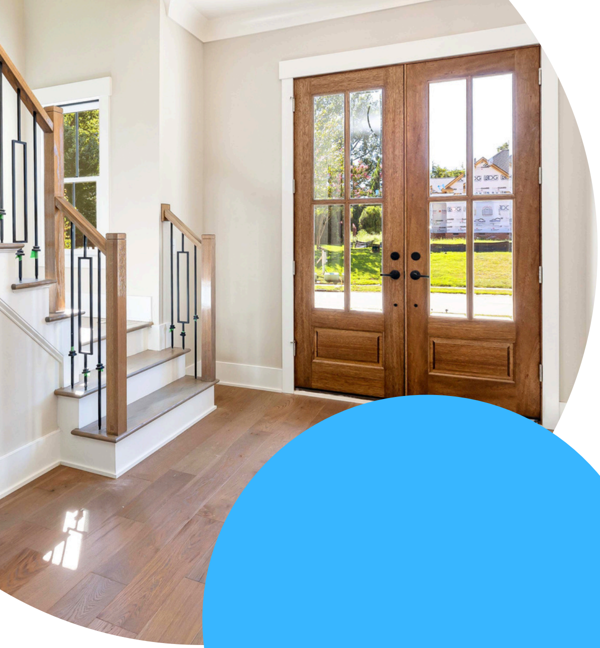
Pros

- Super contributions taxed at only 15%
- Can contribute up to $15,000 per year
- Couples can each save $50,000
- Can combine with other schemes (like First Home Guarantee)
- Money stays in super if you change your mind
- No citizenship requirement

Cons

- Must be a first home buyer
- Money locked in super until you're ready
- Can take 15-20 business days to access funds once requested
- Must sign a contract within 12 months of releasing funds
- Only 85% of concessional contributions can be withdrawn (15% already taxed)
- Complex tax reporting required
- Counts as assessable income in the year you request release (though with 30% offset)

https://www.ato.gov.au/individuals-and-families/super-for-individuals-and-families/super/withdrawing-and-using-your-super/early-access-to-super/first-home-super-saver-scheme



Government Grant

First Home Owner Grant Vic

What it is

The First Homeowner Grant (FHOG) offers $10,000 to eligible first home buyers who buy or build a new home valued up to $750,000. The home must not have been previously sold or occupied.

How it works

A one-time $10,000 cash payment for purchasing or building a brand new home.

Pros

- $10,000 cash contribution toward your purchase
- Can be used as part of your deposit
- Can combine with other schemes

Cons

- Only for off-the-plan or newly built, never lived in homes
- Property value cap of $750,000
- Must be your principal place of residence
- Only available to Australian citizens or permanent residents

https://www.sro.vic.gov.au/first-home-owner-grant/understanding-first-home-owner-grant

Family Guarantee

What it is

Your family use their property as security to guarantee all or part of your loan, allowing you to borrow up to 100% without needing a cash deposit.

How it works

Parents guarantee typically 20% of your property value using their home as collateral. This can be structured as either:
(1) Two separate loans - one for 80% secured by your property, and one for 20% secured by your parents' property (you repay both), or

(2) A single loan secured by both properties. Structure depends on the lender. You can buy with no deposit and still access standard interest rates.

Pros

- No cash deposit needed
- Avoid LMI if guarantee covers 20% of the loan
- Can buy sooner without waiting to save
- Access to standard home loan interest rates

Cons

- Parents' home is at risk if you can't pay
- Longer application process
- Parents need substantial equity
- Two property valuations required
- Can strain family relationships
- Parents can't access that portion of their equity while guarantee exists
- More scrutiny from lenders

Financial Gifts

What it is

When you are gifted or inherit a substantial sum of money that you can use for a deposit.

How it works

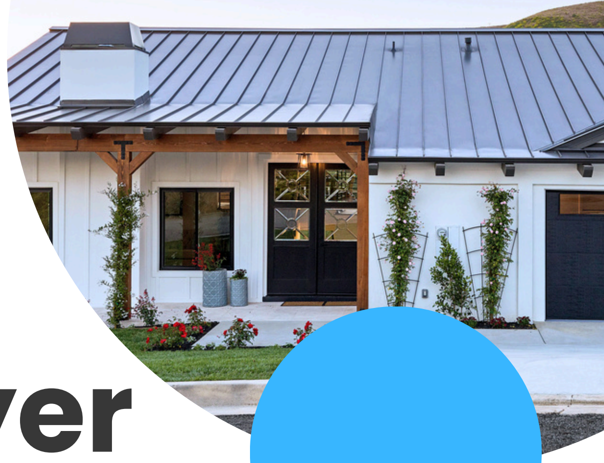
Common methods of obtaining lump sums of cash is through a gift from parents either from savings or by refinancing and accessing equity from their home. Banks don't generally view cash obtained in this manner as 'genuine savings' unless it has been held and not used for three - six months.

Pros

- Access to competitive interest rates if deposit is 20%
- No LMI if deposit is 20% of purchase
- Parents' property not at risk
- Faster approval process
- Can get you into the market sooner

Cons

- Parents need substantial cash available
- May affect parents' financial position
- Generally can't be a loan
- Bank scrutinises the source of funds
- Potential family complications
- You may have to get a statutory declaration saying you don't need to repay the gift



First Home Buyer Stamp Duty Concessions

What it is

Stamp duty is a tax you pay when you purchase land or property. It can cost you thousands or even tens of thousands of dollars when purchasing your home in Victoria.

How it works

If your property's value is $600,000 or less, you pay NO stamp duty. If the value is between $600,001 and $750,000, you receive a concession on a sliding scale (the closer to $600,000, the bigger the discount).

Property Value	Normal Stamp Duty	After Concession	Your Savings
$500,000	$21,970	$0	$21,970
$600,000	$31,070	$0	$31,070
$605,000	$31,370	$1,045	$30,325
$625,000	$32,570	$5,428	$27,142
$650,000	$34,070	$11,356	$22,714
$675,000	$35,570	$17,785	$17,785
$700,000	$37,070	$24,713	$12,357
$725,000	$38,570	$32,141	$6,429
$750,000	$40,070	$39,540	$530

https://www.sro.vic.gov.au/land-transfer-duty/first-home-buyer-duty-exemption-or-concession

The Buying Journey

Private Treaty Sale

Step 1: Preliminary Goal Setting
Review your income, expenses, savings and debts. Determine what your goals are including where you want to purchase and desired purchase price.

Step 2: Get your Team Ready
Find a mortgage broker, conveyancer/ solicitor and accountant that will assist you with the home buying process. Buyer's agents are optional but often beneficial.

Step 3: Engage Mortgage Broker
Meet with a mortgage broker who will assess your financial situation, explain your financing options and help you choose an ideal loan.

Step 4: Get Pre-Approval
Your broker submits your application to a lender who will assess your finances and provide pre-approval.

Step 5: Research and Inspect Properties
Start attending open homes, researching suburbs, comparing properties, and identifying homes that meet your needs and budget.

Step 6: Make a Written Offer
Submit a written offer through the real estate agent, including your proposed price, settlement period, and any special conditions.

Private Treaty Sale Cont.

Step 7: Sign the Contract of Sale
Once terms are agreed, both parties sign the Contract of Sale, you pay the initial deposit (usually 10%), and the cooling off period begins (3 business days).

Step 8: Arrange Building and Pest Inspections
During the cooling off period arrange building and pest inspections.

Step 9: Contract Becomes Unconditional
Once all conditions are satisfied or waived and the cooling off period expires, the contract becomes unconditional and legally binding.

Step 10: Organise Insurance
Arrange building insurance (required by your lender from settlement date) and consider contents insurance to protect your belongings.

Step 11: Complete Final Checks
Conduct a final inspection of the property a few days before settlement to ensure it's in the agreed condition and agreed repairs are completed.

Step 12: Settlement Day
Your conveyancer/solicitor, the lender, and the seller's representatives meet to exchange documents and funds. Ownership legally transfers to you and you receive the keys to your new home!

The Buying Journey

Auction Sale

Auction sales are unconditional purchases with no cooling off period. You must have finance approved and be ready to buy on auction day.

Step 1: Assess Your Financial Position
Review your income, expenses, savings, debts, and credit score to understand your borrowing capacity and deposit available.

Step 2: Engage a Mortgage Broker
Meet with a mortgage broker who will assess your situation and explain your financing options.

Step 3: Get Pre-Approval (CRITICAL for Auctions)
Your broker submits your application and you receive conditional approval. This is essential before bidding at auction as auction sales are unconditional and legally binding.

Step 4: Arrange Building and Pest Inspections BEFORE Auction
Unlike private treaty, you must conduct all inspections before the auction day because there's no cooling off period.

Step 5: Review the Contract and Section 32
Obtain the Contract of Sale and Section 32 (Vendor's Statement) from the selling agent, review these carefully with your conveyancer/solicitor to understand any issues, easements, or restrictions on the property.

Auction Sale Cont.

Step 6: Finalise Finance Approval
Work with your broker to ensure that you receive unconditional approval (or subject settlement conditions).

Step 7: Attend the Auction and Bid
Attend the auction ready with your method of paying the deposit and be prepared to sign contracts.

Step 8: Finalise Loan Documentation
After the auction, your broker finalises all remaining loan paperwork with the lender and ensures everything is ready for settlement (typically 30-60 days after auction).

Step 9: Organise Insurance
Arrange building insurance (required by your lender from settlement date or immediately, whichever is sooner) and consider contents insurance to protect your belongings.

Step 10: Complete Final Checks
Conduct a final inspection of the property a few days before settlement to ensure it's in the same condition as auction day and fixtures/fittings are still present.

Step 11: Settlement Day
Your conveyancer/solicitor, the lender, and the seller's representatives meet to exchange documents and funds. Ownership legally transfers to you and you receive the keys to your new home!

How to **Contact Us**

Excited to get started?

Scan here and complete our contact form or reach out directly.

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