



Buying a first home can be an overwhelming process.

You may have heard of certain concessions to help get your foot on the ladder as a first-time buyer but could be uncertain as to what they are.

We at GSRE will help guide you through the process of buying your first home!

Visit the awesome Victorian government's website below, for all you need to know:

<https://www.sro.vic.gov.au/first-home-owner>



OBTAINING FINANCE

Firstly, to start the process, you need to find out how much you can borrow and afford, and if you meet the banks rules and regulations.

The higher the deposit you have the better. Bear in mind, the banks have many requirements that need to be satisfied.

You may secure a loan with a smaller deposit, but this can result in restrictive conditions being put on your mortgage.

It really is best to save as much as you can.

The Victoria First Home Owner Grant

The Victorian Government has made some changes recently, we've noted the facts below. Victoria has two options for their First Home Owner Grant (FHOG):

- A payment of \$10,000 is available to eligible first home buyers who buy or build their new home valued up to \$750,000.
- The \$20,000 FHOG for purchases of a new home in regional Victoria will be available for:
 - Contracts entered into from 1 July 2017 to 30 June 2020.
 - The building of a home in regional Victoria where building works commence between 1 July 2017 and 30 June 2020.
- "Comprehensive home building contracts entered into from 1 July 2017 to 30 June 2020 by the owner of land wholly in regional Victoria, or a person who on completion of the contract will be the owner of land wholly in regional Victoria, to have a home built on the land"

Note: If you signed a contract for your first home before 1 July 2017, you will only be eligible for the \$10,000 FHOG, NOT the new \$20,000 payment.

To find out more details on the types of homes / constructions that qualify, and all other qualification criteria visit the State Revenue Office.



What are the hidden costs of buying your first home in Victoria?

You must be aware, you will be paying additional fees along the way.

These may include:

- Stamp duty: The Victorian Government has announced some recent changes to this charge. If you entered into a contract from 1 July 2017 and the dutiable value of your property is \$600,000 or less you are exempt from paying Stamp Duty. If your home value is between \$600,001 - \$750,000 the State Government has announced a sliding scale of concessions to reduce the amount you will have to pay. To find out if you are eligible for stamp duty concessions visit the State Revenue Office website.
- Victorian homes are exempt from land tax, unless they are used as an investment property or a holiday home. You can find out more about land tax on the State Revenue Office's website.
- Legal fees: they can range from anything between \$500 and \$3,000, depending on the complexity of contracts.
- Applying for a loan: can incur a fee up to \$1,000, but that's rare. Sometimes, the lender will waive the fee.
- Independent valuation of a home will incur fees of between \$300-\$500.
- Should you borrow more than 80 per cent of your new home's asking price, lenders mortgage insurance could be charged (one off payment of up to \$10,000).
- A house inspection will cost around \$300-\$400. A strata report is a little less, at \$200.
- Council rates and strata fees begin once settlement has taken place and you are the home owner.
- A new increase to the FHOG is a payment of \$20,000 for first home owners who buy or build their new home valued up to \$750,000 in regional Victoria.
- Defence Force Personnel receive a special exemption under the FHOG as they are not required to live in their new home as their principal place of residence for 12 months as other first home buyers are, as they are often expected to serve abroad or live on base.



WE CAN
GET YOU
WHERE
YOU WANT
TO BE.
HOME.

What is classified as a new home?

A new home as stated on the Victorian State Revenue Office website includes:

- A newly built home
- An existing property which is being sold for the first time as a new premises property
- A land and building package or
- Vacant land on which you will build a new home

When does the FHOG come in effect?

The date you sign your contract to buy your new home is the key date to determine what you are eligible to receive under the First Home Owner Grant. It is important to note; the settlement date of the property is not relevant.

There are three ways to buy your first home in Victoria:

Private Treaty

Purchasing a home by private treaty is the most common way to buy. The vendor will discuss and agree on a price with their real estate agent, and the real estate agent will then attempt to arrange a sale with interested parties (yourself) for as close to the figure as possible after negotiations.

Tender

Buying a property through tender involves making a single offer, complete with a deposit of up to 10 per cent of the price. It's then up to the vendor to accept or reject the offer.

Auction

In an auction, buying a house means meeting a reserve price (the agreed figure the home must sell for at minimum). When bids climb higher than the reserve (as they often do) the largest bid wins. Once the auctioneer declares the property as sold, the purchaser is required to sign the contract there and then.



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REAL ESTATE



Choosing your first home in Victoria

Taking the time to research the Victorian property market will give you a better understanding of housing availability, how much it will cost, and other options you'll have as a first-time buyer.

The GSRE sales team can give you up to date property market information for Victoria, and also specifically for your circumstances.

Useful websites for trends market information:

<https://www.corelogic.com.au/>

<https://www.apm.com.au/>

For the most current listings, costs and selling agents, visit the following websites:

www.domain.com.au

www.realestate.com.au

Are house inspections important?

They are! This is because you'll learn a whole lot more about your home than aesthetics alone! You will hear people say, "you'll know when you find your home!" and this is why!

Contract Of Sale

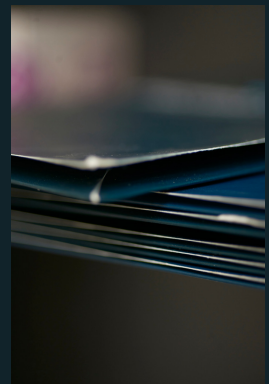
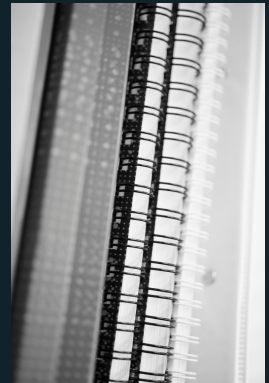
Once you have an accepted offer, you will be required to sign a contract of sale, which will be prepared by the vendor's solicitor.

It includes vital details about the transaction, such as:

- Contact details (including addresses) of the seller, buyer and others involved in the sale
- Finance or other conditions (pest and building inspections)
- How and when the deposit is paid, and where it will be kept,
- The time and date of the final settlement, and when the title will be transferred
- The length of the cooling-off period (in Victoria, this is three business days)
- Other conditions of the sale, such as whether or not it is subject to finance.

Contract exchange and settling the sale

Once the contracts are unconditionally exchanged, the countdown to your settlement date is on! It's during this time that things are finalised - paperwork checked, finance approved if it hasn't yet been, and last preparations for your move begin. You are not permitted to move in until after your settlement date, which typically falls between 30 and 90 days after this period has begun.



THE LEADING TEAM



We are proudly the leading team in the Goulburn Valley, and for good reason. Combining years of experience, sound knowledge and a friendly team, wanting to make this process **great** for you guys!

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