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A FIRST HOME BUYER GUIDE

The First Home Buyer's Finance Guide

Everything you need to understand the money side of buying your first home — in plain English.



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0447 219 594
sam@purposefinance.com.au



WELCOME

Buying your first home feels overwhelming. Let's make the finance part simple.

If you've started looking at homes and felt a wave of confusion — deposits, LMI, grants, pre-approval, borrowing power — you're not alone, and you're not behind. The finance side is the part most first home buyers find hardest, but it's also the part that follows clear, knowable rules. This guide walks you through exactly how it works, what genuinely applies to you, and the practical steps to get from "I'd love to buy" to keys in your hand. No jargon, no pressure — just a straight path forward.

The good news: once you understand your real borrowing power and what you qualify for, buying your first home is far more achievable than most people think.

The four things every first home buyer should understand

Get these four right and the rest of the journey gets a whole lot clearer.

1

Your real borrowing power

How lenders actually assess you — income, expenses, debts and deposit — and the practical levers that lift how much you can borrow before you even apply.

2

Grants & schemes you qualify for

The First Home Owner Grant, stamp duty concessions, low-deposit schemes like the First Home Guarantee, and WA options such as Keystart — explained in plain English.

3

The deposit you truly need

We bust the 20% myth, explain what LMI really is and how to avoid or minimise it, and cover guarantor options that can get you in the door sooner.

4

Your step-by-step game plan

From pre-approval to keys — exactly what to do next, in what order, so nothing catches you by surprise along the way.

- Grant amounts, thresholds and scheme eligibility change regularly. Throughout this guide we've flagged where a current figure applies — always confirm today's numbers before you rely on them.



How much can you actually borrow?

Your borrowing power is a lender's answer to one question: "How much can this person comfortably repay?" It isn't a fixed number — every lender weighs the same four things a little differently, which is exactly why the amount can swing by tens of thousands from one to the next.

What lenders actually look at

- 1 **Your income** — salary, plus how they treat overtime, bonuses, commissions or self-employed earnings (each lender counts these differently).
- 2 **Your living expenses** — real spending, benchmarked against a minimum. Subscriptions, dining and lifestyle creep all quietly reduce your number.
- 3 **Your existing debts** — car loans, HECS/HELP, personal loans and especially credit-card and buy-now-pay-later limits (assessed on the *limit*, not the balance).
- 4 **Your deposit & buffer** — how much you've saved, and a serviceability "stress test" that checks you'd cope if rates rose.

The levers that lift your number

- Lower or close unused credit-card limits
- Tidy up spending in the months before applying
- Clear buy-now-pay-later accounts
- Choose the lender whose policy suits your income

Want your real number — not a rough guess?

I'll compare lenders and find the one that lets you borrow the most, comfortably.

Call 0447 219 594



Grants and schemes that could save you thousands

First home buyers get access to help that other buyers don't — cash grants, duty savings and low-deposit schemes. The catch is that each has its own eligibility rules, and they change. Here's the plain-English version of the big ones.

First Home Owner Grant

A one-off cash grant for eligible first home buyers. In WA it generally applies to **building or buying new**, not established homes .

Stamp duty concessions

First home buyers may pay reduced or no transfer duty up to certain price thresholds — often a saving of many thousands .

First Home Guarantee

A federal scheme letting eligible buyers purchase with a **low deposit and no LMI**, with the government guaranteeing part of the loan .

Keystart (WA)

A WA government lender offering loans with a **low deposit and no LMI** for buyers who meet income and property limits .

Not sure which of these you qualify for?

Eligibility is fiddly and stacks in ways most buyers miss. I'll map out exactly what applies to you.

Call 0447 219 594



The deposit you truly need is probably less than you think

The "you need 20%" rule is the single biggest myth that keeps first home buyers renting for years longer than they need to. In reality, plenty of buyers get in with far less — you just need to understand LMI and the options around it.

Busting the 20% myth

Many lenders will approve first home buyers with a deposit as low as [VERIFY: typical minimum deposit %], and some government schemes go lower again. 20% avoids LMI — but it's rarely the only way in.

What LMI really is

Lenders Mortgage Insurance protects the *lender* (not you) when you borrow with a smaller deposit. It's a one-off cost that generally shrinks as your deposit grows — and can be reduced or avoided through the right scheme or a guarantor.

The guarantor option

A family member can use equity in their own home as extra security. This can help you borrow with a smaller deposit, avoid LMI and get in the door sooner — without them handing over cash [VERIFY: guarantor eligibility].

Closer than you thought? Let's find out.

Tell me what you've saved and I'll show you the real deposit — and the fastest way in.

Call 0447 219 594

Your first-home finance journey, step by step

Every buyer's path runs through the same seven stages. Here's the order they happen in.

1

Get clear on your budget

Understand your income, spending and genuine deposit so you know what's realistic.

2

Pre-approval (If needed)

Get a lender's conditional yes so you can shop with confidence and a firm price ceiling.

3

Grants & schemes check

Confirm which grants, concessions and low-deposit schemes you qualify for before you commit.

4

Find the home — or choose to build

Buy an established home, or build a brand-new one. This choice shapes your grants, duty and cash flow (more on that shortly).

5

Finance approval

Turn pre-approval into a formal, unconditional loan approval on your chosen property.

6

Settlement or progress payments

Established homes settle in one go; new builds draw down in staged progress payments as work is completed.

7

Keys

The home is yours. Welcome home.

Two ways in — and why building often stretches a first budget furthest

Both paths are valid. But for many first home buyers in WA, building unlocks grants and savings that established homes simply don't.

OFTEN THE SMART FIRST MOVE

Building new

- **Grant eligibility** — in WA the First Home Owner Grant generally applies to new builds, not established homes.
- **Potential Stamp duty savings** Stamp duty may be assessed on the land value rather than a completed home.
- **Brand-new home** — less maintenance and modern energy efficiency from day one.
- **Staged progress payments** — you draw the loan down in stages, so you often pay less interest during the build.

Buying established

- **Move in sooner** — no construction timeline; you can settle and move within weeks.
- **A known product** — you see the exact home, street and condition before you buy.
- **Established suburbs** — often closer to town, schools and amenities that are already built out.
- **Fewer grants** — the FHOG generally won't apply, and duty is typically assessed on the full home value.

The honest take: building isn't automatically "better" — buying established can mean moving in sooner with a known product. But if your goal is to make a first-home budget go as far as possible, building is often the option that unlocks the most grants, the biggest duty savings and the friendliest cash flow. Let's work out which one fits your situation.

WHY WORK WITH A BROKER

**Sam Masih**

Managing Director &
Principal Finance Broker

Why a broker beats walking into one bank

Walk into a single bank and you get one lender's products, one set of policies, and one answer. As your broker, I do the legwork across a wide panel of lenders to find the one that actually fits you — your income, your deposit, your goals — not the one whose branch you happened to walk into.

- **Many lenders, one point of contact.** I compare options across the market so you don't have to.
- **I speak plain English.** No jargon — just clear guidance on what each choice means for you.
- **At no cost to you.** I'm typically paid by the lender, so my guidance comes without a fee to you .

"My job is to take the overwhelm off your plate and help you buy your first home with clarity and confidence."

LET'S TALK



Ready to find out what you can really borrow?

Book a free, no-obligation chat and we'll map out your real borrowing power, the grants you qualify for, and your next step — all in plain English.

PHONE 0447 219 594

EMAIL sam@purposefinance.com.au

WEBSITE purposefinance.com.au

Book a free chat →



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