

For first home buyers

THE FIRST HOME ROADMAP

What to do, in what order, and what you can safely ignore. Nine steps, one page each, with the tools to actually do them.

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Mortgage broker, Shoalhaven NSW. 100+ people helped since 2022.

Start here

YOU DON'T NEED TO KNOW EVERYTHING

You need to know the next step. Most first home buyers I talk to have read fifty articles, watched a hundred videos, and still don't know what to do on Monday. That's not a you problem. It's an order problem.

Here's the order. Do them top to bottom. Don't skip ahead.

1. **Find your real number.** What you can comfortably repay, not just what a bank will lend.
2. **Get pre-approved.** Before you fall in love with anything.
3. **Work out the cash you need on the day.** The deposit is only part of it.
4. **Check how your pay is counted.** Shift, overtime and casual income vary by lender.
5. **Go looking, then make your offer.** With a walk-away price and the right conditions.
6. **Offer accepted: run the timeline.** What happens, in order, until you get the keys.
7. **Check the contract and the building.** Before cooling off ends.
8. **Get through year one.** The year most buyers say is the hardest.
9. **Know who to ask.** And who not to ask first.

What you can ignore for now

Rate predictions. Auction tactics. "Best suburbs to buy in" lists. Whether to fix or go variable. All of that matters later or not at all. None of it matters before step 1.

Step 1

FIND YOUR REAL NUMBER

Most first home buyers think the deposit is what's stopping them. More often it's borrowing power. And the number a bank will lend you isn't the number you can live with.

Two numbers, not one

- **What a lender will lend you.** Their maths: income, debts, living costs, a buffer on the rate.
- **What you can comfortably repay.** Your maths: your life, your plans, your weekends. A common rule of thumb is keeping repayments under about 30% of your gross household income.

Your real number is the lower of the two.

Things that quietly shrink what you can borrow

- **Credit card limits.** Lenders usually count the full limit, even if the balance is zero. A card you never use still costs you borrowing power. Cut the limit or close it.
- **Buy now pay later accounts.** Lenders look at these too. Close the ones you don't need.
- **HECS/HELP debt.** It comes out of your pay, so it comes off what you can borrow.
- **Car loans and personal loans.** The repayment counts against you every month.

Tool: your comfort budget

Take-home pay per month (all of you buying)	$
Living costs per month (bills, food, car, fun)	$
Other debt repayments per month	$
Savings you still want to keep each month	$
What's left = the most you'd be happy to repay each month	**$**

Be honest with the living costs. Lenders will ask, and your bank statements will tell them anyway.

Step 2

GET PRE-APPROVED FIRST

Pre-approval is a lender saying "on what we've seen, we'd lend you about this much." It tells you what you're shopping for, and it tells agents you're serious.

The mistake that looks like being careful

You want to know what you can borrow, so you apply with three or four lenders to see who says yes. Makes sense. Shop around.

Every one of those applications is a credit enquiry, and they sit on your file. A run of them close together can look to the next lender like you've been knocked back a few times, even if you weren't. Shopping around is smart. Doing it through formal applications is where it goes wrong. A broker can compare lenders before anything touches your file.

Pre-approval is not a promise

It's conditional. The lender still has to value the property and check nothing has changed. So between pre-approval and settlement: don't change jobs, don't buy a car, don't open new credit. Boring is good.

Tool: get these ready

- [ ] Photo ID (licence, passport)
- [ ] Last 2 payslips (each of you)
- [ ] Last 3 months of bank statements, every account
- [ ] Savings history (where the deposit came from)
- [ ] Your most recent tax return or income statement
- [ ] Credit card and loan statements
- [ ] HECS/HELP balance
- [ ] Employment contract (new job or casual)
- [ ] Gift letter, if family is helping
- [ ] A rough list of your monthly spending

Step 3

THE CASH YOU NEED ON THE DAY

This is where budgets break. The deposit is the number everyone talks about. The costs on top are the ones nobody puts in the listing.

What sits on top of the deposit

- **Stamp duty.** Often the biggest one. First home buyer concessions exist, but they depend on your state and the price. Check the current rules before you set a budget.
- **Lenders mortgage insurance (LMI).** Usually applies when your deposit is under 20% of the price. It protects the lender, not you. Sometimes it's worth paying. Sometimes a scheme like the 5% deposit scheme avoids it. It depends on you.
- **Conveyancing.** Your solicitor or conveyancer, who handles the legal side.
- **Building and pest inspection.** Cheap compared to what it can save you.
- **Lender and government fees.** Application, valuation, registration of the mortgage and transfer.
- **Council and water adjustments.** You repay the seller for rates they've already paid past settlement.

Tool: cash needed worksheet

ITEM	YOUR AMOUNT
Deposit	$
Stamp duty (after any concession)	$
LMI (if not added to the loan)	$
Conveyancing	$
Building and pest inspection	$
Lender and government fees	$
Rates and water adjustments	$
Moving, connections, the first few things you'll need	$
Buffer you keep after settlement (don't skip this)	$
Total cash you need	**$**

Step 4

HOW YOU'RE PAID MATTERS

Nurse, cop, tradie, anyone on a roster: a big chunk of your pay is overtime, penalties and allowances. Lenders don't all treat that the same.

What changes between lenders

- **How much overtime they count.** Some count all of it, some shade it down.
- **How much history they want.** Some want 6 months, others 12 or more.
- **Casual income.** Usually needs a set period in the same job first. How long varies.
- **Allowances.** Counted, partly counted, or ignored, depending on the lender and the allowance.
- **Probation and new jobs.** Some lenders are fine with it, especially in the same industry. Some aren't.

Same payslip, different lender, very different number. If your bank gave you a number that felt low, this is often why. It doesn't mean it's your real number.

Tool: what to bring and what to ask

Bring

- [ ] Your last 2 payslips
- [ ] Your year-to-date figures
- [ ] Last year's income statement
- [ ] Your roster, if your hours are regular
- [ ] A letter from your employer, if your overtime is ongoing

Ask the lender or broker

- [ ] How much of my overtime do you count?
- [ ] Do you count my penalty rates and allowances?
- [ ] How much history do you need?
- [ ] Which lenders treat my type of pay better?

Step 5

GO LOOKING. THEN MAKE YOUR OFFER.

You know your number, your cash and how your pay is counted, and you're pre-approved. Now you can go looking. This is also where budgets break: nearly half of first home buyers go over theirs, usually once they've pictured their couch in the lounge.

Your walk-away number is a price

The most you'll pay for the house. Not the repayment, the price. Work it out before you look, write it down, and tell someone who'll hold you to it.

Loan you're comfortable with (step 1, within your pre-approval)	$
Plus the cash you have	$
Minus the costs on top of the price (step 3)	$
My walk-away price	**$**

Making the offer

- **Always make it subject to finance and a building and pest inspection.** Even with pre-approval in place. We still want to be sure.
- **Get your solicitor or conveyancer now,** if you haven't already. You'll need them the moment your offer is accepted.

Tool: before-you-offer checklist

- [ ] The price is at or under my walk-away number
- [ ] My offer is subject to finance and building and pest
- [ ] I have a solicitor or conveyancer lined up
- [ ] I'd still buy it if I couldn't renovate for 3 years
- [ ] I've been there at night and on a weekday morning
- [ ] I've checked flood, bushfire and zoning maps for the address
- [ ] I know what similar places nearby actually sold for, not just listed for
- [ ] If I lose this one, I'll be fine. There will be another.

Step 6

OFFER ACCEPTED. NOW WHAT?

This is the part nobody explains. Here's what happens between "yes" and the keys, in order. Your conveyancer and broker run most of it. Your job is to answer fast.

WHEN	WHAT HAPPENS	YOUR JOB
Offer accepted	The agent sends the contract. Your conveyancer checks everything is in order.	Send the contract to your conveyancer and broker the same day. Book the building and pest inspection.
Sign and exchange	Once the contract is right, you sign and exchange. The deposit is paid and the cooling-off period starts: generally 5 business days, unless your conveyancer negotiated longer.	Sign when your conveyancer says it's right. Not before.
During cooling off	Your broker converts your pre-approval to a formal approval. The bank will likely value the property. The building and pest inspection is done. All of this needs to happen before cooling off expires.	Answer your broker fast. Read the building report (step 7). Pulling out in cooling off usually costs a small part of the price (0.25% in NSW).
Cooling off expires	Everything should be in place, and your formal approval should have arrived. You're now committed to the purchase.	Organise building and contents insurance. Your broker will likely recommend a provider, which is a good place to start getting quotes.
Loan documents	The lender sends your loan documents.	Read them, sign them, send them back quickly.
Weeks before settlement	Your conveyancer does the searches, works out the rates and water adjustments, and books settlement with the lender and the seller's side.	Don't change jobs or take on new credit. Book electricity, internet and removalists.
Last week	Your conveyancer sends the final figures. You do a pre-settlement inspection.	Transfer your funds when asked. Walk through and check it's as agreed.
Settlement day	The money moves, the title moves, the keys are yours. You don't need to be anywhere, except the real estate office to get your keys.	Answer your phone. Then go and get the keys.

Step 7

CHECK THE CONTRACT AND THE BUILDING

The contract is where the surprises live. The building report is where the expensive ones live. Both get checked before cooling off ends, while you can still walk away.

Ask your conveyancer

- [ ] Is there anything unusual in this contract?
- [ ] What's the cooling-off period, and does it apply to me?
- [ ] Are there easements or covenants that limit what I can do?
- [ ] Is everything I can see built actually approved?
- [ ] What's included: fixtures, appliances, sheds?
- [ ] What's the settlement date, and can it move?
- [ ] What happens if my finance falls through?

Reading the building report

- [ ] Skip to the summary first, then the major defects
- [ ] Major defect or minor? Ask the inspector to explain any you don't understand
- [ ] Any signs of termites, past or present?
- [ ] Water: roof, wet areas, drainage, damp
- [ ] Anything structural: cracking, movement, sagging
- [ ] Get a rough cost to fix the big items
- [ ] Use it to negotiate, or to walk away

Joe's take

A report that finds problems is a good report. The one to worry about is the one you didn't get.

Step 8

GET THROUGH YEAR ONE

About a third of first home buyers say the first year is the hardest. Mostly because nobody told them what it would cost to own a house instead of renting one.

What changes when you own it

- **Things break and they're yours now.** Hot water system, oven, fence. No landlord to call.
- **Bills you didn't pay before.** Council rates, water, building insurance, maybe strata.
- **Your buffer is your sleep.** Keep the buffer from step 3. If you use it, rebuild it.

Tool: year one checklist

- [ ] Month 1: Set up repayments to come out the day after payday
- [ ] Month 1: Put your buffer in the offset account, if you have one. Same money, less interest.
- [ ] Month 1: Put council rates, water and insurance dates in your calendar
- [ ] Month 3: Check your real spending against the budget from step 1
- [ ] Month 6: Set up a small monthly amount for repairs
- [ ] Month 12: Ask your lender what rate a new customer would get today
- [ ] Month 12: If it's lower than yours, ask them to match it. If they won't, talk to a broker.

The loyalty tax

Banks often save their best rates for new customers. Staying put without checking can cost you. Asking costs a phone call. Do it every year.

Step 9

KNOW WHO TO ASK

Most first home buyers don't lose time because of their deposit. They lose it because the first person they asked was a mate, a parent, or the bank they've been with since primary school.

Everyone will have an opinion. Here's what each one is actually good for.

WHO	GOOD FOR	NOT GOOD FOR
A mate who just bought	What it felt like. What surprised them. "Can you help me move?"	Your borrowing power. Their pay, debts and lender aren't yours.
Your parents	Support. Maybe help with the deposit. "Can you help me move?"	How lending works now. It's changed a lot since they bought.
Your bank	What that one bank can do.	Anything else. Including helping you move.
The real estate agent	The property, the area, how the sale works. "Can you help me move?"	Your finance. They work for the seller.
A conveyancer	The contract and the legal side. "Can you help me move?"	Which loan suits you.
A mortgage broker	Comparing lenders, how your pay is counted, the whole process. "Can you help me move?"	Telling you which house to buy.

Does a broker cost you anything?

For most home loans, no. The lender pays the broker. You get one person comparing lenders for you, instead of you applying with four banks and stacking up credit enquiries (see step 2).

Where to from here

NOW YOU KNOW THE WHOLE PROCESS

From go to whoa. You can go out and get it done yourself.

Or message me your situation and I'll run your numbers.

What you can borrow, how your pay is counted, and what it costs to get in. Then I'll walk you through every step in this guide, start to keys. If you're not ready yet, I'll tell you what to fix first. It costs you nothing: the lender pays me.

From my Google reviews

★★★★★

"My partner and I recently got in touch with Joe for our first home loan, he made the whole process really easy for us."

Lauren T.

★★★★★

"Joe wasn't just after the sale. He gave us honest advice ... He explained everything clearly and took the stress out of the whole thing."

Sarah E.

★★★★★

"Always happy to answer any questions and explains things very thoroughly."

Mitchell D.



About Joe

I'm a mortgage broker based in the Shoalhaven. I've helped over 100 people since 2022, and I compare 20+ lenders to find the one that fits how you're paid. I work Australia-wide.

I'm a mortgage broker. Definitely not a doctor.

Get in touch

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MASCARO FINANCE

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