

AGEING AND LIVING WELL

A collaborative initiative between
MWV and **USMAA**.

Supported by the **Victorian
Multicultural Commission**
and the **City of Monash**.



Plan for your future

Finance



PLAN YOUR FUTURE

Whether you want to pay for a holiday, buy a house or cover education costs: the sooner you start, the more you'll save.

Find out how to get the most out of your money and reach your savings goals sooner.



Automate your saving. **Set up a direct deposit** so part of your pay goes straight into savings.

Start saving today. The sooner you start, the more you'll earn in interest and the sooner you'll reach your goal.

Start a savings habit

Small changes can make a big difference. There are simple ways you can save money every day.

Set a savings goal to help you stay on track and avoid dipping into your savings.

Put some money aside for unexpected costs. You'll be glad to have some money set aside if something goes wrong.

GROW YOUR SUPER

Whether you're employed or self-employed, it's never too late to build up your super to boost your retirement savings.



Help your
super
GROW



Make sure your employer is **paying you the right amount of super.**

Make extra, voluntary contributions if you can afford to.

Find out if you're eligible for government co-contributions.

Check your super investment options.

Pay yourself super if you're self employed.

BUYING A HOUSE

Buying a house is an exciting time. These steps will smooth your way through the house buying process.

6

Six steps to turn your first-home dream **into reality**





1.

SAVE FOR A HOUSE DEPOSIT

The first step is to get your finances sorted. **Do a budget to identify how much you can afford to save for your deposit.**

Next, do **SOME HOUSE PRICE RESEARCH.**

Getting a general idea of house prices helps you set a goal to work towards. A great savings goal for a house deposit is 20% of the purchase price, plus enough to cover buying costs (see steps 5 and 6, next pages).

Go to [save for a house deposit](#) for more about how much you'll need to save, and ways to save faster.

2. WORK OUT WHAT YOU CAN AFFORD TO BORROW

Everyone's situation is different. How much you can afford to borrow depends on your:



Be realistic about what you can afford. Mortgage interest rates are on the rise, so give yourself some breathing room.

3. FIND THE BEST HOME LOAN RATE

When looking for a good deal on a home loan (mortgage), **the interest rate matters.** A home loan is a long-term debt, so even a small difference in interest adds up over time.



Contact at least two different lenders to get loan options personalised for your situation. **A rate even 0.5% lower could save you thousands of dollars over time.** See choosing a home loan.

Compare home loan rates



With many lenders to choose from, you may decide to get a mortgage broker to find loan options for you. See using a mortgage broker for tips on what to ask your lender or broker.

Get help if you need it



Get pre-approval to buy

Consider getting loan pre-approval from a lender. They'll ask for evidence of your current financial situation to assess your ability to repay the loan. Pre-approval lasts for 3–6 months and shows you're eligible to apply for a loan up to a certain amount. It doesn't commit you to a loan. It lets you set an affordable price range, and tells sellers you're serious about buying.

4. FIND A HOUSE TO BUY



Find a balance between the lifestyle you want and what you can comfortably afford.

Know why you're buying

Reflect on why you want to buy. Are you planning to grow your family? Do you want to renovate? If you're buying with a partner, talk about this together. Being clear about why you're buying helps narrow down your property search.

Consider your must-haves and nice-to-haves

Make a list of your:

- must-haves' (can't do without), e.g. property size, layout, public transport, schools
- nice-to-haves' (could do without for now), e.g. design, fittings, outdoor space

Focusing on your must-haves will help you prioritise the things that matter most. Stick to your price range

Stick to your price range

If you've been pre-approved for \$500,000, don't waste time looking at properties advertised at \$600,000. If your ideal suburb is outside your price range, keep an open mind about where to look.

Do your research

Look online, talk to real estate agents, go to property inspections and explore what's on offer. **Pace yourself — your search could take months.**

5. NEGOTIATE TO BUY YOUR HOUSE

Finding a house you love is thrilling. It's easy to get carried away by your emotions. Stick to your budget, and be as clear-headed as possible when bidding or negotiating to buy.



A) Auction or private treaty

If you're a first home buyer, observe a few auctions so you understand how they work. Bring an experienced friend or family-member along to help you bid. **Or consider hiring a "buyer advocate" to help with the buying process.**

If buying at auction, expect to pay a deposit immediately (for example, 10% of the purchase price). There's no cooling-off period if you buy at auction.

If buying privately, the contract of sale will include the deposit amount and when you need to pay it. There's a short cooling-off period in most states and territories. You can usually get out of the contract and get most of your deposit back if you give written notice.

B) Auction or private treaty

The seller (vendor) of a property will prepare a contract of sale. As a potential buyer, first inspect the property and talk to the real estate agent or seller. Then, ask to see the contract of sale. Get help from a solicitor or "conveyancer" to review the contract before signing. **Paying a legal expert is the best way to avoid costly mistakes.**

C) Building and pest inspection

Once you've found a property you like, get a building and pest report done by a professional:

- **Building inspection** — structural issues, damp, electrical safety, cost of maintenance or repairs
- **Pest inspection** — termite activity, other pest issues

This could save you a lot of money down the track.

D) Make an offer

When you're ready, there are two ways of making an offer:

- unconditional — a binding contract to buy outright, if you have confirmed finance and are sure about the property
- conditional — becomes a binding contract to buy, if certain conditions are met (e.g. valuation, finance approval, inspections)

E) Finalise your loan

Tell your lender you've found a property you wish to buy, and apply to finalise your loan.



6. SETTLE ON YOUR NEW HOME

You're on the home stretch now, with a few more costs to take care of before you can move in.

Settlement

The settlement date is when the property title is transferred into your name, and your mortgage begins. The contract of sale sets out the settlement period, when you have to pay the full purchase price. Your solicitor or conveyancer will finalise the settlement with the lender and seller. Then you'll get the keys to your new home.

Stamp duty

Stamp duty is a one-off state government property-transfer tax. You typically need to pay this within 30 days of settlement.

Find out how much you have to pay by using one of these calculators:

- **Australian Capital Territory** — [Revenue Office: Conveyance duty calculator](#)
- **New South Wales** — [Revenue NSW: Calculator](#) — for land and property transfers
- **Northern Territory** — [Department of Treasury and Finance: Stamp duty calculators](#)
- **Queensland** — [Office of State Revenue: Transfer duty calculator](#)
- **South Australia** — [RevenueSA calculator: Stamp duty on conveyances](#)
- **Tasmania** — [State Revenue Office of Tasmania: Property transfer duty calculator](#)
- **Victoria** — [State Revenue Office: Land transfer \(stamp\) duty calculator](#)
- **Western Australia** — [Office of State Revenue: Calculators](#)

If you're a first home buyer, check if you're exempt from stamp duty or entitled to a rebate or concession.

Home and contents insurance

Protect your home and contents against damage or loss. This may be a condition of your home loan. See home insurance.

Stay on track with your repayments

Finally, update your budget with your mortgage repayments, plus ongoing costs like council rates and land tax (when known). Extra expenses may take time to get used to, so keep an eye on your spending for a while.

See pay off your mortgage faster for tips on how to stay on track.

