



How much do YOU really need to buy a house?

Louise: Hi everyone and welcome to this week's Flash Friday Finance Update. I am Louise from The Property Education Company. Thank you very much for joining us. It's great you're listening, and if there's anything you need to know, please feel free to send us through an email and we're happy to communicate with you on whatever topic you want. But today, two things we're going to cover. One, I'm going to introduce you to our newest team member, James Gregors. Welcome, James!

James: Hey guys!

Louise: And then we're going to talk about "How much do YOU really need to buy a house?". So, particularly we're looking at - for first home buyers, obviously. But James first, would you like to introduce yourself to everyone.

James: Thanks, Louise. So, my name is James, as you can tell I'm Louise's son. So what I do full time or part-time, I should say is I'm a chiropractor. I've spent five years learning and I've been working as a chiropractor for 18 months. I'm currently working half days so Louise begged and cried and she was like please, please come work for me, you've got extra hours in the day so I've spent the last while becoming a mortgage broker, getting my accreditations. And what's more important, especially when it comes to first time buyers, or people buying investment properties, refinances - whatever you need, this is what we're here for.

Louise: Awesome. And obviously, James has been mentored by me. We're keen to have a new team member because we've got lots of work and we want to help people quickly which is really the key at the moment. Thanks for that James. So let's talk about how much money do you need when you're looking to buy a house as a first time buyer, where do they start? How much do you really need to buy a house?



James: Well, that question can seem quite daunting. So we try to break it down into a few different categories. So firstly, think about the repayments. What are you comfortable paying each month? If you're paying rent already, can you afford to pay a bit more on a mortgage or would you prefer to pay a bit less? What is your target and how much are you wanting to pay?

James: Secondly, it's like the closing costs we need to consider. So things like Lenders Mortgage Insurance, we're looking at stamp duty, government fees, application fees. These are the kinds of things that matter at the end of the day when you're closing a loan to get it all approved - we need to keep these in mind.

James: And lastly, we're looking at the deposit that you're willing to put forward. We know that an extra five to 10 grand here on your deposit when you actually submit to get your loan can make a world of difference. These can drive Lenders' Mortgage Insurance down a lot. Okay, you can take your stamp duty, these are the things we're trying to look for. So there are many factors, as you can see, that matter when you're buying your first home or any investment properties or a future home getting a loan, so keep that in mind.

Louise: Well done, yes. You hit it on the nail. There's all those costs. And once people get into a house, it's not just a repayment, you're right, but they've got ongoing rates, insurance, you might have body corporate fees. And it's one of the things to watch for when you're buying a new property. Are there large body corporate fees, or owner's corporation, I should say, that's what they call that in Victoria. So, there are many flats in Victoria that have multiple body corporate or entities charging fees so for swimming pools, they might have one, for tennis courts another, for the lifts and internal areas the third.

Louise: So these all can make a property a really expensive proposition when it might seem the repayment on the actual loan for the property itself is really low, but we strongly recommend thinking about all of these when buying for the first time. It's a great time to buy when interest rates are under 2% for first time buyers. So please give us a call we'd love to help and thank you James and I'm very thrilled you're awesome. Have a great week everyone!

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