

Steps to Home Ownership

As Australian house prices start to fall, more people are being encouraged into home ownership.

The market conditions make the decision to buy a lot easier - now you just need the right house, at the right price with the right finance. Follow these steps and you should be able to achieve all three!

Step 1: Set a realistic budget

Being realistic about what you can afford to buy is an important place to start. Even if you have to compromise on the area or type of property, at least you'll have your foot in the door of the property market.

When calculating your budget, remember to include the costs involved in buying a property like stamp duty, mortgage and establishment fees, conveyancing, valuations and building inspections.

Also keep in mind that when lenders evaluate your borrowing capacity they look at your credit rating and your income earning ability. The way you've managed your credit arrangements and your capacity to repay the loan through a regular income will count for more than the strength of your assets.

Step 2: Find the right loan

By researching your mortgage before you shop for a house, you'll be in a better position to know how much you can borrow.

We can save you a lot of time and effort by doing the hard work for you. By researching the type of loans that would suit your lifestyle and financial position, we can provide you with the details necessary for you to make an informed decision.

We can also discuss getting preapproval for your borrowing capacity before you begin your search.

Step 3: Make use of government rebates

The Federal Government's \$7,000 First Home Owner Grant can go a long way to reducing the amount of deposit you need to save. There are also additional incentives provided by state governments where stamp duty or transfer duty is waived or reduced for first home buyers.

Not everyone is eligible for these grants so check this out before you start looking.

Step 4: Do your research

Be prepared to look at a lot of houses to get an idea of quality and price. Research the three Ps -position, price and potential - by subscribing to property research reports and checking out property guides.

When you find a property you're serious about, make sure you commission a building and pest inspection. It also makes good sense to hire a professional Valuer to provide their opinion on whether the asking price is in keeping with the value of the home.

For further information, please don't hesitate to call AlphaLoan today so we can match your needs against 100's of home loans from our panel of lenders, including all the major banks and many more!

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