



VICTORIA CORNERSTONE MORTGAGES

The Complete Australian *First Home* *Buyer* Guide

*Pre-approval, borrowing power, government support, property checks,
negotiation and smarter loan management — in the order you'll actually
need them.*

Don't just get approved. Get structured.

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General information only. This guide is not financial, legal, tax or personal credit advice. Lender policy, rates, government schemes and state rules change. Get advice for your own situation. Credit Representative 548375 of Finsure Finance & Insurance Pty Ltd, Australian Credit Licence 384703.

Your first home, in order

The chapters follow the sequence most buyers should actually work through — money first, property second, protection third.

01	Know Your Numbers First	What you can afford, not just what a bank will approve
02	Borrowing Capacity 101	What lenders actually test, and what quietly reduces it
03	Upfront Costs	Every dollar you need, not only the deposit
04	Government Support to Check	Seven types of help, and who they're for
05	What to Check at an Open House	Looking for expensive problems, not styling
06	Negotiating a House Purchase	Preparation beats pressure
07	Protect Yourself Before You Commit	Inspections, contracts and the auction trap
08	Property Checks Before You Buy	Flood, fire, planning, easements and neighbours
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START WITH THE CALCULATORS

Estimate repayments, offset savings and total upfront costs before you set a property budget.

[OPEN TOOLS](#)

01

Know Your Numbers First

Before you fall in love with a property, make sure the numbers work for your real life.

01

Set a comfortable budget before looking at homes.

02

Get pre-approval so you know your likely price range.

03

Use a broker to compare lender policies and options.

THE BANK MAXIMUM

The highest amount a lender may approve after applying its rules and stress tests.

YOUR COMFORTABLE MAXIMUM

The amount you can repay while still allowing for bills, repairs, emergencies and your future plans.

The four numbers you should know

- ◆ Comfortable purchase price — what fits your life, not just what the lender allows.
- ◆ Total cash available — savings, gift funds and any eligible grant or concession.
- ◆ Total upfront costs — deposit plus duty, legal work, inspections, government fees and moving costs.
- ◆ Expected repayments — including a personal stress test if rates or expenses rise.

Always get pre-approval first

- ◆ It gives you a clearer buying range before you spend weekends at inspections.
- ◆ It helps you make offers faster and with more confidence.
- ◆ It shows agents and sellers that you have prepared your finance.
- ◆ It reduces the risk of bidding on a home that doesn't fit your lending position.

Why a broker can make a difference

One bank can only show you its own products and policies. A broker can compare lenders across a panel, including different rules for income, overtime, casual work, HECS/HELP, credit cards, property types and government schemes — as well as rates, fees and features. The lowest advertised rate is not always the best loan for your situation.

This is the most valuable time to talk to a broker. The right information before house hunting prevents expensive mistakes later.

BOOK A CALL

02

Borrowing Capacity 101

Banks aren't only asking what you earn. They're testing whether the loan stays affordable under pressure.

01

Lenders assess income, living costs, debts and dependants.

02

Most bank lenders add a 3 percentage-point buffer.

03

Different lenders can produce very different results.

1. Your income, and how stable it is

Full-time PAYG income is generally straightforward. Casual, part-time, contract, overtime, commission and bonus income may be treated differently from lender to lender. Self-employed applicants may need tax returns, financial statements and business history.

2. Your living costs

Lenders review your declared expenses and may compare them against a benchmark such as the Household Expenditure Measure (HEM). You can't simply claim a household lives on an unrealistically small amount.

3. Existing debts — the silent borrowing-power killer

- ◆ Credit card limits can reduce capacity even when the balance is zero.
- ◆ Car loans, personal loans and buy-now-pay-later commitments reduce spare income.
- ◆ HECS/HELP repayments are included when applicable.
- ◆ Guarantees and other commitments must be disclosed.

The two rules that cap the loan

Both are regulator settings, not the individual bank's preference — they apply across the market.

4. The buffer rate

APRA confirmed in May 2026 that the serviceability buffer for APRA-regulated banks remains 3 percentage points, so a loan priced at 6% may be assessed at around 9%.

5. How big the loan is against your income

Since February 2026, banks must keep loans of six times income or more to no more than 20% of their new mortgage lending. If your loan would be six times your household income or higher, you're competing for a limited slice of each lender's book — so which lender you apply to matters more than usual.

SIMPLE ACTION BEFORE APPLYING

Reduce unused credit limits, avoid new debt, keep repayments on time, and talk to a broker before changing jobs or hours.

Your borrowing result can vary significantly between lenders. We can compare policies and explain which options may fit your circumstances.

BOOK A CALL

03

Upfront Costs

The minimum deposit is not the same as the total money needed to buy.

01

Your deposit is only one part of the cash required.

02

Stamp duty and concessions depend on your state and property.

03

Keep an emergency buffer after settlement.

Your total cash requirement may include

- ◆ Deposit or contribution toward the purchase price
- ◆ Stamp duty or transfer duty, after any eligible concession
- ◆ Conveyancer or solicitor fees
- ◆ Building and pest inspection costs
- ◆ Government registration and transfer fees
- ◆ Lender fees, valuation costs or LMI if applicable
- ◆ Moving, insurance, urgent repairs and an emergency buffer

DON'T SPEND EVERY DOLLAR

A small safety buffer protects you from unexpected repairs, settlement adjustments and moving costs.

VCM UPFRONT COSTS CALCULATOR

Estimate deposit, stamp duty, government fees and other purchase costs in one place.

[OPEN TOOL](#)

Before you choose a price range, let's check the total cash required — not just the deposit.

[BOOK A CALL](#)

04

7 Types of Government Support to Check

The names and rules have changed over time. This reflects the federal settings available in September 2026.

01

Federal deposit support may cut the deposit and remove LMI.

02

Super, duty relief and grants reduce upfront pressure.

03

Eligibility and price caps must be checked before signing.

IMPORTANT UPDATE

The former First Home Guarantee, Regional First Home Buyer Guarantee and Family Home Guarantee are now presented through the Australian Government 5% Deposit Scheme. First home buyers generally use the 5% option; eligible single parents and legal guardians may use the 2% option.

01 — GOVERNMENT 5% DEPOSIT SCHEME

Eligible first home buyers may buy with a minimum 5% deposit, no income cap, no waiting list and no LMI. Property price caps and other rules still apply.

02 — 2% SINGLE-PARENT OPTION

Eligible single parents or legal guardians with a dependent child may buy with a minimum 2% deposit and no LMI, subject to the scheme rules.

03 — REGIONAL PURCHASES

Regional buyers use the national scheme and must meet the relevant location-based property price cap. Check the official postcode tools first.

04 — FIRST HOME SUPER SAVER SCHEME

Eligible voluntary super contributions can help build a deposit: up to \$15,000 from one financial year and \$50,000 in total across all years.

Government Support, continued

State-based relief, grants, and the shared-equity option.

05 — STAMP DUTY CONCESSIONS

Most jurisdictions offer first home buyer duty relief. Thresholds, property types and occupancy rules vary by state or territory.

06 — FIRST HOME OWNER GRANT

Most jurisdictions offer a grant for eligible new homes or builds. Established homes are often excluded and value caps apply.

07 — HELP TO BUY SHARED EQUITY

Eligible buyers may use a 2% deposit while the government contributes up to 40% for a new home or 30% for an existing home. Income caps apply — around \$103,000 for a single applicant, \$165,000 for couples and single parents — and places are capped at roughly 10,000 a year nationally, so unlike the 5% Deposit Scheme this one can genuinely run out. The government shares future gains or losses.

DON'T ASSUME SCHEMES CAN BE COMBINED

A broker can check participating lenders, current price caps, and whether different benefits can be used together.

We can check the latest scheme rules, price caps and lender options before you make an offer.

BOOK A CALL

05

What to Check at an Open House

Take notes, stay calm, and review the facts after you leave the property.

01

Look for expensive problems, not just styling.

02

Check the house, land, street and ongoing costs.

03

Use independent professionals before committing.

STRUCTURE AND WATER DAMAGE

- ◆ Large or diagonal cracks
- ◆ Uneven or bouncy floors
- ◆ Sticking doors and windows
- ◆ Water stains, mould or fresh patch paint
- ◆ Damaged gutters and poor drainage

KITCHEN AND BATHROOMS

- ◆ Leaks, mould and cracked tiles
- ◆ Swollen flooring or waterproofing concerns
- ◆ Ventilation and exhaust fans
- ◆ Age and condition of appliances

LOCATION AND LIVEABILITY

- ◆ Traffic, trains, aircraft and construction noise
- ◆ Mobile reception and street parking
- ◆ Natural light, orientation and privacy
- ◆ Visit at peak hour and after dark

INSIDE EVERY ROOM

- ◆ Open wardrobes and cupboards
- ◆ Check whether your furniture will fit
- ◆ Test taps, toilets, lights and power points, with permission
- ◆ Check water pressure, leaks, storage and cooling

OUTSIDE THE PROPERTY

- ◆ Roofline, external cracks and rotting timber
- ◆ Termite trails and retaining walls
- ◆ Trees close to the building
- ◆ Fences, driveway, parking and drainage

QUESTIONS FOR THE AGENT

- ◆ Why is the owner selling?
- ◆ How long has it been on the market?
- ◆ Are there known defects or unapproved works?
- ◆ What settlement period does the seller prefer?

THE OPEN-HOUSE RULE

Don't decide while standing inside the property. Leave, compare your notes, calculate the full cost, and arrange professional checks.

06

5 Tips for Negotiating a House Purchase

Preparation is stronger than pressure.

01

Know the evidence before discussing price.

02

Use pre-approval to show you're prepared.

03

Set a maximum and stay willing to walk away.

1. **Know the property's real value.** Compare recent sales of similar homes nearby. Base your offer on evidence, not the advertised price.
2. **Don't reveal your maximum budget.** Tell the agent what you're prepared to offer — not the highest amount your lender may approve.
3. **Start below your true limit.** Leave room to negotiate without making an unrealistically low offer the seller ignores.
4. **Make the offer attractive beyond price.** A suitable settlement date, clear pre-approval and fewer unnecessary conditions may help. Keep essential protections such as finance and building conditions where appropriate.
5. **Be willing to walk away.** Write down your maximum before negotiating. Another suitable property will come along.

How to use pre-approval in a negotiation

- ◆ Tell the agent your finance has been assessed, without revealing your maximum loan amount.
- ◆ Ask your broker how quickly formal approval could be pursued once a contract is signed.
- ◆ Use a settlement period that works for both your lender's process and the seller, if possible.
- ◆ Never describe pre-approval as unconditional approval — the property and your final circumstances still need to be accepted.

Get pre-approval organised before negotiating, so you're making decisions from a position of clarity.

BOOK A CALL

07

Protect Yourself Before You Commit

The selling agent acts for the seller. Your inspector and conveyancer act for you.

01

Building and pest inspections uncover physical risks.

02

Have the contract reviewed before it goes unconditional.

03

Understand auction purchases before bidding.

Building and pest inspection

- ◆ Can identify structural movement, moisture, termites and safety issues.
- ◆ Gives you a better idea of urgent and future repair costs.
- ◆ Should be independent — don't rely on appearance or a recent renovation.

Contract and legal review

- ◆ Title, boundaries, easements, covenants and rights of way
- ◆ Settlement terms, special conditions and finance deadlines
- ◆ Owners corporation records, insurance, defects and special levies
- ◆ Notices, proposed acquisition, road widening and unapproved works

AUCTION WARNING

Auction contracts are generally unconditional and cooling-off rights may not apply. Complete your finance checks, legal review and inspections **before** bidding.

DON'T WAIVE PROTECTION BECAUSE YOU FEEL RUSHED

A competitive market doesn't remove the physical, legal or finance risk.

08

Property Checks Before You Buy

Online maps help you ask better questions. They don't replace professional advice.

01

Screen flood, bushfire, planning and service risks.

02

Understand the suburb's housing mix and nearby projects.

03

Confirm serious issues with the proper authority.

The most important property checks

- ◆ **Flooding and stormwater** — river flooding, overland flow, drainage and insurance availability.
- ◆ **Bushfire risk** — bushfire-prone land, building requirements, maintenance and insurance.
- ◆ **Planning zones and overlays** — heritage, environmental, flood or development restrictions.
- ◆ **Easements and underground services** — sewer, drainage, water, gas, electricity or telecommunications that may restrict building.
- ◆ **Power lines and substations** — transmission lines, easements, local infrastructure and future access.
- ◆ **Nearby developments** — apartments, roads or commercial projects affecting traffic, privacy or noise.
- ◆ **Contaminated land and previous uses** — factories, petrol stations, landfill, mining or other potentially contaminating activities.
- ◆ **Housing mix within the suburb** — use the interactive map for your state in Chapter 9 to compare a suburb with those around it.

What your conveyancer should review

- ◆ Current certificate of title and registered plan
- ◆ Property boundaries, easements, covenants and rights of way
- ◆ Building restrictions and unapproved structures
- ◆ Road-widening or government-acquisition notices
- ◆ Owners corporation documents, defects and planned levies

DATA NOTE

The suburb maps in Chapter 9 use 2021 Census data. Treat them as a comparison tool, not a live list of current properties.

09

Useful Property Websites

These are screening tools. Confirm anything material with the council, authority, conveyancer or a qualified professional.

AUSTRALIA-WIDE CHECKS

TOOL	WHAT IT SHOWS
<u>Before You Dig</u>	Underground water, sewer, gas, power and telecommunications plans. Locations can be approximate.
<u>ABS QuickStats</u>	Search any suburb and review housing tenure, including state housing authority and community housing categories.
<u>WebTrak</u>	Aircraft movements, flight paths and noise information.
<u>PlanningAlerts</u>	Nearby development applications. Also check the council directly — coverage isn't complete.
<u>AEMO Network Map</u>	Major transmission lines and electricity infrastructure.

Useful Property Websites, continued

Planning, flood, bushfire, contamination and title searches are run by each state or territory, so the tool depends on where you're buying.

PLANNING, HAZARD AND TITLE TOOLS BY STATE

STATE	MAIN TOOLS
VIC	VicPlan; Know Your Risk; Landata; Victoria Unearthed
NSW	NSW Planning Portal; FloodData; NSW LRS; EPA contaminated land
QLD	Queensland Globe; FloodCheck; Titles Queensland; contaminated land registers
WA	WA planning and flood tools; Landgate; bushfire-prone land map
SA	SAPPA; Location SA; Land Services SA; EPA site contamination
TAS	LISTmap; PlanBuild Tasmania; titles and plans
ACT	ACTmap; Access Canberra land titles; contaminated sites register
NT	NT land information; floodplain and storm-surge information

SUBURB HOUSING-MIX MAPS

Interactive maps showing the share of public and social housing by small area, suburb and local government area. Open the map, select the public housing layer, then search the suburb. Based on 2021 Census data, covering housing rented from state providers and community housing providers. Available per state at openstats.com.au/maps/housing — with methodology notes at openstats.com.au/stats/housing.

10

Ways to Pay Down Your Loan Faster

The earlier you reduce interest, the more time compounding has to work in your favour.

01

Use offset savings to reduce daily interest.

02

Small extra repayments can shorten the loan term.

03

Review the rate, fees and structure regularly.

- ◆ **Keep savings in offset** — use it as your main transaction and emergency account where suitable.
- ◆ **Pay a little extra** — regular extra repayments can make a large difference over many years.
- ◆ **Round up repayments** — a small automatic increase builds momentum without a big one-off payment.
- ◆ **Use windfalls carefully** — bonuses, tax refunds and gifts can reduce the loan or strengthen the offset buffer.
- ◆ **Review annually** — compare your rate, package fee, offset benefit and refinance costs before making a change.

What an offset account can do

A \$700,000 home loan, with the assumptions listed below.

NO OFFSET

\$892,811
INTEREST PAID

30 years
\$4,424 / month

\$50K IN OFFSET

\$651,018
INTEREST PAID

25 years 6 months
\$4,424 / month

\$50K OFFSET + \$500 EXTRA

\$494,188
INTEREST PAID

20 years 3 months
\$4,924 / month

Assumptions: principal and interest loan, 30-year starting term, 6.50% p.a., monthly repayments, constant \$50,000 offset balance, no fees or rate changes. Illustrative and rounded.

VCM OFFSET CALCULATOR

Enter your own balance, rate, offset amount and extra repayment for a personalised estimate.

[OPEN TOOL](#)

How an Offset Account Works

Money in the offset reduces the balance used to calculate interest, while staying available in the linked account.

EXAMPLE

If your loan balance is \$700,000 and your offset balance is \$50,000, the lender generally calculates interest on about \$650,000 — while the full \$50,000 remains yours, in the offset account.

How to use an offset well

- ◆ Direct your income into the offset where practical.
- ◆ Pay everyday expenses from the offset or a linked card, so money stays offsetting interest for longer.
- ◆ Keep emergency savings in offset instead of a separate low-interest account, if suitable.
- ◆ Compare any higher interest rate or package fee against the actual offset saving.
- ◆ Check whether the product provides a full 100% offset, and which loan splits it applies to.

DEBT RECYCLING — ONLY WITH ADVICE

Some homeowners later use loan splits and investment borrowing to convert non-deductible home debt into investment debt over time. The tax result depends on how borrowed money is used and on clear loan tracing. Get personal tax, financial and credit advice before using this strategy.

Structure matters more than the headline rate. That's the conversation worth having before you settle, not after.

BOOK A CALL

11

Your First Home Buyer Checklist

Use this to keep the process in the right order.

BEFORE PRE-APPROVAL

- ☐ Complete a realistic household budget
- ☐ Gather payslips, statements and identification
- ☐ List every debt and credit limit
- ☐ Check savings, deposit and likely upfront costs
- ☐ Speak to a broker before changing jobs or taking on new debt

BEFORE MAKING AN OFFER

- ☐ Confirm pre-approval is current
- ☐ Check the property fits scheme and lender rules
- ☐ Have the contract reviewed
- ☐ Arrange building and pest checks
- ☐ Research comparable sales and property risks
- ☐ Set your maximum price

BEFORE FORMAL APPROVAL AND SETTLEMENT

- ☐ Send the signed contract to your broker immediately
- ☐ Provide updated documents quickly
- ☐ Satisfy valuation and lender conditions
- ☐ Sign loan documents
- ☐ Arrange building insurance
- ☐ Complete the final inspection
- ☐ Avoid new credit or major financial changes

AFTER SETTLEMENT

- ☐ Set up repayments and offset correctly
- ☐ Keep an emergency buffer
- ☐ Review the rate and structure regularly
- ☐ Ask for help early if repayments become difficult

Ready to begin? We can organise the pre-approval and guide the finance from application through to settlement.

BOOK A CALL

12

Glossary

Plain-English explanations of common home-loan and property terms.

Pre-approval

An early indication that a lender may lend up to an amount, subject to final checks, updated information and acceptance of the property.

Formal approval

The lender has completed its main assessment and approved the loan, subject to any remaining conditions.

Borrowing capacity

The amount a lender may be willing to lend after assessing income, expenses, debts and policy.

LVR

Loan-to-value ratio. The loan amount compared with the lender's accepted property value.

LMI

Lenders Mortgage Insurance. It usually protects the lender, not the borrower, when the loan has a high LVR.

Offset account

A linked transaction account whose balance reduces the loan amount used to calculate interest.

Redraw

Access to eligible extra repayments already made to the loan, subject to lender rules.

Conveyancer

A legal professional who handles the property transfer and reviews the contract and title documents.

Easement

A right allowing another person or authority to use part of the land for a specific purpose.

Settlement

The legal completion of the purchase, when funds and ownership transfer.

HEM

Household Expenditure Measure — a benchmark lenders may use when assessing living expenses.

Serviceability buffer

An extra interest-rate margin lenders add to test whether repayments stay affordable under stress.

13

Sources and Disclaimer

Official links were checked on 18 September 2026. Government and lender rules may change after publication.

Victoria Cornerstone Mortgages

vcmortgages.com.au

VCM Repayment Calculator

vcmortgages.com.au/tools/repayment-calculator

VCM Offset Calculator

vcmortgages.com.au/tools/offset-calculator

VCM Upfront Costs Calculator

vcmortgages.com.au/tools/upfront-costs-calculator

Australian Government First Home Buyers portal

firsthomebuyers.gov.au

Government 5% Deposit Scheme

firsthomebuyers.gov.au/australian-government-5-percent-deposit-scheme

Help to Buy

firsthomebuyers.gov.au/australian-government-help-buy-scheme

ATO First Home Super Saver Scheme

ato.gov.au — first home super saver scheme

APRA serviceability buffer

apra.gov.au — macroprudential policy settings

Moneysmart — Buying a house

moneysmart.gov.au/home-loans/buying-a-house

ABS Census QuickStats

abs.gov.au/census/find-census-data/quickstats

OpenStats housing maps + methodology

openstats.com.au/maps/housing

Before You Dig Australia

byda.com.au

Airservices Australia WebTrak

airservicesaustralia.com — aircraft noise

PlanningAlerts

planningalerts.org.au

AEMO Electricity Network Map

aemo.com.au — network map

DISCLAIMER

This guide provides general educational information only and is not financial, legal, tax, property or personal credit advice. It doesn't consider your objectives, financial situation or needs. Seek appropriately qualified advice and confirm current lender and government rules before acting.

Sam Ing is a Credit Representative (548375) of Finsure Finance & Insurance Pty Ltd, Australian Credit Licence 384703.

Questions about any of this? A 15-minute call costs nothing and usually saves more than it takes.

BOOK A CALL