First home buyer's guide.

Getting you into your first home sooner.

Contents

Your first steps

Buying your very first home is an exciting time – but it can feel a little overwhelming. Don't worry, your Bank SA Home Loan Specialist or mortgage broker are here to help with everything you need to bring your dream home to life – whether that's saving for your deposit, understanding how much you can borrow or what your repayments might look like.

They'll also help you understand what to consider when looking for a property, the next steps once you've found one and what to expect during the settlement process.

Handy deposit saving tips

Set small targets

Starting with smaller goals can help make the journey feel more manageable over time, allowing you to focus on steady progress and build confidence as you work towards your longer-term plans.

Plan and plan again

Set up your savings plan to correlate with your pay cycle. It could help you manage your cash flow. Then, if you find you have under or over budgeted, revise your plan for the following pay cycle.

Take a practical approach

Setting achievable targets is the secret to a successful budget. Be sure to consider all your income and expenses. Include both living costs and short-term debts.

Make your savings work for you

Some suggestions to help you save include:

- Save your tax refund rather than spending it
- Review services and subscriptions such as streaming services and your mobile or home phone plan
- Deposit your savings into a high-interest savings account

5% Deposit Scheme

You could be eligible for the Australian Government 5% Deposit Scheme. To find out more, visit:

banksa.com.au/personal/home-loans/first-home-buyer/australian-government-5-percent-deposit-scheme

How much is needed for a first deposit?

Generally, if you're able to offer a larger deposit, say, 20% of the property value, you could save by not having to pay Lender's Mortgage Insurance (LMI). However, if saving a deposit of this size is not achievable, it's common for home loan providers to offer lower deposit options for eligible customers, of up to 95% of the property value, but you would generally need to pay LMI.

Additional fees

There may be other upfront costs you need to consider including:

- Application and valuation fees
- Stamp duty
- Government fees such as mortgage registration, title search and transfer fees
- Conveyancing and legal costs
- Site costs, if you're building a new home
- Building and pest inspections
- Home insurance before settlement, and possibly contents insurance when you move in

There may also be ongoing costs once you settle your home loan, including strata fees, utility fees (water, gas and electricity) and council rates.

Quick tip: Stamp duty

The cost of your stamp duty can vary depending on which state or territory you are purchasing your property in. The cost of stamp duty varies depending on the state or territory where you buy your property. It's usually paid at settlement and may be funded through your home loan in some circumstances.

To calculate stamp duty and other government fees, visit

banksa.com.au/personal/home-loans/home-loan-calculators/stamp-duty-calculator

The path to your first deposit

There are many pathways you can take when saving for your first deposit. The one best suited to you depends on your financial situation.

Lenders Mortgage Insurance (LMI)

LMI is a one-off fee charged by a home loan provider. It's usually needed when you have a deposit of less than 20% and insures the home loan provider in case of non-repayment by the borrower. The amount of LMI varies depending on the amount borrowed and the size of the deposit that you are able to offer. There may be the option to include the LMI fee into your home loan amount, subject to lending criteria, allowing you to pay it off over the life of your home loan.

LMI example

Illustrative example only. Credit approval, terms and conditions apply.

Property purchase price	Minimum deposit %			
	LMI not required	LMI required		
	20%	15%	10%	5%
$600,000	$120,000	$90,000	$60,000	$30,000
$500,000	$100,00	$75,000	$50,000	$25,000
$400,000	$80,000	$60,000	$40,000	$20,000
$300,000	$60,000	$45,000	$30,000	$15,000

First Home Super Saver (FHSS) Scheme

The FHSS Scheme allows you to save money for a first home through voluntary superannuation contributions. This could help first home buyers save faster with the concessional tax treatment within super. To find out more, visit ato.gov.au/individuals-and-families/super-for-individuals-and-families/super/withdrawing-and-using-your-super/early-access-to-super/first-home-super-saver-scheme.

First Home Owner Grant

If you're buying or building your first home, you may be eligible for a grant or stamp duty concession to help with your property purchase. Most states and territories have their own scheme, however note, the offers, qualification criteria and processes for applying vary accordingly.

To check which grants apply in your area, visit your relevant state or territory information at firsthome.gov.au

The path to your first deposit (con't)

Family Security Guarantee

Family Security Guarantee allows for a family member to guarantee **part of your home loan** – while having the peace of mind to set the guaranteed amount. This option helps reduce the loan-to-value ratio (LVR) or possibly eliminates the need to pay Lenders Mortgage Insurance (LMI).

A Family Security Guarantee means a family member agrees to use part of their property as security for your loan. If you're unable to keep up with repayments, the bank may need to rely on that security. Because of this, guarantors are required to seek independent advice before proceeding.

An example of Family Security Guarantee

Illustrative example only. Credit approval, terms and conditions apply.

David is planning to purchase a

$500,000

property, with a

$25,000

deposit (LVR of 95%)

=

LMI would be payable due to the high LVR for this loan.

If David's parents have enough equity in their home, they could provide a guarantee of

$75,000

as additional security on the loan

=

Reducing David's LVR to 80%

This scenario would mean David may reduce or remove LMI, potentially saving him up to

$15,200

Tip

Family Security Guarantee LVR calculation:

$$\frac{\text{Loan Amount}}{\text{(Property Value + Family Security Guarantee Amount)}} = \text{LVR}$$

The path to your first deposit (con't)

More about Family Security Guarantee

How the borrower may benefit

- No additional lending fees (standard guarantee and legal fees apply).
- Helps to reduce or avoid Lenders Mortgage Insurance.
- Could get you into the market sooner. You could borrow up to 100% of the purchase price plus costs such as stamp duty and legal fees.
- Get help from your family members without having to ask them to contribute to your deposit with cash.

Risks for guarantor/s

- A guarantor is liable for the amount specified in the Family Security Guarantee. Your ability to borrow may be reduced if you agree to act as a guarantor.
- It is a promise to pay Bank SA the amount you nominate to guarantee. If you are unable to pay when asked, your property may be sold to repay the amount owed.

You and the guarantor/s will need to read and understand the full terms of the guarantee and seek independent legal advice before signing it.

Considerations for the guarantor/s

- You could help your children buy a home without giving them cash, as the equity in your property is used as security for part of the loan.
- Allows you to act as a guarantor even if your home loan is with another lender.
- Gives you the flexibility of nominating an amount you're comfortable to use as security.
- Gives you the option to be released when the borrower's loan to value ratio is reduced to the required level.
- Family members who can provide the guarantee may include parents, siblings, sons and daughters.

Important information for guarantors

Before proceeding, guarantors should read and understand the full product terms and conditions. It is important to consider whether providing a guarantee is right for you. You should seek independent legal and financial advice to understand your obligations, the circumstances in which you may be required to repay the loan, and how the guarantee could affect your own financial position and borrowing capacity. Visit our website for more: banksa.com.au/personal/home-loans/tools/home-loan-features/family-pledge

Budgeting with a home loan

When buying a home, knowing your borrowing potential and repayment costs is a great place to start. You can then work out a budget that includes your everyday living expenses and other financial commitments. Remember, if you need a hand, we're here to help.

Don't forget

Financial obligations

Assess your current obligations and consider whether you can pay these off along with a home loan. Include any credit cards, student loan debts or store cards you may have.

Savings

Consider how much of your savings you can comfortably use as a deposit.If you're buying a home to live in, some lenders may accept deposits from as little as 5% of the purchase price, depending on your circumstances. You'll also need to allow for additional costs, such as fees and other upfront expenses, so you don't stretch your savings too far.

Repayments

Determine what you can afford to repay per week, fortnight or month, and then work out your budget based on your pay cycle.

Job

Consider how long you've been in your job. Make sure you've cleared any probation periods and you're in a financially stable position.

Lifestyle

How much can you realistically give up? Make sure you don't over-commit. Factor in your everyday living costs – such as groceries, transport and entertainment – so your budget remains sustainable over the long term.

Family

If you're thinking of having a family, you should consider what impact children could have on your budget and ability to repay a home loan.

Check out our handy Budget Planner to help you get started: banksa.com.au/content/dam/bsa/downloads/about_us/bsa-budget-planner.pdf

Conditional approval

Also referred to as 'pre-approval' or 'approval in principle', conditional approval is an obligation-free way to estimate how much you could afford to borrow before you make an offer on a property. Once given, conditional approval is valid for 90 days from the approval date. If you don't find a property within this period, you may renew for another 90 days by confirming your financial circumstances haven't changed.

In detail

Conditional approval is an initial indication that you may be able to borrow, based on a preliminary assessment of your financial situation and subject to certain conditions being met. It is not a guarantee of finance. The conditions could range from information about your current financial position to a satisfactory valuation for the proposed property. It's important to note, conditional approval is not a guarantee of finance.

Quick tip: Manage your credit cards

Credit card limits are usually considered when assessing how much you can borrow, even if you don't use them. Reviewing your cards and overall limits can help you understand their impact on your borrowing capacity

Getting set to buy

Finally found that perfect property? Before you rush to the auction or make an offer, be sure to do your final checks and ask your Home Loan Specialist or mortgage broker for a Property Report so you can be completely confident with your decision.

Choosing a home loan

There's a wide range of home loan options offering you a mix of flexibility, certainty and peace of mind. Consider whether you would prefer a variable or fixed interest rate – or a bit of both. Your Home Loan Specialists or mortgage broker can help you understand which option is best for you.

Principal & interest

- By paying both Principal & Interest, you'll pay off your property faster.
- You can link an offset account to the loan to reduce interest.

Variable interest rate

- A flexible interest rate that moves in response to market changes.
- Loan repayments could change during your loan term.
- You can link an offset account to the loan to reduce interest.
- May suit borrowers who prefer flexibility in their repayments.

Interest Only

- Monthly repayments may be lower for a set period as you're paying the interest being charged for the loan.
- The amount of money you owe does not reduce during the Interest Only period, this could result in higher total interest costs over the life of the loan.
- Repayments may be higher after the IO period (as borrowers will have a shorter time to repay, compared to P&I)

Fixed interest rate

- An interest rate that does not change for a set period of time.
- May suit borrowers who prefer the certainty of regular repayments throughout the fixed term.

Loan features and rates depend on individual circumstances and may change.
Visit banksa.com.au/personal/home-loans, should you wish to find out more.

Quick tip: Check the comparison rate

Comparison rates allow you to quickly compare home loan rates from all home loan providers, taking into account all fees and charges applicable. They're usually advertised alongside the interest rate.

10 house hunting tips

1 Set your budget

Know how much you can spend before you start house hunting. Request a conditional conditional approval letter from your home loan provider.

2 Word-of-mouth

Tell your friends and family you are looking for a new home or investment property. They might reveal some surprising opportunities.

3 Sign up to property alerts

Get online alerts about properties up for sale where you'd like to buy using popular websites like realestate.com.au or domain.com.au

4 Hunt for the right price

There's nothing worse than feeling like you overspent. Buying at the right price is the cornerstone of any successful purchase.

5 Ask around

Speak with a local real estate agent as they're equipped with a wealth of information, from up-and-coming suburbs to the sale prices of properties in your desired area.

To access the Bank SA Property Research site, visit banksa.com.au/personal/home-loans/property-research

6 Negotiate

Don't be afraid to negotiate the price with the seller. You could save a significant amount and might not need to borrow as much.

7 Worst-case scenario

Check on the likelihood of flooding in the area and other environmental risks such as sinking land or different types of pollution.

8 Structural check

Don't judge a house by its paint job. Look beyond surface finishes and check for underlying issues such as structural damage, sagging ceilings, water stains, signs of damp or mould, cracks in walls, roof damage or plumbing problems. While these issues may appear minor, they can become costly to fix over time. Property inspections and reports should be carried out by appropriately qualified and independent professionals.

9 Balance judgement with facts

Trust your judgement — supported by the facts. While how you feel about a property matters, decisions should be based on reliable information such as price comparisons, inspections and professional advice. This helps ensure your choice is informed, not just emotional.

Quick tip: Speak with an expert

Our Home Loan Specialists and mortgage brokers can help you with important information, including Seasonal Buyers Guides, Suburb Reports and Property Reports. Speak with an expert today.

Pre-purchase considerations

The key steps you may want to cover off when preparing to purchase.

Find a conveyancer/solicitor

They can:

- Make sure your legal rights are protected in respect of the purchase.
- Investigate issues affecting the property, such as local authority plans in the area, or environmental risks, such as flooding.
- Prepare the legal documents that ensure the property is transferred into your name once the sale is completed.
- Ensure the settlement process stays on-track by coordinating the legal representatives of the vendor and any home loan providers.
- Calculate charges including rates, water and body corporate levies.
- Conduct property searches at your instruction. These cover things you may not know about the property from simply viewing it – including title and strata searches.
- Tell you about the conditions of the sale.
- Help you understand cooling off periods. Most states have a cooling off period, except for sales at auction, which generally do not have any cooling off period.
- A conveyancer or solicitor can help explain your legal obligations and risks, but you should ensure they are appropriately qualified and independent.

Check zoning changes & proposed developments

Double-check your chosen area's zoning. Make sure it won't be impacted by proposed developments that may affect you long term. You may also need to identify the flood or fire risk for a property. Zoning and development information can change. Always confirm details with the relevant local council or planning authority.

Review the Contract of Sale

Ensure the Contract of Sale is reviewed by your solicitor or conveyancer before you commit to the purchase.

Consider home & contents insurance

Your Home Loan Specialist or mortgage broker can discuss some of the options available to you and advise of any insurance you may require prior to settlement. Insurance availability, cover and costs vary. Consider whether the policy meets your needs before settlement.

Conduct a building & pest inspection

These will help ensure the property is in the condition specified in the strata report and/or identify hidden contract issues in the case of structural damage or termites. Talk to your real estate agent to arrange these inspections.

Buying your home

From making an offer to finalising your home loan and the settlement process – the final stages of buying a home can be confusing. That's why it's a good idea to ask a solicitor or conveyancer to help you navigate this part of the process.

Making an offer

Once you're ready to make an offer, it's time to determine which type of sale yours will be.

1. Buying at auction

Before the auction

- Set a budget to know how much you want to spend
- Do your homework and research property sales in the area
- Carry out pest and building inspections prior to auction day
- Ask all your questions
- Arrange any agreements with the selling agent
- Have a conveyancer/solicitor look at the Contract of Sale
- Have finance approval and access to deposit funds arranged
- Note, conditional or pre-approval is not a guarantee of finance and final approval is required before a loan can be provided

During the auction

- Set a clear maximum price before bidding and avoid making decisions based on pressure or competition
- Be visible, stand out from your competition
- Use uneven numbers for bids – this could give you an edge
- Start with a strong first bid
- Don't bid more than your finance approval (including all purchase costs, such as stamp duty, legal fees and inspections, not just the purchase price.)

After the auction

If you are the winning bidder, you are generally required to pay a deposit (usually 10% of the purchase price) on the spot, with the exchange effective immediately (no cooling off period will apply).

Making an offer (con't)

2. Purchasing through a private treaty sale

If you're interested in purchasing the home, contact the seller's real estate agent after the open house. You may want to make a verbal offer and set any conditions of the offer for the real estate agent to present to the vendor.

Don't start with your highest offer. You may not know what offers have already come in, if any. You'll also be left with no room to negotiate.

Find out whether there's any competition by asking the real estate agent whether any offers have been made. It's also good to ask how soon the vendor is hoping for settlement as it could help you to negotiate a price.

Try not to show the agent how much you like a property. Be mindful that selling agents act for the vendor. Decisions should be based on facts, not pressure or emotion. If they detect your enthusiasm they may try and drive a higher price.

Find out from the agent as much as you can about the vendor's situation. If the vendor has already purchased elsewhere, then they may be in a hurry, so they could consider dropping the price.

If you're buying through a private treaty sale you are usually initially required to pay a holding deposit, which in turn will initiate a cooling off period, during which the seller cannot accept another offer from a different buyer.

It's important to understand the vendor may not accept your first offer and you may need to make several offers before reaching final agreement. Make offers within a budget you can comfortably afford, including all purchase and ongoing costs.

Quick tip: Double check your conditional approval

Before you consider making an offer, it's important to speak to your Home Loan Specialist or mortgage broker to make sure your conditional approval is still valid.

Finalising your finances

Once your offer has been accepted, we will need to finalise your home loan application and complete a property valuation.

There are a number of documents required to formalise your loan approval and make a formal loan offer to you. Your Home Loan Specialist or mortgage broker will be able to help you understand this process and finalise your home loan application.

Preparing for settlement

You're on the home stretch! Property settlement is the legal process of transferring ownership of the property from the seller to the buyer. It's facilitated by your legal and financial representatives and those of the seller.

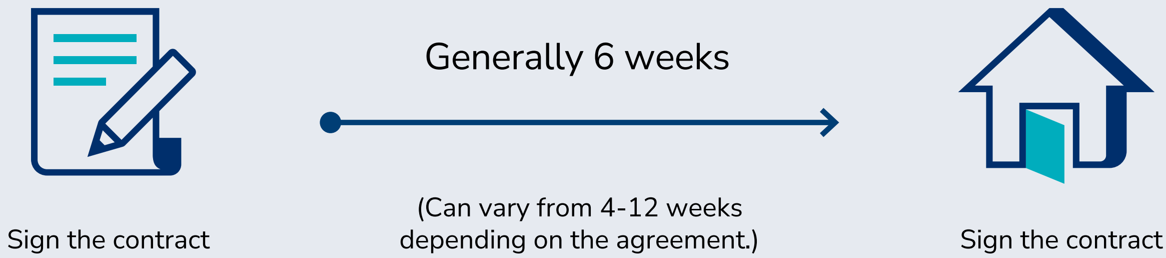
The 'settlement period' (when you sign the contract to when settlement is finalised) is generally 6 weeks. However, it can vary from 4-12 weeks, depending on the agreement between you and the seller.

It's important to note, changes to your financial situation before settlement may affect your loan approval.

This is a great time to organise things like:

- Home insurance
- Utilities (gas, electricity, internet etc.)
- Final inspection of the property
- Final details of your settlement

Settlement period



Settlement timeframes are indicative only and can vary depending on the contract terms and individual circumstances.

Settlement

Settlement day is the day you become the owner of your new property. Generally, the legal and financial representatives will meet on behalf of you and the seller to finalise the transfer of property ownership.

Once that's done, all that's left to do is pick up the keys!

How to save once you've started repayments

Pay fortnightly

Repayment strategies may reduce interest over time, depending on your loan type, rate and circumstances. By dividing your monthly payments into two and paying fortnightly, you'll squeeze in one extra repayment each year. Over time, that could reduce the amount of interest you may potentially pay.

Pay extra

Making higher than minimum repayments can make a big difference. However, not all loans allow extra repayments without fees or limits. Conditions, fees or break costs may apply, particularly on fixed rate loans. Some fees, such as fixed-rate break costs, can be substantial.

Take advantage of bonuses

You may choose to put some or all of a pay rise, bonus, tax return or other windfall towards your home loan, depending on your circumstances. Before making extra repayments, consider your cash-flow needs and whether your loan allows additional repayments without fees or limits.

Make additional repayments

If you are on a variable rate home loan and your minimum monthly repayments drop due to interest rates being reduced, you may want to consider maintaining your existing repayments. It could help you pay off your home loan sooner by reducing the amount of interest you pay.

Offset your mortgage

Consider making your savings work harder, by 'offsetting' them against your home loan. An interest offset account will give you the flexibility of accessing your money when you need to, with the benefit of paying off your home loan sooner. Offset accounts are not available with all home loans and may involve additional costs.

Stay disciplined

Think of your equity as a deposit for your next home or savings, not something to spend on holidays or entertainment. If you're having trouble managing debt, speak to a financial advisor and contact your Home Loan Specialist about your loan options.

Review your home loan every few years

Consider arranging a home loan health check with your Home Loan Specialist or mortgage broker every few years. You're likely to have a home loan for many years and your circumstances or needs could change during that time.

Home loan application checklist*

To help make the process a smooth one, have this checklist handy when you apply for a home loan with Bank SA. This checklist is a guide only. Some documents may not apply to you and additional information may be required depending on your circumstances.

- **Proof of identity**
  (Such as a licence or passport)
- **Two of your most recent pay slips** or, if you're self-employed, two years' full financials and tax returns
- **Financial statements for your assets**
  (such as savings, deposits and investments), that are less than 6 weeks old
- **Financial statements for any money you owe**
  (include mortgage statements, personal loans, credit cards etc.) that are less than 6 weeks old
- **Details about your lifestyle and fixed expenses**
- **Centrelink payment recipient**
  • And a letter from Centrelink
- **Commission/Bonus recipient**
  • Documents from your employer
  • Copies of your tax return
- **Maintenance recipient**
  • A copy of the court order
  • A current statement from the
- **Child Support Agency**
  • Copies of current statements

If you are building a house or renovating

- **Council approved plans**
- **Copy of itemised tender quote**
- **Copy of the deposit receipt**

If you are purchasing an existing property or vacant land

- **Copy of the Contract of Sale**
- **Copy of the deposit receipt**

Other documents

- **Written confirmation of any deposit gift or loan** you've previously received for this purchase, and details of any co-borrower or guarantor commitments
- **A copy of the registered strata plan**
- **Evidence of any assets sold**

* This information is general in nature and does not take into account your personal objectives, financial situation or needs.

You've got questions? We've got time to talk.

Call us on 13 33 30

Speak to a Bank SA home loan specialist or mortgage broker

banksa.com.au/personal/home-loans

Accessibility support

At any time, you can inform us how you would prefer to be contacted. If you are deaf and/or find it hard hearing or speaking with people who use a phone, you can reach us through the National Relay Service (NRS). To use the NRS you can register by visiting accesshub.gov.au/about-the-nrs

Visit banksa.com.au/accessibility for further information on our accessible products and services for people with disability.

Things you should know

Conditions, credit criteria, fees and charges apply.
The information in this brochure is current as at June 2026, is general in nature and has been prepared without taking your objectives, needs and overall financial situation into account. For this reason, you should consider the appropriateness of the information to your own circumstances and, if necessary, seek appropriate professional advice.

WBC01708STG 0823