



FIRST HOME BUYERS' HANDBOOK

SUPPORTING YOU
THROUGH EVERY STEP

FOR
SALE



BACKING YOU
EVERY STEP
OF THE WAY

With ANZ, you don't just get a home loan.
You get a coach who'll support you through the
home-buying process from start to finish.

No matter where you are,
we can help you take the next step.

LET'S GET STARTED





**DON'T GO
IT ALONE**

YOUR FIRST HOME COACH

First things first: get in touch with an ANZ First Home Coach.

They'll be in your corner at every stage of the home-buying journey, from dreaming about your first home, to when you apply for the loan, and through to when you finally get the keys.



Visit a First Home Coach in branch
anz.com/firsthome



Call a First Home Coach
1300 295 951



Have a First Home Coach come to you
mobilelending.anz.com

YOUR HOME-BUYING JOURNEY

PUTTING A PLAN TOGETHER

Working out your specific goals and how you might achieve them

PAGE 6

GETTING IN THE GAME

Putting your plan into action to find your new home

PAGE 16



DEPOSIT READY

SAVING AND PLANNING

KEY STEPS

- Meet with your First Home Coach
- Develop a plan to achieve your goals that takes into account your lifestyle¹
- Understand your potential borrowing power

HOW WE'LL HELP

- Coach you through the home buying journey
- Assist you in setting expectations when buying a home and the potential costs involved
- Highlight potential deposit options

FINDING

KEY STEPS

- Go house-hunting
- Inspection checklist
- Consider conveyancer or solicitor advice
- Seek advice on building and/or pest inspections

BRINGING IT HOME

Finalising the paperwork required to get you across the line

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APPROVAL IN PRINCIPLE²



SETTLEMENT

HOW WE'LL HELP

- Arrange your Approval in Principle²
- Support your search with ANZ Property Profile Reports
- Help you understand the different type of sales - auctions and private
- Prepare your deposit before you make an offer

BUYING AND SETTLING

KEY STEPS

- Make an offer
- Sign contract
- Consider your insurance needs
- Settle and get the keys

HOW WE'LL HELP

- Review or arrange to renew Approval in Principle
- Support you through to full approval³
- Assist with settlement arrangements
- Discuss how you can get the most out of your loan

PUTTING A PLAN TOGETHER

The first stage of buying a home involves working out your specific goals, and how you might achieve them.

Your coach will walk you through your options and help you develop a plan for getting from where you are to where you want to be.

They'll provide you with a planning tool to help get you deposit ready and also give you an approximate idea of what you could borrow, what your price range might be and what your repayments might look like.



P10

Putting your savings to work



P12

The right property for you



P14

Upfront costs

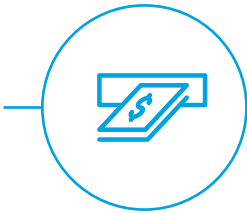




MAKE A PLAN WITH A FIRST HOME COACH

Saving for your first home deposit can be a daunting task, especially when you don't know where to start or you feel like you're not making progress. Regardless of your situation or how much you have already saved, one of our trained First Home Coaches can assist you to develop a plan which fits your lifestyle and could help you save for your deposit sooner.

YOUR FIRST HOME COACH CAN HELP YOU:



Understand your possible deposit options and potential repayment amounts



Identify some of the unexpected costs when buying a home



Work out how much you might need to save



Find ways that could help you save a little faster



Set up your accounts to help you make the most of your money

TIP

Book an appointment with a First Home Coach to talk about our Planning Your Deposit tool¹
anz.com/firsthome



¹ The plan is intended as a guide to help with your savings. Estimates in the plan are based on the accuracy of the information you provide to us, may not contain all relevant information and are subject to change.

PUTTING YOUR SAVINGS TO WORK

How much do you need for a deposit?

Most home buyers aim to have a deposit that covers 20% of the purchase price of their property, plus the upfront costs.

You might be able to get into the market sooner, however, by taking out lender's mortgage insurance (LMI)⁴ if you're eligible. This insures the bank in case you default on your loan, letting you borrow a greater percentage of your property's value and make a purchase with a smaller deposit.

LMI can be paid upfront or rolled into your loan. It increases the total cost of your purchase, but it may help you to buy the house you want now.

LMI is calculated using your loan-to-value ratio (LVR) – the amount you borrow relative to the bank-assessed value of your property.

You might be able to reduce your LVR and remove the need for LMI with a guarantee⁵ from a family member. Guarantees can take a number of forms but typically involve leveraging the equity in a home or investment property. Just remember, a guarantee is a big financial commitment – one which you and any guarantor should consider carefully as if for some reason you default on your home loan, the lender can seek to recover the money owed from your guarantor.



TIP

Talk to your coach about estimating your total deposit or use the home loan deposit calculator at anz.com/firsthome

Bank-assessed property value

WITH A SMALLER DEPOSIT



If your contribution, minus your purchasing costs, is less than 20% of the bank-assessed property value, you generally need LMI.

**LMI
REQUIRED**



WITH A LARGER DEPOSIT



If your contribution, minus your purchasing costs, is more than 20% of the bank-assessed property value, you generally don't need LMI.

**LMI
REQUIRED**






WITH A GUARANTEE



If your contribution, minus your purchasing costs, is less than 20% of the bank-assessed property value, you may be able to remove the need for LMI through a guarantee, for example by using the equity in the house or investment property of a family member.

**LMI
REQUIRED**

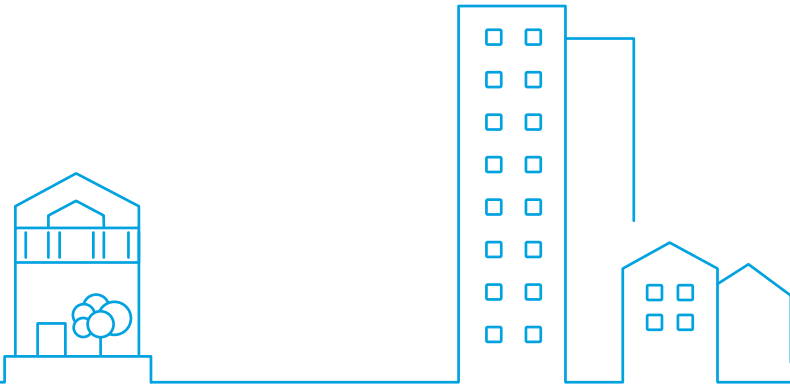


-  Loan amount
-  Your contribution
-  Guarantee⁵

⁵ An ANZ Security Guarantee could help reduce your LVR to less than 80% and save you from having to pay LMI if you have a guarantor who agrees to accept the obligations associated with entering into a guarantee. It is important to remember that if for some reason you default on your loan, ANZ can seek to recover from your guarantor.

THE RIGHT PROPERTY FOR YOU

Different property types come with different opportunities – and different things to look for.



EXISTING HOUSES

Existing houses are generally more straightforward in terms of the purchase process and your loan.

Before you commit to buying a house you may wish to consider:

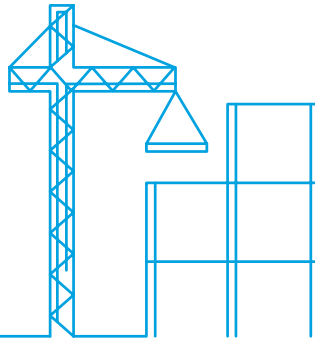
- Carrying out building and pest inspections
- Having a professional review the contract of sale.

APARTMENTS + TOWNHOUSES

When you buy an apartment or a townhouse you may also become a shared owner of any common areas of the property.

In addition to inspections and contract reviews, you may wish to:

- Ensure you understand the financial position of the owner's corporation and your responsibilities as a member.



LAND + CONSTRUCTION

Building your own home usually requires two loans: one for the land itself and one for construction of the property. When you're planning this type of property, you may wish to consider:

- Any council restrictions on building size and style
- Whether there are any easements on the site or issues with access or service connections.

OFF THE PLAN

Purchasing a property before it's been built can make it hard to know what the value of your finished home will be.

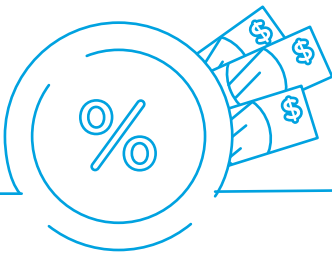
Some things you may wish to consider to understand the risks with this type of property are:

- Inspect display sites
- Check floor plans, room measurements and the actual fittings that will be used
- Have a professional review the contract of sale
- During construction your Approval in Principle² may expire and lending criteria may change.

UPFRONT COSTS

Your coach can help you make sense of the various upfront costs with buying a home, how much they're likely to be and when you'll need to pay them.

Use the home loan deposit calculator at anz.com/firsthome to get a picture of the estimated cost of purchasing your property.



STAMP DUTY + GOVERNMENT FEES

Stamp duty is a tax you pay on the purchase of your property. Based on the price of your property, you can pay this upfront or roll it into your loan.

Fees associated with registration, title searches and land transfer are also upfront costs.

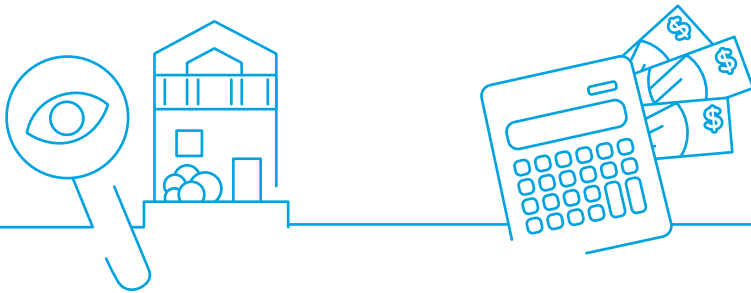


LEGAL + CONVEYANCING FEES

You can hire a solicitor or conveyancer to review the contract of sale when you're making an offer, and help you to complete the transaction, advise you on the risks and obligations at settlement.

TIP

Are you eligible for your State or Territory First Home Owner Grant (FHOG) or stamp duty concessions? Ask your coach for more details or visit firsthome.gov.au



INSPECTIONS

The aim of a building inspection is to give you a comprehensive picture of any structural issues or damage to the property, while a pest inspection is intended to help you discover any pests that pose a threat to it.

BANK FEES

Some home loans have loan application fees and annual fees. Talk to your coach to understand your options to help you determine the most suitable loan and repayment structure for your needs.

GETTING IN THE GAME

This stage involves putting your plan into action and finding the home that meets your needs.

It's the looking, the comparing, the inspecting, the deliberating, the hoping, and – ultimately – finding the one.

Your coach can take you through the ins and outs of house-hunting and help you along the way with useful tools like the ANZ Property Profile Report.

They're here to support your search and answer any questions you have about buying a home.



P19 Approval in Principle² →

P20 Property Profile Reports →

P23 Understanding private sale →

P24 Understanding auction →

P26 Exchanging contracts →



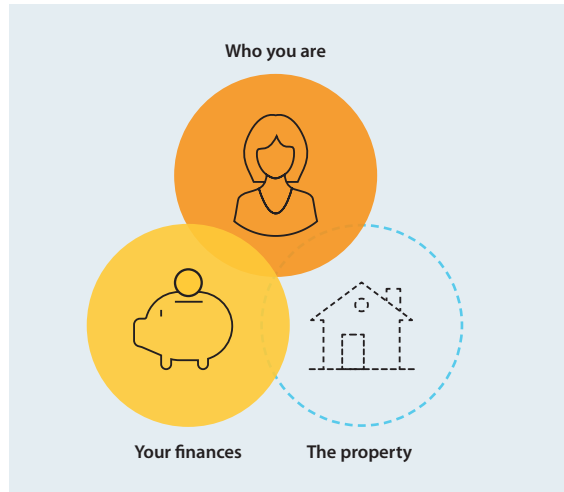
APPROVAL IN PRINCIPLE

This is your ticket to house-hunting with confidence, letting you know your potential buying power and helping you determine your approximate price range.

Approval in Principle² is an indication of what we're willing to lend you, subject to certain conditions. To get one, your coach needs to consider a number of things like validating your identity and assessing your financial position, income and living expenses.

Your Approval in Principle is valid for a fixed period of time. If you're still house-hunting after that, you may be able to renew it.

Approval in Principle constitutes two of the three parts of a full loan application – your identity and your financial position. All that's missing is the house itself.



Contact your coach to find out exactly what you need to get your Approval in Principle.



² ANZ can provide Approval in Principle to eligible customers who apply for an ANZ home loan, complete an application form and satisfy ANZ's other requirements for Approval in Principle. An Approval in Principle is an approval for a loan subject to conditions being met, including that security is satisfactory to ANZ.

GET A PREDICTION, NOT ANOTHER OPINION

with Australia's most accurate free Property Price Predictor⁶.

We've teamed up with real estate website REALas to bring you more accurate price predictions on properties listed for sale. Here's what you need to know about the REALas price predictor:

- 7 out of 10 properties predicted within 5% accuracy of final sale price⁷
- Adapts to changes in the real estate market
- Gives up-to-date predictions right up to the time of sale

This computer-generated figure is calculated by REALas's algorithm. It's different to a valuation, and it's important to understand the differences before you make an offer. Learn more on our [website](#).



GET ON TOP OF HOME BUYING

With a free property price prediction. Know which homes are worth your time with a comprehensive, 16-page ANZ Property Profile Report.

So, what's in it?

⁶ Property price predictions are estimates, not valuations. Predictions available for listed properties only (exceptions apply) and may change daily. Actual sale prices may differ. Accuracy assessed on final pre-sale predictions and national market comparison of free price predictor estimates or range midpoints for listed properties (excluding agents' price guides). Sales data as at August and November 2018.

⁷ REALas has predicted on average within 5% of the sale price over the 12 month period beginning Sep 16 to Aug 17.



PROPERTY PRICE INFORMATION

Your report includes a price prediction for a listed property, or a price range if the property is unlisted.



SUBURB INSIGHTS

Find out more about how the suburb's doing in the property market, including how house and unit prices have changed over the past 10 years.



COMPARABLE SALES RESULTS

You'll see a number of recently sold properties in the area, selected based on property features, recent sales and location.



SALES AND RENTAL HISTORY

Get the sale and rental history for the property you're interested in, including price, type of sale and the agent who sold it (where available).



When making an offer

- Agree on a price subject to your conditions
- Consider carrying out site and pest inspections
- Consider having a professional review the contract of sale

UNDERSTANDING PRIVATE SALE

In a private sale, generally the vendor sets a price for the property then negotiates with potential buyers, usually via a real estate agent.

A key benefit of buying by private sale is the opportunity to make an offer subject to conditions such as obtaining your finance, reviewing the contract of sale and being satisfied with the results of the building and pest inspections.

Exchanging contracts

- Have your professional review the contract of sale to understand the risks and obligations
- Be ready with your deposit
- Sign the contract of sale

Settling

- Call your lender to arrange your home loan
- It may be mandatory to take out building insurance

TIP

Contact your coach before you make an offer to understand any potential issues with getting loan approval for your property.

UNDERSTANDING AUCTION

With an auction, generally the vendor sets a reserve price – the minimum amount they'll accept for the property – and a date on which potential buyers publicly bid for it.

When a property passes its reserve price at auction, the highest bidder effectively commits to buying the property. That's why you need to do your due diligence before the big day.

Your coach can take some of the mystery – and stress – out of an auction by helping ensure you are ready with your deposit on the day and providing you with an ANZ Property Profile Report⁶ beforehand.

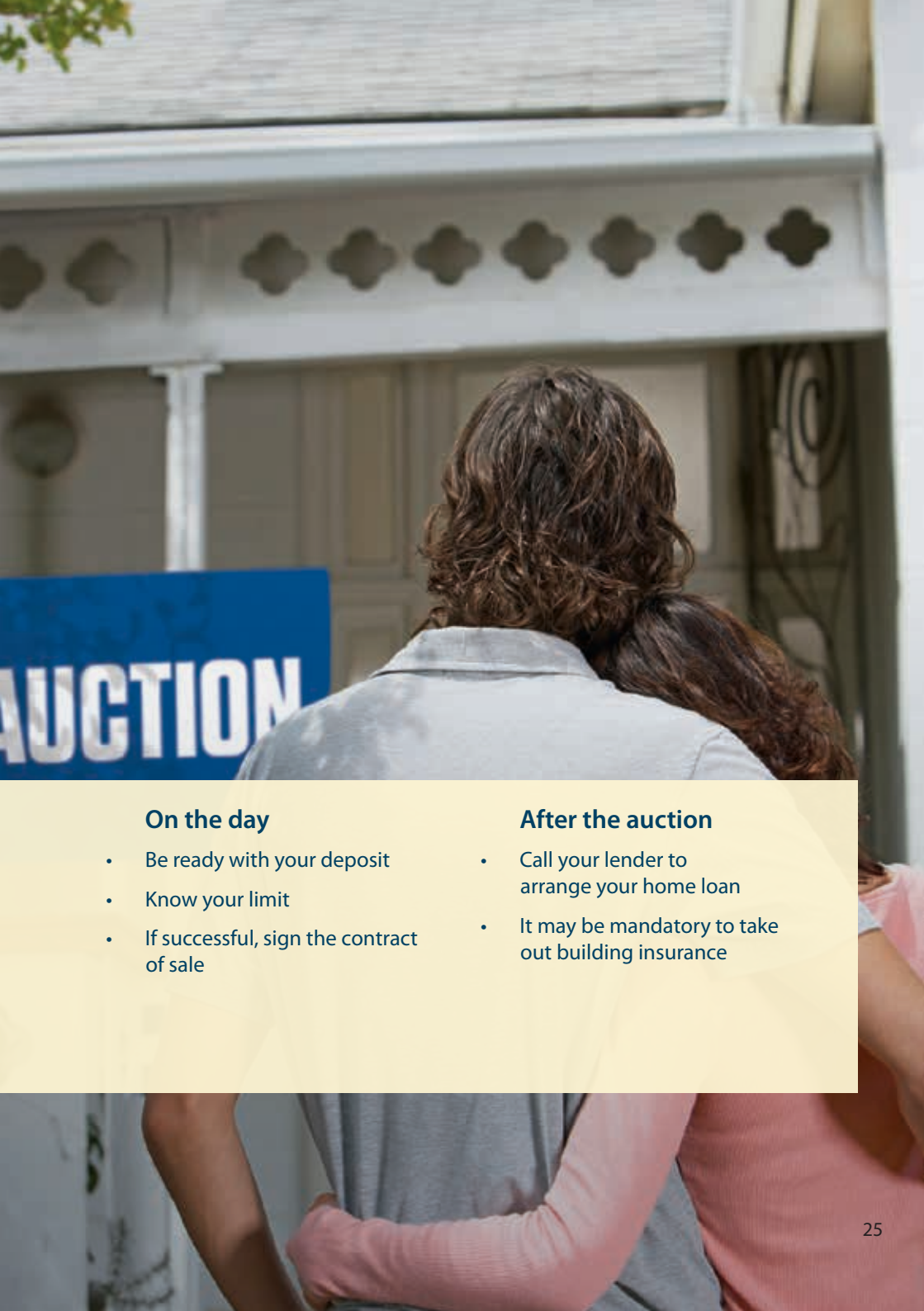


Before the auction

- Consider carrying out site and pest inspections
- Consider having a professional review the contract of sale
- Understand auction rules in your state or territory

TIP

If you're worried about the pressure getting to you, you may look to appoint a professional or a friend to bid on your behalf as a buyer's advocate.



On the day

- Be ready with your deposit
- Know your limit
- If successful, sign the contract of sale

After the auction

- Call your lender to arrange your home loan
- It may be mandatory to take out building insurance

BEFORE EXCHANGING CONTRACTS

You may wish to obtain professional advice about the condition of the property and the specifics of the contract of sale before you commit to buying the property.

AFTER EXCHANGING CONTRACTS

We need to assess the property you're buying and understand any changes to your financial situation before we can approve your loan.



TIP

In some states or territories you need to take out building insurance as soon as you exchange contracts. You should check the requirements in your state or territory.

YOUR RESPONSIBILITIES

INSPECTIONS

You should consider conducting site and pest inspections to understand the condition of the property you're buying. If it's an apartment you should ensure you understand the financial position of the owner's corporation and your responsibilities as a member.



Ask your coach about ANZ's Inspection Checklist.

This tool will help you know what to look out for when searching for the one.

REVIEW THE CONTRACT

You should consider getting a solicitor or conveyancer to review a contract of sale before you sign and to help identify any changes you may want to make to the contract.



OUR RESPONSIBILITIES

PROPERTY VALUATION

This indicates the value of the purchased property, based on our assessment of current fair market value.

FINANCIAL VERIFICATION

When you apply for a loan your coach may ask you for up-to-date documentation on your income and financial position. This helps us assess whether we can lend you the amount you need to buy the property.

BRINGING IT HOME

The last stage is all about buying and settling - to help get you into your new home.

This is when your coach helps arrange the application and settlement of your loan. Your solicitor or conveyancer handles the legal requirements to transfer ownership of the property to you. Together we aim to help your settlement run smoothly and on schedule.

Let us help with this process, so you can focus your energy on the important thing: getting ready to move into your new home.



P30 Applying for a home loan →

P33 Loan approval →

P34 Dotting the Is and crossing the Ts →

P36 Setting up your accounts →

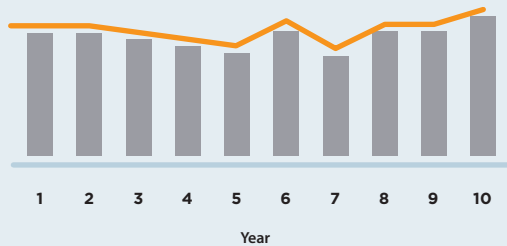
P38 Getting the keys →

APPLYING FOR A HOME LOAN

Talk to your coach about working out the right loan for you. They can help you understand the different types of loans and interest rates so you can determine the loan that meets your needs.

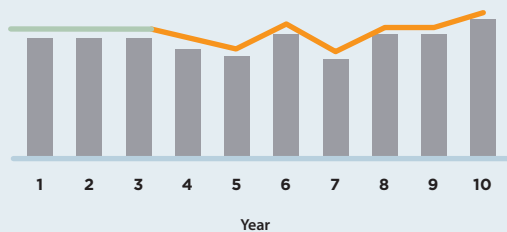
VARIABLE RATE

Variable rates means the interest rate for your home loan may go up or down, so the amount of your repayments may also increase or decrease during the term of your loan. Loans with variable rates typically give you greater flexibility to pay off your home loan sooner.



FIXED RATE

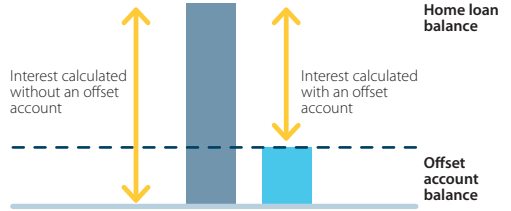
A fixed rate loan gives you the certainty of knowing how much your repayments will be during that period. Which means the interest rate stays the same on your home loan for a specified period.



- Repayments
- Variable interest rate
- Fixed interest rate

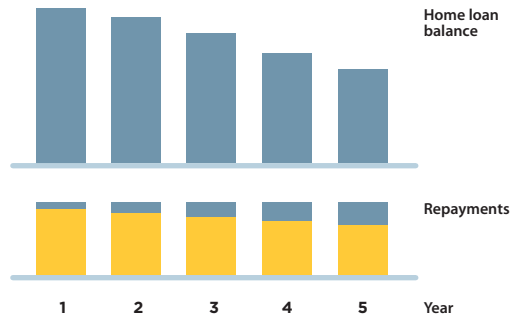
OFFSET ACCOUNT

An offset account is a transaction account linked to your home loan account. Money in your offset account can reduce the interest you pay by offsetting what you owe on your loan, without restricting your access to these funds.



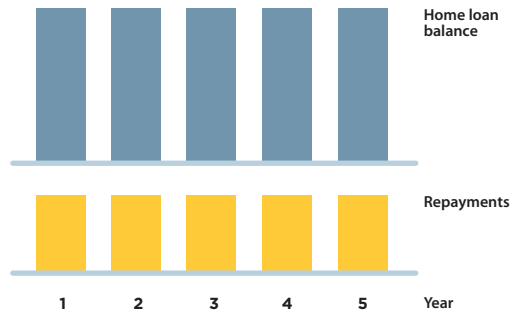
PRINCIPAL + INTEREST LOAN

Repayments on principal and interest loans can seem high in the short term because you're paying off both interest and the original loan amount. However, as the principal balance reduces over the life of the loan, you could find yourself paying less interest compared to an interest-only loan.



INTEREST-ONLY LOAN

Repayments on interest-only loans might be lower for a defined period because you're only paying interest during that period, but at the end of this interest-only period, you'll revert to principal and interest repayments and your repayments will be higher because you'll be paying off both interest and the original loan amount. Choosing an interest-only loan can increase the total interest you pay over the life of the loan.



- Principal
- Interest

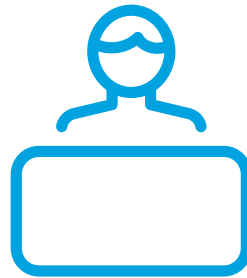


LOAN APPROVAL

Your coach will guide you through the approval process and send you a letter of offer once your application has been approved. This confirms the amount we have agreed to lend you and is key to the loan going ahead. It's also one step closer to having the keys in your hand.

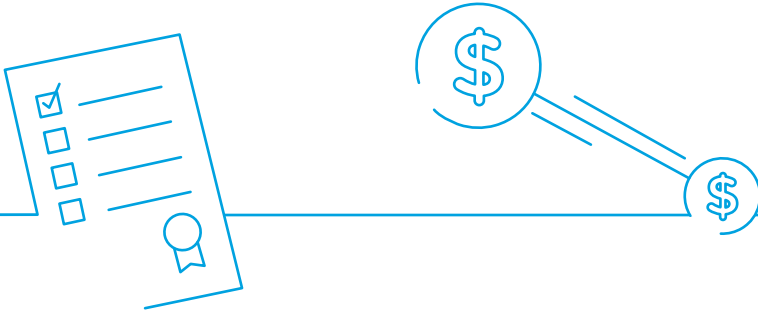
Having already validated your identity and financial position for your Approval in Principle² as well as understanding your objectives and requirements, the property is the final component of your loan application.

Once we receive your contract of sale we'll undertake a valuation of your property. This is the final step for moving to full loan approval. If your loan is approved, we will send you a letter of offer.



DOTTING THE IS + CROSSING THE TS

While your coach helps arrange the settlement of your loan, there are a couple things you need to consider ahead of settlement day.



FINAL INSPECTIONS

Make sure you carry out a final inspection of the property. You may want to ensure any inclusions in the contract of sale remain and there has been no damage to the property since you exchanged contracts.

REMAINING DEPOSIT

Once the numbers are finalised, there may be a shortfall between your original deposit and your final contribution. This may account for taxes and duties, as well as any adjustments paid by the seller. Make sure you have the funds to pay any shortfall on settlement day.

TIP

Move the remaining deposit into your home loan account a week before settlement day – it's key to completing the transaction.



INSURING YOUR HOME

Consider covering yourself against accidental damage to contents, theft and water damage with home and contents insurance.

INSURING YOU

Mortgage and income protection insurance may help you keep up your repayments should you experience a setback. Talk to your coach about your insurance needs.



UNDERSTAND YOUR OPTIONS

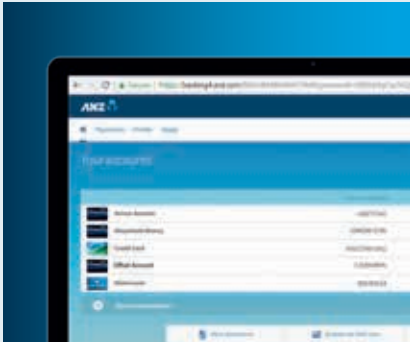
SETTING UP YOUR ACCOUNTS

Your coach can help you arrange your accounts and maximise the benefits you get from your loan.



MAKING ADDITIONAL REPAYMENTS

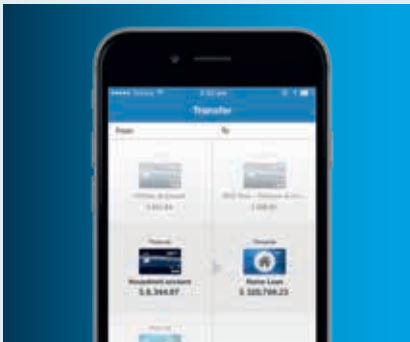
Talk to your coach about managing your repayments and your ability to make additional repayments without incurring fees or costs.



GETTING THE MOST FROM YOUR OFFSET ACCOUNT

You can use your offset account as your everyday account – or you can use it as your everything account: savings, spendings and anything in between. Every dollar can help reduce your interest, without restricting your access to it when you need it.

An offset account is only available on certain loan products. Check in with your coach on your eligibility.



MEETING YOUR REPAYMENTS

Once your home loan account is set up with ANZ, you need to make sure the money is there for each loan repayment.

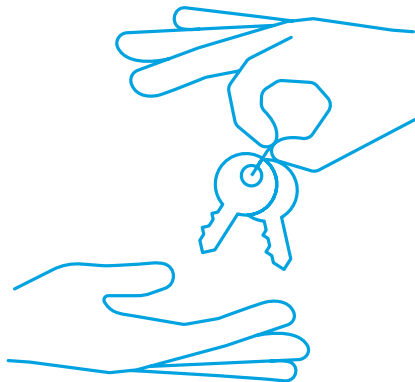
GETTING THE KEYS

Settlement is the formal completion of the property purchase, involving you, the seller and your respective representatives.

Generally at settlement your deposit is released to the seller, and we pay the agreed loan amount on your behalf, including any settlement adjustments. These include taxes, rates and other services that have been paid in advance by the seller.

Once settlement has taken place, your conveyancer or agent will notify you, and you can then take the keys.

Congratulations, welcome to your new home!



WE'RE HERE FOR THE LONG TERM

As you put your feet up and settle in to your new home, let us know how you're going. The journey doesn't end at settlement, and your coach may be able to help you tailor your loan to meet your changing needs.

And when the day comes that you want to buy a bigger house, invest in another property or restructure your mortgage, your coach will be there, by your side, ready to help you reach that next milestone.

Disclaimers:

- 1 The plan is intended as a guide to help with your savings. Estimates in the plan are based on the accuracy of the information you provide to us, may not contain all relevant information and are subject to change.
- 2 ANZ can provide Approval in Principle to eligible customers who apply for an ANZ home loan, complete an application form and satisfy ANZ's other requirements for Approval in Principle. An Approval in Principle is an approval for a loan subject to conditions being met, including that security is satisfactory to ANZ.
- 3 To apply for an ANZ Home Loan you must complete an application. All applications for credit are subject to ANZ's credit assessment criteria. Terms and conditions, and fees and charges apply.
- 4 For some properties LMI may be required when your deposit is less than 20% of the property's value as assessed by ANZ.
- 5 An ANZ Security Guarantee could help reduce your LVR to less than 80% and save you from having to pay LMI if you have a guarantor who agrees to accept the obligations associated with entering into a guarantee. It is important to remember that if for some reason you default on your loan, ANZ can seek to recover from your guarantor.
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- 7 REALas has predicted on average within 5% of the sale price over the 12 month period beginning Sep 16 to Aug 17.

Information in this handbook is general only, does not take into account your particular circumstances or objectives, and is not a substitute for professional advice in relation.

Any advice does not take into account your personal needs and financial circumstances and you should consider whether it is appropriate for you and read the Terms and Conditions, Product Disclosure Statement and Financial Services Guide before acquiring any product.