

FREE GUIDE

Saving enough to buy

A deposit feels like one enormous number. In practice it is a series of small, repeatable decisions, and once they are automatic, the number takes care of itself.

Know your real target

- Your target is the deposit plus the costs of buying. Depending on your situation the deposit could be 20% (no Lenders Mortgage Insurance), 5% through the 5% Deposit Scheme, or 2% for single parents or through Help to Buy.
- On top of the deposit, budget for stamp duty if it applies to you, conveyancing, a building and pest inspection, loan fees, insurance and moving costs.

Make saving automatic

- Open a separate savings account used only for your deposit. Keeping it apart from your everyday account makes it easier to leave alone.
- Set up an automatic transfer for the day after payday. Money you never see in your spending account is money you never have to resist.
- Send windfalls, such as a tax refund or a bonus, straight to the deposit account.

Show lenders a steady habit

- Most lenders want to see genuine savings, usually at least 5% of the price, built up and held over about three months. They are looking for consistency as much as the balance.

Consider saving inside super

- The First Home Super Saver Scheme lets you save up to \$50,000 toward your first home inside superannuation, where contributions are generally taxed at a lower rate. Yearly limits apply, so starting early matters.

YOUR NEXT THREE STEPS

- 1 Write down your full target: deposit plus buying costs.
- 2 Open a separate deposit account and automate a payday transfer, even a small one.
- 3 Read about the First Home Super Saver Scheme to see whether it suits you.

Useful official links

Moneysmart budget planner <https://moneysmart.gov.au/budgeting/budget-planner>

First Home Super Saver Scheme <https://firsthomebuyers.gov.au/first-home-super-saver-scheme>