



FIRST HOME BUYERS:

Ways to get your foot in the door

If you're a first home buyer in today's market, you've likely been reading about interest rate cuts – finally, some good news! But then, just as you're getting hopeful, you check house prices again and... yikes. Affordability is still delivering a cold splash of reality as property prices are predicted to increase over the next year.

If you're feeling like someone forgot to give *you* the key, it might be time to look at which path you could tread to your first purchase.

Leverage government support (it's there for a reason!)

There are a number of schemes and incentives aimed at helping first home buyers – both federally and through the states and territories. Here is a quick overview:

- **First Home Guarantee –**
Allows eligible buyers to purchase with as little as 5 per cent deposit, without paying Lenders Mortgage Insurance (LMI).
- **First Home Super Saver Scheme –**
Use your super to save for a deposit with tax advantages.

- **Regional First Home Buyer Guarantee –**
For eligible buyers purchasing in regional areas and only 5 per cent deposit is required.
- **Family Home Guarantee –**
Allows eligible single parents and single legal guardians of at least one dependent to purchase a home with a deposit as little as 2 per cent.
- **A grant or support from your state or territory government –**
Many states and territories offer grants as one-off payments for eligible buyers purchasing or building a new home as well as reduced or zero stamp duty for first home buyers, often based on the value of the property.

Each state offers its own unique cocktail of grants and concessions, so it's worth checking out what's available and we can help you weigh up which one might be the most suitable for your circumstances.

The Bank of Mum and Dad

Still the fastest-growing lender in Australia, parental support is more common than ever. More than 60 per cent of first home buyers in Australia receive some form of financial assistance from their parents to buy their first home.ⁱ

Assistance can be in the form of a gift or a loan. If your folks are open to helping financially, it can make a huge difference.

That said, not everyone has this option, and it's worth remembering that family money can sometimes come with strings attached. (And opinions. Lots of opinions.)

Getting a guarantor loan

Another way parents can provide support is a guarantor home loan. If saving a large deposit is a challenge, a guarantor – usually a parent or close relative – can use their property as additional security for your loan.

This support can help you borrow more with a smaller deposit and even avoid LMI, potentially saving you thousands. It's a practical way to get your foot in the door. However, if you can't meet your repayments, your guarantor may be responsible, so it's important everyone understands the risks.

Consider co-buying with a friend

If you are single, it can be particularly hard to get into the market and buying with a friend can make owning a home more affordable by splitting the deposit and the repayments down the middle. Plus, sharing ongoing costs like maintenance and bills can take some pressure off your budget.

That said, things can get tricky if one of you wants to sell early, or if your priorities suddenly diverge. Legal and financial clarity is essential, so if you go down this path, make sure you've got a solid agreement in place and some honest conversations under your belt.

Rentvesting – buy where you can afford, live where you love

Recent research found 54 per cent of first home buyers were considering 'rentvesting' to get into the property market, so rentvesting is certainly gaining traction.ⁱⁱ The idea is simple: you buy in a more affordable area and rent where you want to live.

It's not the traditional white-picket-fence dream, but it can be a clever way to build equity while maintaining lifestyle flexibility.

Stayvesting – live with mum and dad and rent out your place

Think of it as rentvesting's cousin. You buy a property, live with your folks, and rent your place out, letting the tenants help pay down your mortgage.

It's financially strategic – if you can manage the family dynamics.

Compromise to achieve your dream

We know you'd love a three-bedder, walking distance to your favourite café, with a study, backyard, AND water views. But unless you're sitting on a trust fund, you'll probably need to adjust your wish list. The three big levers are:

- **Location** – Look at up-and-coming suburbs or regional areas.
- **Condition** – A fixer-upper can be a long-term win if you're handy (or handy with a budget).
- **Size** – A smaller footprint or apartment can be a smart first step.

Think about your priorities and use the levers above to work within your budget. If you're still feeling like the great Australian dream is out of reach, take a breath. There are many ways to get into the market, and a little creative thinking can go a long way.

We help first home buyers like you find your own way in, every day. So, if you're ready to chat about what your journey could look like, come talk to us. We're all ears (and loan calculators).

i <https://www.finder.com.au/home-loans/bank-of-mum-and-dad>

ii <https://www.westpac.com.au/about-westpac/media/media-releases/2025/13-february/>

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