

# First Home Buyer Guide

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Congratulations on starting your first home journey! Buying your first home is both exciting and daunting, particularly if you're not sure how to get started or what questions to ask. Whether you're buying land, house and land, or a townhome, there are a few key things you should keep in mind for a smoother property journey.

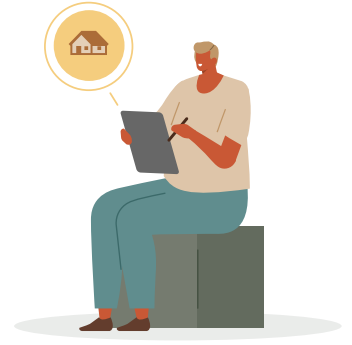
If you have any questions, you can always contact your RPM Exclusive Agent. We know this is a big step, and we're here to help you through every step of the process from finding the best lot, choosing a trusted broker or builder, to helping you put together your new home checklist - and anything in between!



Helping you make informed  
property decisions since 1994

# Your Address

It's true that location matters so it's really important to start your home buying journey by researching where you would like to live. It's a good idea to make a checklist of things that are important to you – both now and for the future.



For instance, is childcare important? Proximity to a hospital? Maybe a great dog park? Think about your commute to work – do you usually drive? If so, look into freeway access. Or maybe you prefer the train – in which case check out the public transport network.

When choosing your new neighbourhood, it's a good idea to visit the area a few times if you can. This will let you explore the area, the local amenities, and speak to the residents and the sales agent, giving you a great sense of community and what it would be like to live there. Masterplanned communities are designed to foster connectivity and a sense of belonging. Most have large parks and playgrounds, walking trails and bike paths. Some have schools and community centres or town centres. They offer a range of different land sizes to suit many home options including smaller lot and townhome options.

## Finding your ideal land

There are a few things to keep in mind when considering your block of land. The size, setbacks, orientation, shape, design guidelines, fill and fall – not only will these affect the design and placement of your home, but they can also affect how you use your external spaces. It's not as scary as it sounds – we have put together a few key terms on the following page to help you on your way.



# Land glossary

## Legal & Title

<b>Titled and untitled land</b>	Titled land has a legal record of who owns it (known as a 'title'), whereas untitled land doesn't. Once your land is titled, you can get started on construction.
<b>Title timeframes</b>	This refers to the period of time it takes for your land to become titled.
<b>Easement</b>	An easement refers to a legal right to use another's land for a specific limited purpose. This information can be obtained from your Plan of Subdivision.
<b>Memorandum of common provisions</b>	This document informs you of council enforced controls and restrictions associated with the title of your land. These can include restrictions on height, raised open space, and site coverage.
<b>Plan of subdivision</b>	This is also known as a Plan of Development – it gives you the exact boundaries and location of your lot with reference to the surrounding area.

## Site & Land Conditions

<b>Fall</b>	This is the level of slope on your land. A sloping site can give your home great views. Work with your builder to ensure your house design takes advantage of this.
<b>Fill</b>	Fill is when earth is used to raise the land on your block to bring it to ground level to create a flat building pad. Talk to your builder about any implications this may have.
<b>Retaining walls</b>	These are used to retain the earth on your land if required – allowing the ground to be retained at different heights.
<b>Site coverage</b>	Site coverage is the area of land covered by an existing or proposed building.
<b>Site costs</b>	Before commencing construction, your builder will need to establish a level and stable block of land to ensure your home sits at the right level. Site costs will vary from block to block, depending on the complexity of works required. These can include the fall of the land and soil conditions.
<b>BAL rating</b>	Government legislation ensures every block of land is classified for a Bushfire Attack Level (BAL). BAL ratings measure the severity of a building's potential exposure to fire, and this rating dictates both the construction methods and materials used in bushfire prone areas.
<b>Civil engineering plan</b>	This explains the site conditions of your land before and after it has been developed, including information on services and finished surface levels.

# Land glossary

## Planning & Design

### Project covenants

Project covenants are things like building and landscaping design guidelines. These are developed to ensure the look and feel of the new community is of a good standard and help guarantee the area looks great into the future.

## Building location envelope

### Building envelope

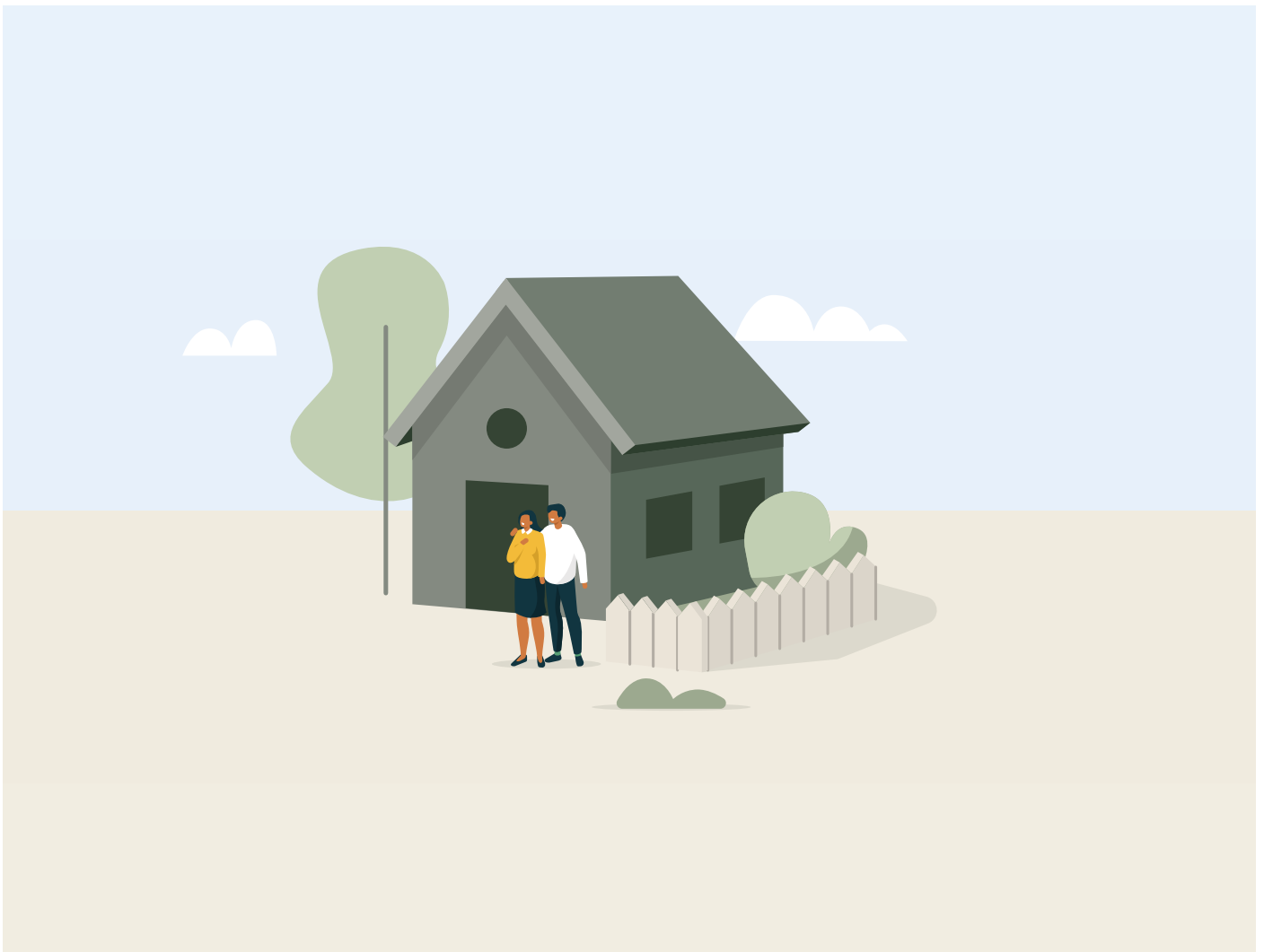
The Building Envelope plan shows you the depth, width, and height restrictions applicable to a specific lot, giving you the dimensions of the build area.

### Orientation

This is the positioning of a building (in this case, your new home) in relation to seasonal variations in the sun and wind. Good orientation can increase the energy efficiency of your home by maximising natural heating and cooling methods.

### Setbacks

Setbacks are the controls that limit the footprint of your home and relate to all sides of your lot. Setbacks also apply to building height.



# Your Home



Now, this is the exciting part! The building phase is where you can finally start to see your vision start coming to life. Here are a few questions to ask any potential builder.

## What is included in your standard home build?

Check what is and what isn't included as a standard inclusion, this will help avoid surprises down the track. All builders have their own versions of standard inclusions, so you will have to compare the difference between their offerings.

Make direct comparisons between inclusions like benchtops, ceiling heights, downlights, and floor coverings – make sure to align these to how you picture your new home.

## Can I customise the floorplan?

Most builders allow some changes to floorplans, but there are limitations and generally, this will incur additional costs.

If you are considering altering a floorplan, discuss this with your builder as soon as possible to work through any implications.

## Are site costs fixed or is there an allowance?

It's important to understand the difference between fixed site costs and site cost allowances.

When site costs are fixed, you will have peace of mind knowing that the price won't change regardless of what's required to prepare your lot for construction. Fixed site costs could save you money if your builder has to complete extra work as you won't be on-charged.

On the other hand, site cost allowance indicates the price may change depending on your lot's final soil & survey test, meaning can pay more if the site requires more work than initially anticipated. This also means you could save money if the work required is less than expected.

## Can I visit the site of my new home while it's under construction?

Yes, you can. Although, keep in mind that this will be an active construction zone so please contact your builder to schedule a safe visit with them.

## How do I check the progress of my build?

Before making stage payments, you can engage an independent building consultant to check the construction work meets your contract requirements, and to advise you of the standard and progress of the contract work.

## The handover

Around a week after practical completion of your new home, you should be ready to collect the keys, make any final payments and move in.



# Build glossary

## Energy & Compliance

### National Construction Code (NCC)

The NCC outlines technical guidelines governing the design, construction, and performance of buildings throughout Australia. It serves as a unified standard that consolidates requirements into a single code. The NCC was recently updated, with changes coming into effect from 1 May 2024. [See page 10 for more information.](#)

### 7-star rating

In addition to the WOH budget, new homes must attain a minimum 7-star rating out of 10. This star rating measures the energy needed to heat and cool a home. Builders generally use the Nationwide House Energy Rating Scheme (NatHERS) assessment to determine this rating.

### NatHERS rating

The Nationwide House Energy Rating Scheme (NatHERS) provides energy ratings for new dwellings to assess the energy efficiency of a home.

### Whole of Home (WOH) energy budget

All new homes must meet the new WOH annual energy use budget based on floor area and location. New homes must achieve a minimum score of 60 out of a possible 100.

## Your Home & Inclusions

### Standard inclusions

These are the standard items that make up your new home build, forming the foundation of its price. Standard inclusions will vary between builders, so it's a good idea to clarify what's included with your builder.

### Facade

This is the front exterior of a house that faces the street.

### Design guidelines

A set of standards that outline the style of homes that can be built within the community. This ensures the new community has a cohesive look and feel.

### House & land packages

Just as you can pre-purchase land to build your new home, you can also buy a House and Land package from a builder that includes both the land and build cost.

### Site preparation

This occurs before construction and can include soil testing, checking utilities, and ensuring your lot has a solid foundation.

### Site works

These are the works to prepare your lot for construction, and can include clearing, excavating, and levelling the land.

# Your Budget



To start your journey on the right foot, you will need to determine your budget. Before you get your home loan, you'll need to have enough money saved up for your deposit, taxes, and fees but there's plenty of opportunity for savings along the way for first home buyers.

## Your deposit

The word 'deposit' actually refers to two different things when purchasing a property.

The first is your holding deposit, a smaller upfront payment that secures your land selection while contracts are prepared or, in the case of a house and land package, while fixtures and finishes are finalised.

The second is your home loan deposit, which is the amount you've saved that forms part of your loan application. This is typically expressed as a percentage of the purchase price and directly affects your borrowing power, interest rate, and whether lenders mortgage insurance applies.

They serve different purposes at different stages, so it's worth understanding both early in the process.

## Zero stamp duty

As a first home buyer in Victoria, stamp duty is waived entirely on properties valued up to \$600,000, which could save you around \$31,000. For properties valued between \$600,001 and \$750,000, a reduced rate of duty applies.

Above \$750,000, the concession falls away completely and standard duty is calculated on the full purchase price, not just the portion above the threshold. That means a property at \$749,000 attracts a reduced rate, while a property at \$751,000 is assessed at the full standard rate across the entire value.

It's one of the most significant savings available to first home buyers, so understanding where your purchase sits within these thresholds is well worth factoring into your budget early.

## Victorian Government Grants & Assistance



### Australian Government 5% Deposit Scheme

This Scheme is for first home buyers with a minimum 5% deposit or single parents/legal guardians with a minimum 2% deposit. There are no income caps, no wait lists, and no Lenders Mortgage Insurance (LMI).

### First Home Owner Grant (FHOG)

The First Home Owner Grant (FHOG) is a \$10,000 payment to help eligible first home buyers buy or build a new home in Victoria. (Capped at \$750,000 build price excluding land price.)

### Australian Government Help to Buy Scheme

The Help to Buy Scheme is a shared equity Scheme where the Australian Government contributes up to 40% towards the purchase price of your newly built home. (Requires a minimum 2% deposit.)

### First Home Super Saver (FHSS) Scheme

The FHSS Scheme is an Australian Government program administered by the ATO that helps you save for a deposit for your first home using your superannuation.

For more information see our:

[Government Grants & Assistance booklet](#) or visit the [First Home Buyers resource page](#)

# Finance glossary

## Getting Started

<b>Borrowing capacity</b>	Your bank or broker will look at your income, expenses, and spending to decide how much they can lend you – this is your borrowing capacity.
<b>Serviceability</b>	This refers to your ability to service the loan and one of the key things the bank will consider when determining how much you can borrow.
<b>Asset</b>	As part of your home loan application, you will be asked if you own any assets. An asset is anything you own of value that can be converted into cash – for example, vehicles or shares.
<b>Pre-approval</b>	This is when a bank has agreed to lend you the money based on your finances but hasn't proceeded to approve it. A pre-approval lets you know the maximum amount you will be able to borrow, helping to set your budget.

## Interest Rates

<b>Interest</b>	Interest is the cost charged by your lender in exchange for borrowing the funds to purchase your property. It is typically calculated as a percentage of your loan balance and can be structured as a fixed rate, a variable rate, or a combination of both.
<b>Fixed interest rate</b>	This means your interest rate is locked in for a certain period. During the time your interest rate is fixed, both your interest rate and your repayments won't change.
<b>Variable interest rate</b>	A variable interest rate is one that may change over the life of your loan depending on your bank and the market.
<b>Split loans</b>	A split loan is when your loan balance is split into two portions: one with a variable interest rate and one with a fixed rate.

## Costs & Fees

<b>Lenders' Mortgage Insurance (LMI)</b>	There are ways to buy property with a lower deposit amount, but you'll likely have to pay fees known as Lenders' Mortgage Insurance (LMI). LMI insures the lender against the risk of not covering the outstanding loan balance. Although, depending on the government incentives available at the time of your loan, you may be able to avoid paying LMI.
<b>Legal and conveyance fees</b>	These are the costs associated with engaging a solicitor or conveyancer to complete the legal paperwork for your purchase.
<b>Loan establishment fee</b>	This is a once-off upfront fee to establish your loan. This will cover the cost of one valuation, settlement attendance fees, and the bank's legal fees.

# Finance glossary

## Loan Structure

### Loan to Value Ratio (LVR)

This is the percentage of money you are borrowing from the bank compared to the total value of the property. The larger your home loan deposit, the lower your LVR will be.

### Principal and Interest (P&I)

P&I loans require you to pay some money towards the loan (principal) and some to the bank on interest.

### Construction loan

If you're building a new home and need to make draw down payments, you will need to take out a construction loan. Unlike a standard home loan, a construction loan releases funds in 'progress payments' - this means you only pay interest on the money that has been paid.

### Draw down

You'll likely have a few different build stages during construction. The draw down of your loan refers to your bank making progress payments throughout each stage of construction.

### Repayments

Repayments are the regular amounts you pay. This is based on what's owing on your loan, your loan term and interest rate.

### Equity

This is the market value of the home minus what you owe. The best way to calculate equity is to take the current property value and subtract the loan balance.

With the right preparation and understanding, you are sure to find a place that will not only meet your current needs, but will also be a space that you can grow into. This is your property journey, and it's all about finding the best place to call home.



As the exclusive selling agent, RPM Group can offer guidance to making an informed decision. We can even refer you to one of our trusted brokers for a no obligation appraisal of your borrowing power.

# New home checklist

It is a good idea to create a list of must haves and nice to haves to help you determine if the home you are considering is right for you. Here are some thoughts below to get you started.

Must have

Nice to have

Open plan living

2 bedrooms

3 bedrooms

4 bedrooms

Separate study

Second living area

Large kitchen

Alfresco

Separate laundry

Large garage

Ensuite to master bedroom

Guest bedroom

High ceilings

Indoor/outdoor living

Powder room

Power saving appliances

Solar panels



# Changes to the National Construction Code



Changes to the National Construction Code (NCC) came into effect on 1 May 2024. This means that all new homes built in Victoria must meet the updated NCC requirements.

## What is the NCC?

The NCC outlines technical guidelines governing the design, construction, and performance of buildings throughout Australia. It is the unified standard that consolidates all construction requirements into a single code.

## What are the NCC changes?

There were three main changes to the NCC requirements. They are all aimed at reducing the environmental impact of new homes.

### Livable housing design

These updated design guidelines will ensure all new homes are adaptable to the changing needs of their residents.

### 7-Star energy efficiency ratings

This higher energy efficiency requirement will improve your home's thermal performance and your ability to maintain its temperature.

### Whole of Home (WOH)

Adding to the current star rating assessment out of ten, the WOH Performance Rating will measure the energy use of the whole home including appliances, solar, and batteries. All new homes must achieve a minimum score of 60 out of a possible 100.

## When do these changes take effect?

These changes came into effect on 1 May 2024.

## How will the NCC changes affect you?

Builders have updated their floor plans and design options to comply with the new NCC requirements, and your new home will meet all the criteria.

Keep in mind that the cost of your new home may increase due to these changes as there will be a need to implement more energy-efficient materials and products.

## How will the NCC changes impact my new home?

The biggest impact is that your new home will be more cost effective to run – helping you save significantly on your energy bills while being better for the planet.

The NCC updates will impact the design and build of your new home. We've outlined a few of these below but it's best to discuss the finer details with your builder.

- House and window orientation
- High quality ceiling and wall insulation
- Energy efficient fixed appliances
- Renewable energy systems such as solar energy
- Stepless entry into your home
- Wider hallways and doorways
- Accessible bathrooms

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