



First Home Owner Scenarios

1) FHOG \$14K - 5% deposit

John wishes to purchase an older home in Caloundra, QLD and is eligible for the \$14K grant. Let's see how this works.....

Purchase Price	\$300K
95% Purchase Price	\$285K
Lenders Mortgage Insurance (LMI)*	\$5K
Home Loan (includes LMI) \$285K + \$5K	\$290K
Solicitor Fees	\$1K*
Use Government Grant to help pay costs	\$14k
Money needed to purchase the home	\$2K

John requires approximately \$2k to fund the deal. Over the last couple of years he has been able to save the money required.

* **These are approximate costs.**

2) FHOG \$21K - No deposit

Jane and Simon want to purchase a new townhouse in Woombye or Nambour QLD for approx \$300K. They are eligible for the First Home Grant of \$21K. They have a combined income of \$70K p.a. They have no deposit. Let's see how this works.....

Purchase Price	\$300K
Home Loan	\$300K
They have no deposit	\$0K
Purchase related costs*	\$10K
Use Government Grant to help pay costs	\$21k
Surplus	\$11K

* **This is an approximate cost for the Solicitor, Lenders Mortgage Insurance**

Long term Jane and Simon will pay more on their interest payments as their loan amount is for the full purchase price. In the long run they will end up paying considerably more for their house.

The examples above are for illustrative purposes only and in no way is to be taken as advice. We recommend you always take the time to speak to your financial advice accountant or solicitor in matters dealing with purchasing property so they may take into account your personal circumstances

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