

# HOME BUYER SURVIVAL GUIDE

:ubank

CLASSIFIED

BRIEFING

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Products issued by Ubank, part of NAB. Credit criteria apply. TMDs at [ubank.com.au/tmd](http://ubank.com.au/tmd). This information is general. It's important to seek independent, professional advice as part of your home loan buying journey.

# INTRODUCTION

# MISSION

# OBJECTIVES

This survival guide is prepared for new property buyers, by Ubank. We realised that first-time buyers spend all their energy just saving for a deposit. But when you've finally saved enough and you can buy a place, like many people, you may realise that you know nothing about the process of buying a house.

That's where we come in. Ubank has helped thousands of people buy their first home, and now that it's your turn, we want to give you a leg up on the competition so that you're ready for anything on your property hunt.

Inside this Survival Guide, you'll find information on important parts of the buying process. Things that make people say: "I wish I knew that at the start," or "why don't they teach this in school," and very rarely, "ouch".

Read this booklet on your computer or phone. Or, print it out, stick it to the wall, take it house hunting, fill in the checklists, share it with a friend, use it as an umbrella, swat a couple bugs, turn it into a mediocre fleet of paper planes or use it as campfire kindling.

However you use it, don't lose hope. Buying a home can be difficult, but the endgame is rewarding. Here are some stats to give you a realistic idea of what to expect:

# FIELD REPORT

## 9.7 YEARS

Average time to save  
a 20% deposit<sup>1</sup>

## 10+ MONTHS

Most property buyers spent at least  
10+ months to find a property<sup>2</sup>

## 36 YEARS OLD

Average age of a first home  
buyer in Australia<sup>3</sup>



<sup>1</sup> UNSW (2024), "When is a good time to purchase your first home in Australia"

<sup>2</sup> Australian Property Update (2024), "Property buyers: demanding more information and taking their time"

<sup>3</sup> Corelogic (2024), "Housing Affordability Report"

# STEPS TO BUY

First, let’s give you a quick download of all the steps to buying a home. Then, we’ll make it make sense.

STEP	NOTES
01 WORK OUT WHAT YOU WANT	
02 FIND SOME PROPERTIES YOU LIKE	
03 WORK OUT YOUR BUDGET	
04 REPEAT STEP 2	
05 START INSPECTING PROPERTIES	
06 CHECK ELIGIBILITY FOR FIRST HOME BUYER GRANTS/CONCESSIONS	
07 FIND THE KIND OF LOAN YOU WANT	
08 GET PRE-APPROVED FOR A LOAN THROUGH A LENDER/BROKER	
09 GET CONTRACTS, STRATA MINUTES AND BUILDING REPORTS	
10 FIND A SOLICITOR	
11 MAKE OFFERS OR BID AT AUCTION	
12 GET YOUR PLACE	
13 SETTLEMENT	
14 MAKE YOUR FIRST REPAYMENT	

# WHERE TO START

# BUYER TRAINING

Let's get you in shape to buy. Here are some first steps to becoming an efficient and knowledgeable buyer.

## MARCHING ORDERS

Work out your non-negotiables like having a garden or a parking spot or a second bathroom. Then start filtering your search.

## SCOUT REPORT

Location, location, location. Look far and wide to work out which suburbs you want to buy in.

## ASSESS TERRAIN

Check proximity to local transport, cafés, schools, shops, parks, gyms and entertainment as well as flood and fire zones, crime rates, emergency services, undesirable neighbouring properties and anything else you care about.

## SUPPLY LIST

Use a mortgage calculator to see what you could borrow and what that means you can afford to offer.



Scan the QR code  
or [click here](#)



## CHECK YOUR INVENTORY

Work out what you spend and categorise your expenses to prepare for questions that lenders will ask later. Can you still afford your repayments if something changes? This will also help you work out if you can afford home loan repayments without changing your lifestyle.

## PLAN OF ATTACK

Check if your borrowing power combined with your deposit matches up to your target properties and see what properties you like are selling for in your chosen areas.

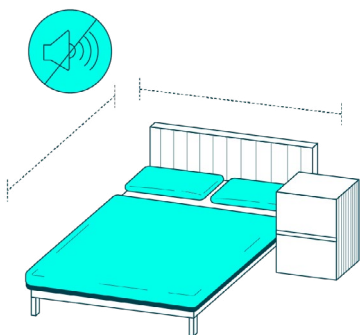


**HOUSE**

**HUNTING**

# HOUSE RECON

When buying a house you'll likely inspect a lot of properties. Aim to see between 4-7 houses per week when you're starting. As you get more of an understanding of what you're looking for, you can be more selective about what you inspect. You want to be methodical about checking properties so you don't miss something important. Think about what new appliances and furniture you might need to source, which rooms you'll use the most, and the experience of living in the house. Here are some things you might want to consider:

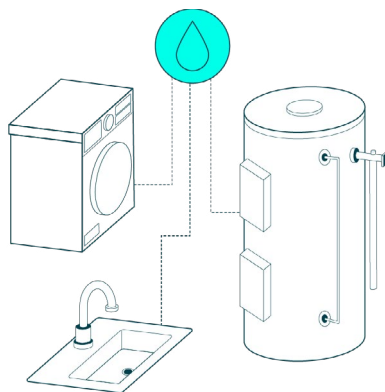


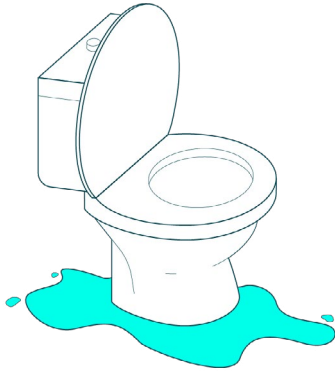
## BEDROOMS

- ☐ Bedroom size
- ☐ Noise pollution from outside
- ☐ Will beds fit
- ☐ Proximity to living space

## WATER

- ☐ Water pressure
- ☐ Gas or electric water
- ☐ Water tank size
- ☐ Hot water speed
- ☐ External drainage



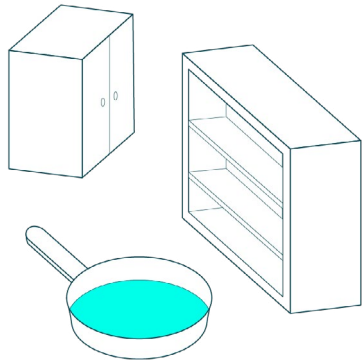


### BATHROOMS

- ☐ Check for leaks
- ☐ Ventilation
- ☐ Look for black mold
- ☐ Grout and sealant condition

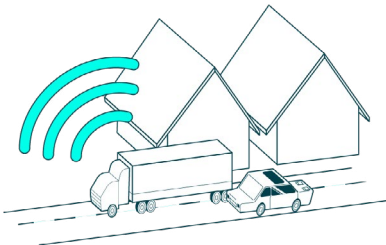
### KITCHEN

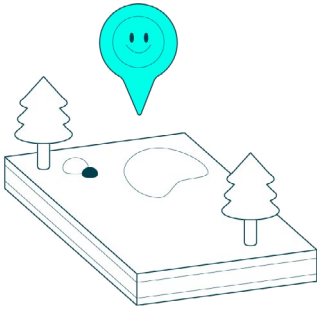
- ☐ Pantry and cupboard storage
- ☐ Size of fridge nook
- ☐ Dishwasher or drying area
- ☐ Ventillation



### SOUND

- ☐ Soundproofing
- ☐ Flightpaths overhead
- ☐ Neighbourhood noise levels

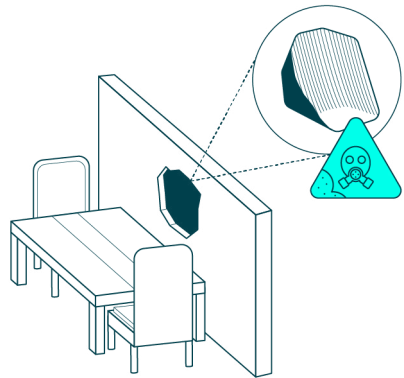


**LOCATION**

- ☐ Transport connections
- ☐ Local schools
- ☐ Natural disaster risks
- ☐ Convenience

**OTHER**

- ☐ Is the property on the asbestos register?
- ☐ Is the roofing nearing its 20-30 year replacement time in your state?
- ☐ Does the building have combustible cladding that hasn't been replaced?
- ☐ Is this a property you actually want to live in?



# PRE-APPROVAL

# PRE-APPROVAL ASSESSMENT

When you want to buy a home, it's recommended that you get pre-approval before you start making offers on properties. What's pre-approval you ask?

Pre-approval is a lender's way of letting you know that you're fit for service - fit for servicing your loan that is. They will give you an indication of how much you can borrow and what rate you might get.

Some lenders like Ubank will fully assess you during pre-approval. That means that if you make a successful offer on a property, all your bank needs to do is confirm a few details before finalising your loan application. If your property is suitable, worth what you're paying for it, and your circumstances haven't changed, you should make it through to the final loan offer without a hitch.

It doesn't cost you anything to get pre-approval and it can help you search for properties and bid with confidence, knowing what you can afford to offer.



Scan the QR code  
or [click here](#)

## WHAT YOU'LL NEED

- ☐ 2x ID documents per applicant
- ☐ A 15% deposit (minimum)
- ☐ An idea of your price range, property type and area
- ☐ Bank account details for secure digital income checks

# SELECTING YOUR LOAN

Getting the right loan is essential for your survival in the property market. **There are 3 main things to consider** when selecting your loan. You want to strategise on what's right for your approach to buying property.

## LOAN TYPE

**First you need to decide if you're going to live in your property.** Owner Occupier loans generally have lower rates, but require you to live in your home. Investor loans are for buyers who may rent out their property after purchase and generally come with higher rates and sometimes less features.

**Then there's your loan structure, where you'll choose between variable, fixed or split interest rates.** A loan with a variable rate that can change at any time often nets you the best rate. While it comes with more uncertainty, you get the added benefit of not being locked in for a time period. A fixed rate loan gives you certainty on your rate and repayments over a time period between 1 and 5 years, but you can miss out on rate decreases. Refinancing before the end of your fixed term can also cost you extra in fees such as break costs. A split loan is when part of your loan is charged at a fixed rate while part of it is variable. This means your repayments will change less in response to interest rates moving in either direction.

**Finally, choose between Principal & Interest or Interest Only repayments.** Principal & Interest repayments reduce the balance of your loan, growing your equity (the amount of your property you own). Interest Only repayments mean you only pay the interest on your loan. The advantage is lower repayments – the disadvantage is you don't reduce the amount you owe on your loan. Interest only is only available for a limited time period and is useful when you need to reduce repayments quickly.



## LOAN TERM

Your loan term is how long your loan is supposed to last before it's paid off. Most new buyers opt for a 30 year loan term, to keep repayments manageable. However, Ubank offers loan terms between 25 and 35 years. The shorter the term, the higher the monthly repayments will be.

Explore the repayments calculator to see how your loan term affects your home loan experience.



Scan the QR code  
or [click here](#)

## EXTRA FEATURES

Loans can sometimes come with extra features like Redraw and Offsets. Some loans have less features available (e.g. Ubank Fixed loans). Here's a quick breakdown of the most popular features and how they work.

### REDRAW

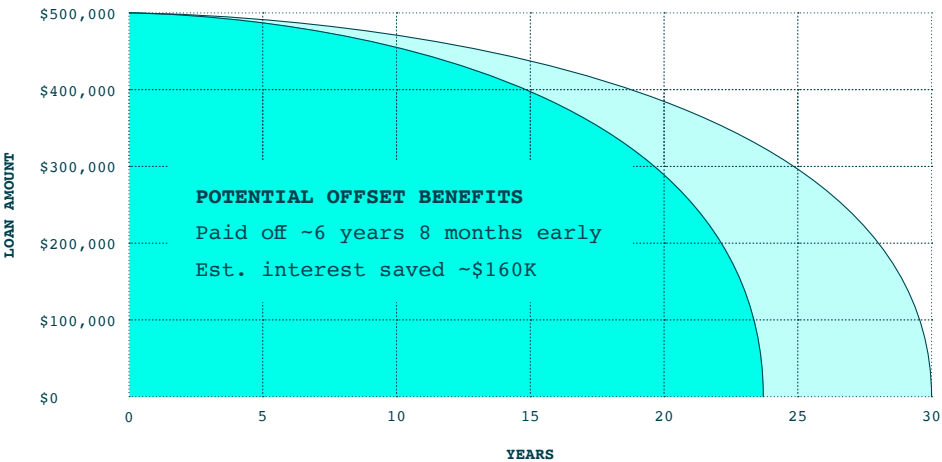
If you've paid more than your minimum repayments, redraw lets you access that money when you may need it. Your loan has a schedule for repayments, and extra repayments put you ahead of schedule, creating redraw funds. You can access these for renovations or when you need emergency cashflow. Some loans have no redraw available while others limit the amount you can redraw. Sometimes accessing redraw funds has a fee associated, but Ubank does not charge redraw fees. Redraw is available on most Ubank home loans, subject to conditions.

**CONFIDENTIAL**

OFFSETS

An offset account is a regular bank account that uses your savings to reduce the interest you pay on your home loan. Imagine your loan like a set of scales. Normally, you pay interest on the full loan. If you have an offset account, you subtract the balance in that account from your loan balance and only pay interest on the difference. If your loan is with Ubank, you can turn all of your Ubank accounts into an offset, except for shared accounts held with someone who is not named on the loan. Regular interest is not earned on savings held in offset accounts.

HOW OFFSET ACCOUNTS WORK



DISCLAIMER & ASSUMPTIONS

This graph outlining offset benefits is indicative only and may not represent your actual savings from the use of offset accounts. Variable interest rates are subject to change but in this example are assumed to be static throughout the loan term. The graph is based on a \$500K Owner Occupier Ubank Flex Variable loan with 80% LVR at 5.94% p.a. over a 30 year loan term and Principal & Interest repayments being made monthly with no additional repayments. The graph shows paying off the loan without an offset account and with an offset account, where \$20K is consistently left in an offset account and additional deposits of \$200 per month are made ongoing to the offset account.

「 WORK OUT YOUR EXPENSES HERE 」

**PRE AUCTION**

# INTERCEPT

# THE COMPETITION

While it's more common these days for properties to go to auction, you can sometimes get a better deal by making an offer before. Before making an offer on a property, it is advisable to have a solicitor review the contract, strata minutes and any other documents for any potential issues and take legal advice on your offer. Once you've done that, here are some options to make your offer more attractive:

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## TACTIC

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Offer what you think is a fair price for the house

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Offer the owners a shorter or longer settlement period. Depending on their reasons for selling, they may want to move quickly or have longer to sort out their affairs before the final exchange.

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Write to the owners directly. Some owners may prefer to sell their home to first home buyers over investors or more established homeowners.

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Present your offer with a signed contract and a bank cheque

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Make a one-time offer. If you're not interested in going to auction you can put a time limit on your offer. Only do this if you are certain you're not willing to make any further bids.

# GETTING

# AUCTION READY

If you're going to auction to try and secure your property there are some things you'll need to organise and stick to. Attend auctions you don't intend to bid at to get a feel for how they work and what a successful bidding strategy might be.

The most important thing to know is your stopping point. You should use all the information from your inspections, comparisons with similar properties in your area, your budget, and pre-approval.

Then factor in any fees, grants and other purchase costs or concessions to work out the maximum amount you're willing to pay for the property.

Then, talk through your strategy. Auctions can be mentally taxing and it's easy to get sucked into changing your plan in the moment - but it's usually not a good idea. Fill out the below to build your auction plan.



**PLAN OF ATTACK**

My stopping point for this property is: \_\_\_\_\_  
This does not include legal and government fees of: \_\_\_\_\_  
or stamp duty of: \_\_\_\_\_  
After purchase I would be left with savings of: \_\_\_\_\_  
My 10% auction deposit would be: \_\_\_\_\_  
I plan to: bid for myself / let someone else bid for me)  
I plan to: bid first / enter the bidding later /  
wait for bidding to increase by \$1K before entering)

**PLAN OF ATTACK**

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wait for bidding to increase by \$1K before entering)

**AUCTION**



# A-DAY STRATEGIES

Auctions are a psychological game as well as a financial one. You want to have a clear strategy for how you're approaching bidding for your home. Here are some practice drills to run before your day.

## WHO IS BIDDING?

- ☐ I will bid for myself / My partner will bid for us
- ☐ A trusted friend or family member
- ☐ A buyers agent

## WHEN WILL I BID

- ☐ I will bid first
- ☐ I will not bid until someone else has
- ☐ I will enter the bidding when increases start to get smaller
- ☐ I will try to be the last bidder to enter the auction
- ☐ I will set price triggers for making my first bid
- ☐ I will only bid if the auctioneer lets me know the property will definitely sell

## HOW MUCH WILL I INCREASE BIDS BY

- ☐ I will increase bidding by larger amounts of over \$10K
- ☐ I will increase by lots of \$1K and \$5K
- ☐ I will increase by lots of \$1K
- ☐ I will make judgement calls about my bidding on the day

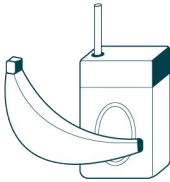
# PACKING YOUR AUCTION GO BAG

Also consider things that affect how you will be **perceived** like what you wear to the auction, where you stand in the auction room, and how much you give away through your reactions.

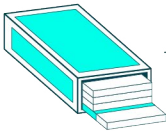
Deodorant for the sweat inducing experience of spending lots of money.



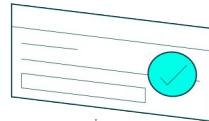
Your finest outfit.  
Look sharp and no one will think they can mess with you.



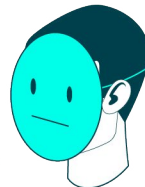
Snacks and hydration to keep you going between auctions.



Chewing gum and mints to help with the nerves.



Pre-approval at the ready



Bring your auction face so no one knows your next move.

# RENTVESTING

# THE ZONE OF RENTVEST

## WHAT IS RENTVESTING?

Rentvesting is a strategy that involves buying something in order to rent it out. While it does come with some extra risks, it can open up more avenues for getting into the property market and may be suitable for some people.

Scenario: Imagine you've been trying to buy an apartment, but you realise you can't afford to buy in the areas that are practical for you to live in, and due to your income or lifestyle you're unlikely to be able to afford those properties anytime soon.

Buying a property in a cheaper area and renting it out allows you to get into the property market sooner and start building equity.

## THE EQUITY EQUATION

When you pay down the principal and interest on your home loan, you'll start to own more of your home. This is called growing your equity. By renting out your property and continuing to live with family or rent yourself, you can supplement your mortgage repayments with rental income. If you play your cards right and your rental income is more than the cost of your own rent, it can even be a net positive to your finances – however this is subject to taxation.

Remember, once you buy a house, some of the money you were previously saving for a deposit will go to repayments instead, but this is still growing your equity.

## THE RISKS OF RENTVESTING

It's not all upside. Rentvesting has significant risks that you need to understand before considering this approach.

Rentvesting requires you to take out an investor loan, which usually comes with higher interest rates and makes you ineligible for most first home buyer grants.

There is also the risk of misjudging the market in an area you know less about. It's important that you research the area you plan to buy in and understand the likely property price growth and maintenance costs for your property. If you are going to use your property as an investment you need to understand it like any other investment.

You also need to think about the costs of maintaining your property to make it suitable as a rental. That includes advertising the property, paying real estate agent fees, vacancy times while finding tenants, repair costs, landlord insurance, council fees and utilities like water bills.

And finally, renting your property comes with the risk that someone else will not treat it with the same care and respect you would.

Many first time buyers consider this option and decide that as newbies in the property game, they're not ready for all of the additional risk. So while rentvesting is an option many young buyers are considering to help them get into the property market, you should always do your research and seek financial and legal advice to help work out what's right for you.

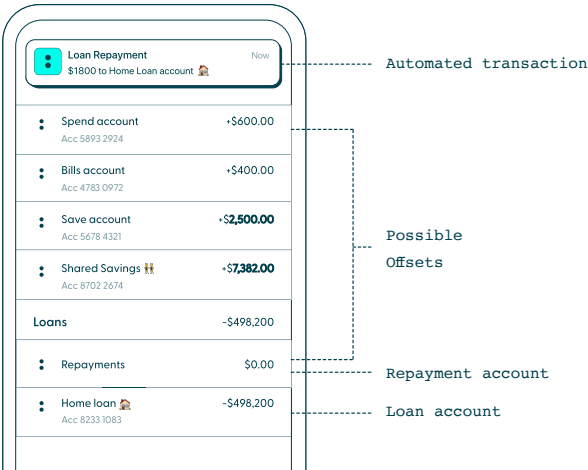
# **PAYING YOUR HOME LOAN**

# WHEN THE DUST SETTLES

You survived the property market. You got your first home. What then?  
Here's what making your first repayment looks like at Ubank.

When you sign your loan approval, you can nominate an account for your repayments to be drawn from. This can be any Ubank account. You'll also see a loan account appear in your app. Ubank will automatically draw down your repayments, so you only need to make sure there's enough money in the account. This can be any of your Ubank Spend or Bills accounts and you can even create a new account just for repayments.

When you make Principal & Interest repayments, your loan balance will decrease. At the end of each month, interest will be charged based on your home loan rate, and this will make your loan balance go back up. Interest is calculated daily but charged monthly, which means that there may be some benefit to paying your loan fortnightly instead of monthly.



# STAY ALERT

Buying your first property is an exciting time, but it's also a time where you're the target of highly specialised scammers. In particular, be aware of business email compromise scams.

Business email compromise involves scammers obtaining unauthorised access to an email account belonging to someone involved in the transaction (E.g. your solicitor, real estate agent or accountant). The scammer then intercepts and redirects legitimate payment requests and uses that email account to generate new requests for payment with different details.

For example: A scammer gets access to the real estate agent's email system and sends a settlement payment request with the wrong account details to the buyer. The buyer then unknowingly sends their settlement funds to an account not connected to the sale. Just like that, your savings and your property dream can disappear.

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## ANTI-SCAM MANOEUVRES

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Always double check email interactions with a quick phone call or in-person chat

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Talk to your solicitor about keeping your deposit in a trust account before settlement.

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Only increase your transfer limit when you need to.

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If you get calls from an unknown number about your purchase, hang up and call back once you've researched the right point of contact.

**EYES ONLY**



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THIS PAGE HAS INTENTIONALLY BEEN  
LEFT BLANK FOR YOU TO RIP OUT  
AND SCRUNCH INTO A TIGHT  
BALL OF PROPERTY-INDUCED RAGE

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