

Want to buy your first home?

The secret is to start saving NOW...

“Saving for a home loan isn't glamorous but it has to be done. Here are 5 KEY savings tips for first home buyers to help get you into the market.”

How Much Should I be Saving?

1 One of the first rules of saving is to set a goal. But what should that goal be? Different people have different needs, but a rough guide is that you should be saving 10% of your pre-tax income. Not saving anything like that? Read on.

What are you Spending?

2 To help with saving, you need to know what you're currently spending. And not just on the big items like rent, utilities and groceries. Get yourself a notebook and every time you spend money, write it down. Everything. For at least a month but preferably longer. You'll be surprised where your money goes.

What do you Really need to Spend?

3 If you're a typical first home buyer, you probably haven't been exercising a lot of financial restraint to this point. There's nothing wrong with that, but if you really want a home, you're probably going to have to start making some sacrifices. Look through your spending record and decide what you're willing to give up. You might decide, for example, that life would still go on if you didn't spend \$1500 a year on coffee.

Get Rid of Credit Card Debt

4 You probably used to pay your credit card off every month. But then one month you couldn't quite manage it and things snowballed from there. That credit card debt is killing you. It is expensive money and you need to eliminate it. Consider transferring the debt to a new card that gives you an interest-free grace period, and save like mad to get your balance down to zero as soon as possible.

A Savings History

5 If you've spent everything you've earned (and then some) don't be surprised if Lenders don't put out the welcome mat. They like to see proof that you can save. So start putting something aside every month and you'll be surprised how quickly it adds up – and how much more popular you'll be among the lenders.

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