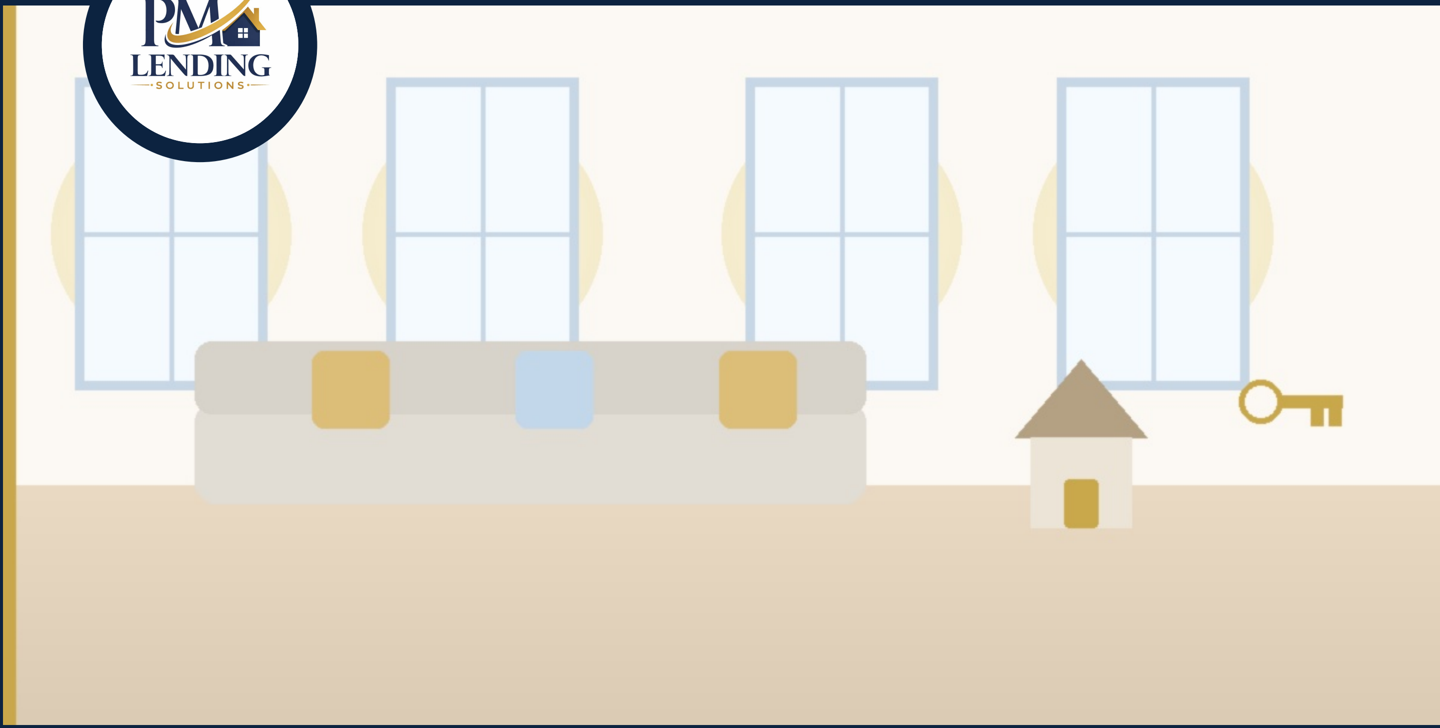


PM LENDING SOLUTIONS

• 2026 EDITION •

Home Buyers

Guide 2026

Your complete guide to buying property in Australia

How to Use a Broker

Smart Saving Tips

Borrowing Capacity

Interest Rates 2026

Managing Your Mortgage

Property Checklist

HOME BUYERS GUIDE 2026

TABLE OF CONTENTS

2026 MARKET SNAPSHOT

4.35%
RBA Official Cash Rate — May 2026

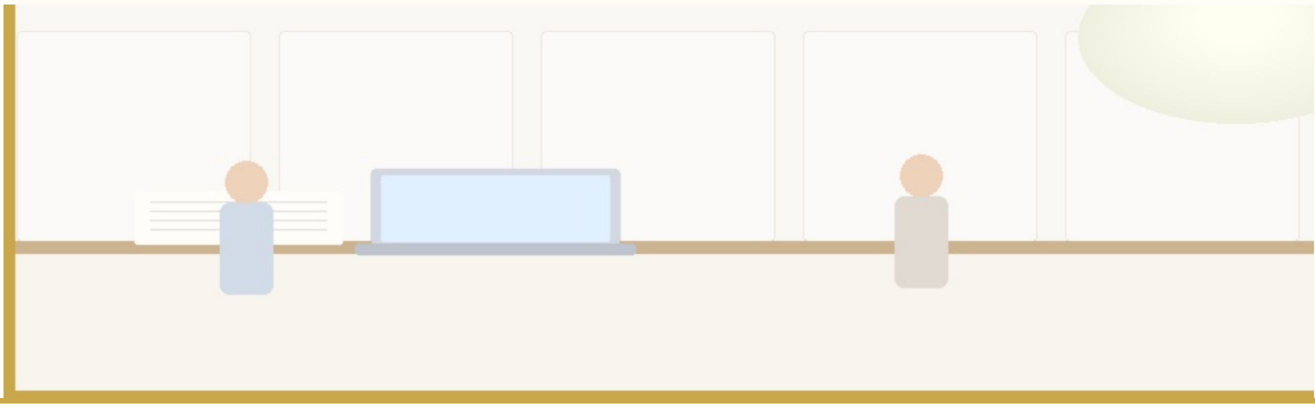
~$850K
Median Melbourne House — Metro area

5%
Min Deposit Available — First Home Guarantee

$10,000
First Home Owner Grant — Vic — new builds

8-9%
Lender Stress Test Rate — Applied to applications

30%+
Properties at Auction — Melbourne clearance rate



HOW TO USE A MORTGAGE BROKER

SAVE TIME & MONEY

A broker searches hundreds of loans from 40+ lenders on your behalf at no cost to you. In 2026's rising-rate environment, finding the right loan structure could save you thousands every year.

SERVICE AT NO CHARGE TO YOU

Brokers are paid by lenders — not by you. Advising on products, lodging your application, managing all paperwork and liaising with parties through to settlement is provided completely free of charge.

YOUR FIRST MEETING

Bring payslips, tax returns, bank statements, ID and details of existing debts. Your broker will assess your borrowing capacity, recommend suitable lenders and explain your options in plain English.

WHY USE A BROKER IN 2026?

- Access to 40+ lenders — not just the big 4 banks
- Expert knowledge of 2026 grant and scheme eligibility
- Rate comparison across hundreds of products
- Negotiates on your behalf with lenders
- Guides you from application through to settlement
- Annual reviews to keep your rate competitive

> ***In 2026, a 0.5% rate difference on a $700,000 loan saves $3,500 per year — $105,000 over 30 years. Your broker finds that difference for you.***

SMART SAVING TIPS FOR YOUR DEPOSIT

SET A WRITTEN GOAL

Write down your target deposit, timeline and monthly savings amount. A 20% deposit on a $700K Melbourne home is $140,000. A 5% deposit with the First Home Guarantee is just $35,000.

GOVERNMENT HELP AVAILABLE 2026

- First Home Guarantee — buy with 5% deposit, no LMI
- First Home Owner Grant — $10,000 Vic (new builds under $750K)
- Stamp duty exemptions — Vic: full exemption under $600K
- Regional First Home Buyer Guarantee — 5% deposit regional
- Help to Buy — Government co-contributes up to 40%

AUTOMATE YOUR SAVINGS

Set up an automatic transfer on pay day before you can spend it. High-interest savings accounts (4–5% in 2026) and offset accounts can significantly accelerate your deposit growth.

FAMILY GUARANTOR OPTION

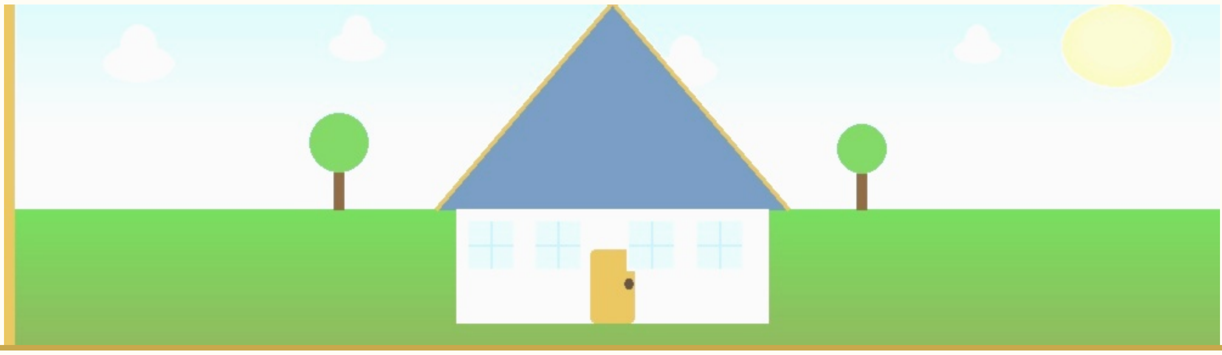
A parent can use equity in their home to guarantee part of your loan — allowing you to buy sooner with a smaller deposit and avoid LMI. Ask your broker about guarantor loan structures.

TACKLE HIGH-INTEREST DEBT

Credit card debt at 20%+ is your biggest enemy. Pay off high-interest debt first, cancel unused cards and reduce limits — this also improves your borrowing capacity.

CUT THE RIGHT EXPENSES

Subscription audit your life — streaming, gym, unused apps. Saving $200/month for 3 years builds $7,200 plus interest. Focus on your biggest wins: rent, car and food costs.



WHAT CAN YOU REALLY AFFORD?

THE 30% RULE OF THUMB

No more than 30% of your gross household income should service your mortgage. With rates at 4.35%, a $120K household income supports around $550,000 in borrowing. Lenders stress-test at 8–9% — ensure you can absorb future rises.

KEY BORROWING FACTORS

- Gross income and employment type (PAYG vs self-employed)
- Existing debts, credit card limits and HECS/HELP balance
- Number of financial dependents
- Living expenses declared to lender
- Deposit size and target Loan-to-Value Ratio (LVR)

IMPROVE YOUR BORROWING CAPACITY

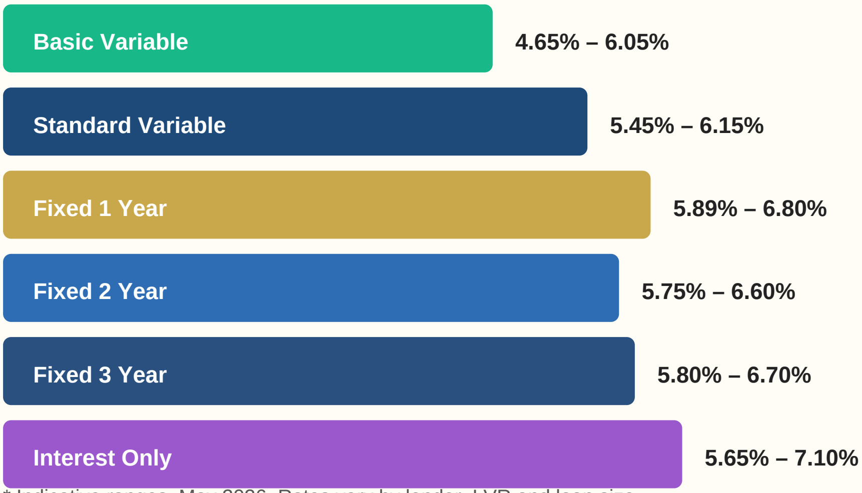
- Pay off and close unused credit cards
- Reduce credit limits — they count even if unused
- Clear personal and car loans before applying
- Avoid large purchases in the 3 months prior
- Maintain stable employment for 6+ months
- Save a larger deposit to lower your LVR

STRESS TEST YOUR BUDGET

Before committing, ask: could you still make repayments if rates rose 2%? How would maternity leave or redundancy affect you? Your broker can model multiple scenarios to help you borrow with genuine confidence.

UNDERSTANDING INTEREST RATES IN 2026

Current Market Rate Ranges — May 2026



* Indicative ranges, May 2026. Rates vary by lender, LVR and loan size.

VARIABLE RATE LOANS

Rates move with the RBA cash rate. Variable loans offer flexibility — extra repayments, redraw and offset accounts. Best for borrowers who can absorb rate movements.

FIXED RATE LOANS

Lock in your rate for 1–5 years for repayment certainty. In 2026 fixed rates sit above variable rates. Break costs apply if you exit early. Extra repayments usually capped.

SPLIT LOAN — BEST OF BOTH

Fix part of your loan for certainty while keeping the remainder variable for flexibility. Your broker recommends the optimal split for your circumstances.

RATE RISE IMPACT EXAMPLE

A 0.25% rate rise on a $600,000 loan adds ~$90/month. Over 3 years, rates rose 4.25% — adding ~$1,530/month to a $600K loan. Always stress test before committing.

> ***Your broker compares hundreds of products to find the best rate. Even 0.50% saved on $700K equals $3,500 per year — $105,000 over 30 years. Call Pat today for a free rate comparison.***

LOAN TYPES — YOUR OPTIONS EXPLAINED

Standard Variable

Rate moves with market. Offers offset accounts, redraw and extra repayments. Most popular loan type in Australia.

Basic Variable

Lower rate, no-frills option. Limited features but can save 0.5–1.0% vs standard variable. Good for disciplined borrowers.

Fixed Rate 1–5yr

Repayment certainty for 1–5 years. Break costs apply if exiting early. Extra repayments usually capped at $10–20K/year.

Split Loan

Divide between fixed and variable. Balance certainty with flexibility. Recommended by brokers in uncertain rate environments.

Interest Only

Repay interest only for 1–5 years. Popular with investors. Principal unchanged during IO period. Rates typically higher than P&I.

Low-Doc Loan

For self-employed without traditional income evidence. Requires accountant's letter, BAS statements and self-declaration.

Guarantor Loan

Family member uses their property equity to help you buy sooner. Can eliminate LMI and allow purchase with smaller deposit.

Construction Loan

Progressive drawdowns aligned to building stages. Interest charged only on amounts drawn down. Converts to standard loan on completion.

LMI & GOVERNMENT INCENTIVES 2026

WHAT IS LMI?

Lenders Mortgage Insurance protects the lender — not you — if you default. It is payable when you borrow more than 80% of the property value. LMI can be added to your loan but attracts interest over its life.

LMI COST GUIDE — MAY 2026

LVR	$500K Loan	$700K Loan	$900K Loan
85%	~$8,500	~$11,900	~$15,300
90%	~$15,000	~$21,000	~$27,000
95%	~$22,000	~$30,800	~$39,600

AVOIDING LMI

- Save a 20%+ deposit (traditional route)
- Use a guarantor loan (family equity guarantee)
- First Home Guarantee (5% deposit, no LMI)
- Regional First Home Buyer Guarantee

FIRST HOME OWNER GRANT (FHOG)

VIC: $10,000 for new builds under $750,000. NSW: $10,000 for new builds under $600,000. QLD: $15,000 for new builds. Your broker will confirm current rates for your state.

FIRST HOME GUARANTEE (FHBG)

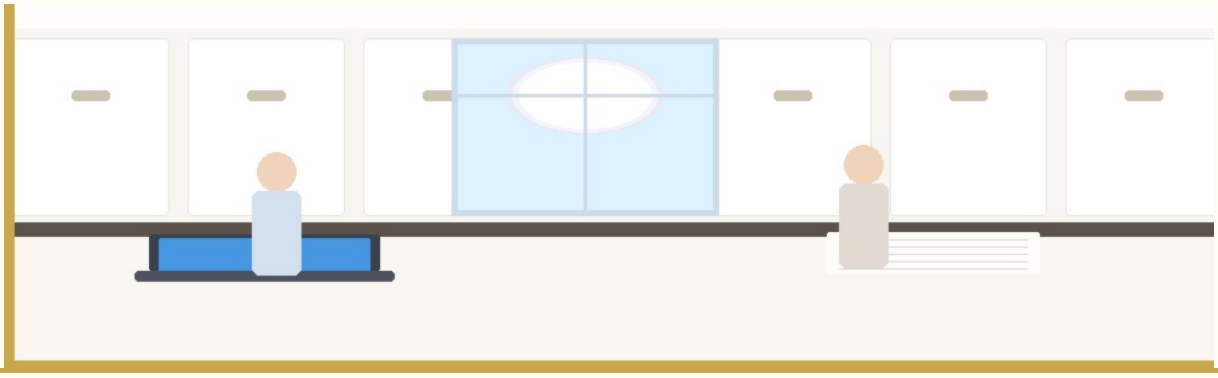
Buy with just 5% deposit — no LMI payable. Federal scheme with limited places per year. Income cap: $125K single, $200K couple. Your broker checks eligibility at no cost.

STAMP DUTY CONCESSIONS

VIC: Full stamp duty exemption for FHBs on properties under $600,000. Concession available up to $750,000. NSW, QLD and other states have different thresholds — your broker will clarify your entitlements.

HELP TO BUY SCHEME 2026

Federal shared equity initiative — Government co-contributes up to 40% for new builds or 30% for existing homes. Subject to legislation. Ask your broker for the latest eligibility details.



MANAGING YOUR MORTGAGE EFFECTIVELY

1. SET A REALISTIC BUDGET

Map all income and expenses including mortgage repayments. Build in a 2% buffer for rate rises. Automate repayments.

2. USE YOUR OFFSET ACCOUNT

Every dollar in your offset reduces daily interest. Parking your salary here — even briefly — cuts interest charged monthly.

3. MAKE EXTRA REPAYMENTS

An extra $200/month on a $600K loan saves $50,000+ and cuts 4 years off your loan. Every dollar reduces principal directly.

4. PAY FORTNIGHTLY

26 fortnightly payments equal 13 monthly payments per year — one extra payment annually that directly attacks your principal.

5. REVIEW YOUR LOAN ANNUALLY

Your broker provides a free annual review. Refinancing in 2026 could save $2,000–$8,000/year if rates have moved in your favour.

6. DON'T PANIC — REVIEW INSTEAD

If rates rise and repayments feel stretched, call your broker before falling behind. Options exist: refinance, restructure, IO.

AUCTION vs PRIVATE TREATY

BUYING AT AUCTION

✓ PROS

- Transparent — you see all competing bids
- Unconditional — instant certainty if you win
- Pre-approval lets you bid with full confidence
- Settlement timing usually fixed and clear

✗ CONS

- No cooling-off period — binding immediately
- Full 10% deposit required on the day
- Emotional pressure can lead to overbidding
- Finance must be unconditional before bidding

2026 AUCTION TIP

Always obtain full pre-approval before auction day. Your broker can have this ready within 48–72 hours. Without it, you risk winning but being unable to settle.

BUYING VIA PRIVATE TREATY

✓ PROS

- Cooling-off period in most states (3–5 days)
- Finance and building inspection conditions possible
- Negotiate at your own pace with less pressure
- Make multiple offers over time if needed

✗ CONS

- Negotiations can drag on for weeks
- Vendor may accept another offer while you negotiate
- Asking price may not reflect true market value
- Multi-offer situations increasingly common in 2026

2026 PRIVATE TREATY TIP

A building and pest inspection ($400–$800) is strongly recommended. Make your offer subject to finance and inspection. Your broker can have your pre-approval ready within 48 hours.

COSTS OF BUYING YOUR NEW HOME

Budget 3–5% of the purchase price for additional costs beyond the purchase price.

Stamp Duty — Varies by state

VIC: Exempt under $600K (FHBs). Concession to $750K. On a $700K property (investor): ~$37,000. NSW, QLD and other states have different rates —

Conveyancing / Legal — $1,500 – $3,000

A licensed conveyancer or solicitor manages the legal transfer. Includes title searches, contract review and settlement. Get 2–3 quotes.

Building & Pest Inspection — $400 – $800

Strongly recommended before any purchase. Uncovers structural issues, pest damage or defects that could cost tens of thousands. Never skip this.

Lenders Mortgage Insurance — $8,500 – $30,000+

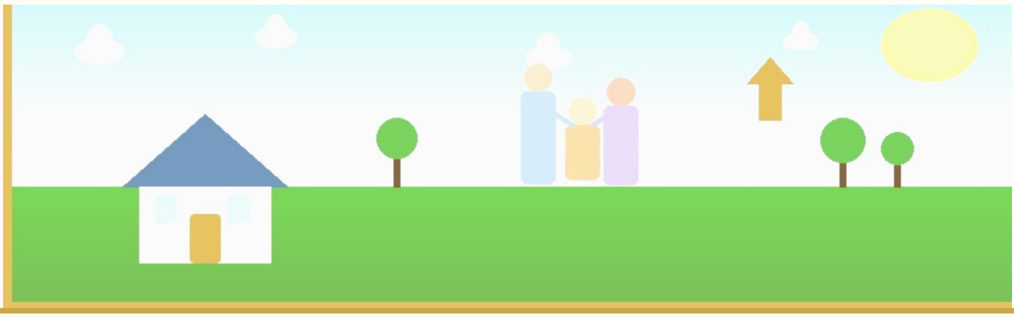
Payable if your deposit is under 20% of property value. Can be added to your loan but attracts interest over its life. Avoidable via guarantor loan or First Home

Loan Establishment Fees — $0 – $800

Application, valuation and settlement fees charged by your lender. Your broker negotiates these — some

Moving Costs — $1,000 – $3,000

Professional removalists for a 3-bedroom home: $1,000–$3,000 depending on distance. Book 4–6



YOUR PROPERTY CHECKLIST & NEXT STEPS

FINANCE

- [ ] Check your credit report for errors
- [ ] Calculate your deposit and borrowing capacity
- [ ] Contact PM Lending Solutions — free assessment
- [ ] Obtain formal pre-approval
- [ ] Confirm stamp duty and grant eligibility

PROPERTY SEARCH

- [ ] Define must-haves vs nice-to-haves
- [ ] Research suburbs — prices, growth, amenities
- [ ] Inspect multiple properties before offering
- [ ] Order building and pest inspection
- [ ] Review contract of sale with your conveyancer

SETTLEMENT

- [ ] Engage a conveyancer for the legal process
- [ ] Arrange building and contents insurance
- [ ] Review and sign loan documents with broker
- [ ] Arrange final property inspection
- [ ] Transfer settlement funds to conveyancer

AFTER SETTLEMENT

- [ ] Set up automatic loan repayments
- [ ] Arrange salary crediting to offset account
- [ ] Schedule annual loan review with Pat
- [ ] Notify utilities, ATO and update address
- [ ] Enjoy your new home!

Ready to Start Your Home Buying Journey?

Call Pat Marando for a free, no-obligation consultation.

0478 316 578 • pat@pmls1967.com.au • www.patmls.com