Keystart.



Kate and Matt
Keystart customers

Home buyer essentials guide.

What you need to know to get started on your home ownership journey.

WESTERN AUSTRALIA

Keystart is an initiative of the WA Government.

keystart.com.au

Welcome to the Keystart home buyer essentials guide!

Buying your own home is an exciting achievement, but with so many things to consider, it can sometimes feel overwhelming.

It's likely to be one of the biggest financial decisions you'll make, so it's important to understand what's involved.

This guide is designed to help you navigate the home-buying journey, so you can move forward with confidence. We'll explore:

- the benefits of home ownership,
- the home-buying process,
- key people you may work with,
- costs to consider,
- types of homes,
- buying an existing home vs. building a new one,
- where to buy, and
- how to know when you're ready.

Let's get started!



Keystart customers Raaj and Anu at their neighbourhood park.

The benefits of home ownership.

Owning your own home can offer more than just a place to live. For many people, it provides stability, greater freedom to make the home your own, and the potential to build long-term wealth.

Stability and security

Owning your own home can offer a greater sense of permanence and peace of mind. Without the uncertainty of rental inspections and lease renewals, you can feel more settled, put down roots, and plan for the future.

Personalisation – your home, your way

Paint the walls, hang the artwork, renovate the kitchen or install a doggy door. Home ownership gives you the freedom to create a space that reflects your personality and suits the way you live.

Achievement and independence

Buying a home is a milestone worth celebrating. It can bring a real sense of pride and achievement, along with the independence of having a place that's truly yours.

Belonging

Home ownership can create a stronger sense of connection to the place you live. As you settle into your neighbourhood, you can get involved in your community and feel like you belong.

The potential to build your wealth

Over time, the value of your home will fluctuate in line with the housing market. When the market is strong, your home may be worth more than you paid for it, increasing the value of your investment. It's important to remember, though, that property values can also decline when the market is weaker.

As you repay your home loan, you'll also reduce the amount you owe, helping you build wealth over the long term.

The home-buying process.

The following steps explain what typically happens from the moment you apply for a Keystart home loan.

1 Application

You can choose to work with a mortgage broker, or you can approach Keystart directly. We'll first conduct an initial assessment to determine whether you qualify for a Keystart home loan, and provide an estimate of how much you may be able to borrow. If you're eligible to proceed, you can move forward with your loan application. We'll help you navigate each step, working with you to collate the documents you need to provide.

2 Conditional approval

Our team will then assess your application and, if you meet our lending requirements, we'll issue you with a letter of conditional approval. This letter confirms that you're eligible for a Keystart home loan, and includes an updated estimate and an outline of any conditions you need to meet before you can move to formal approval.

With conditional approval in place, you're ready to start searching for your new home!

Conditional approval periods are limited and vary between lenders. At Keystart, the standard conditional approval period is 120 days.

3 Offer

Once you've found a property you love, you can make an offer that fits within your estimated borrowing power. The offer should be made during your conditional approval period. If the seller accepts your offer, you'll need to let Keystart know so we can arrange a valuation.

Property inspections

If you're looking to buy an existing home, it's common to organise property inspections. Building, pest and other inspections can help identify potential issues with the property before you commit to the purchase.

4 Valuation

Keystart will arrange an independent valuer to assess the property and determine its market value. We'll compare this valuation with your offer price to confirm the final amount we're prepared to lend you. If the property's market value is lower than your offer, you may need to contribute a larger deposit.

5 Formal approval

Once the valuation is accepted and all conditions are met, Keystart will issue formal finance approval. Your loan documents will be sent to you to review and sign, allowing you to move forward to settlement.

6 Settlement

Settlement is the official process where funds are exchanged and ownership of the property is transferred to you. Your settlement agent will coordinate with Keystart's and the seller's settlement agents to prepare and lodge the required documents. Once settlement is complete, the property is yours!

7 Life with a home loan

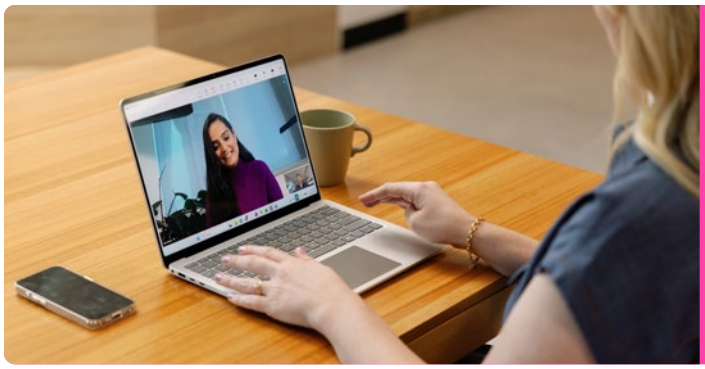
After settlement, you'll start making regular repayments on your home loan. Keystart will set the minimum repayment amount, but you may choose to pay more than the minimum to help pay off your loan sooner. Keep in mind that your minimum repayment amount may change over time as interest rates fluctuate and your loan balance changes.



Jasmine

"My home feels really safe, calming, and somewhere I genuinely really love coming back to everyday. I've built a community around me, and I get really excited to walk through the door, seeing what I've created for myself."

Jasmine
Keystart customer



Buying a home involves working with a range of professionals and organisations along the way. We've listed some of the key people you may encounter during the home-buying process and what they do. This list isn't exhaustive, so you may wish to explore additional resources based on your individual circumstances.

Key people you may work with.

Mortgage brokers

Mortgage brokers help you compare home loans from different lenders. They can help determine your eligibility, guide you through the home loan application process, and liaise with home loan specialists on your behalf. It's not essential to use a mortgage broker, but many people find their services helpful. In most cases, you won't pay for their services directly, as they're typically paid a commission by the lender you choose.

Home loan specialists

Home loan specialists work for lenders, like Keystart, who provide the loan you'll use to buy or build your home. They will assess your financial situation, determine whether you meet the lender's eligibility requirements, and guide you through the home loan process.

At Keystart, our dedicated team of home loan specialists is here to support you on your home ownership journey. This service is included as part of your home loan, so there is no additional cost.

Real estate agents

Most real estate agents represent sellers, helping to advertise properties, arrange home opens and inspections, communicate with potential buyers, and manage offers throughout the sales process.

Developers

Developers create new residential developments, including land estates, house and land packages, and newly built homes. They can provide information about available properties, inclusions and build timelines.

Local shires/councils

Your local shire or council helps manage the area where you live, including planning, building approvals and local services. Before purchasing a property, it can be helpful to check with the relevant council about things like zoning, planning rules, future developments and other matters that may affect the property.

Builders

If you're building a new home, your builder is responsible for managing the construction process. They coordinate trades, materials and timelines, and work with you from signing the building contract through to completion.

Inspectors

If you're looking to buy an established home, it's common to organise inspections. Building and pest inspections are among the most common, helping identify potential issues with the property. The inspector will provide a report outlining their findings, allowing you to make a more informed decision when considering whether to purchase the property. You may also choose to arrange other types of inspections if you have specific concerns.

Property valuers

Property valuers provide an independent assessment of a property's market value, often after you've made an offer on a property. Keystart commonly arranges a valuation before finalising formal loan approval. This helps us determine whether the amount you've offered aligns with the property's market value, which can affect the amount we're able to lend you.

Settlement agents

Settlement agents (also known as conveyancers in some parts of Australia) manage the legal and administrative steps involved in transferring ownership of a property. They prepare and lodge the required documents, coordinate with the buyer, seller and lender, and help ensure settlement takes place on time. The buyer, seller and lender will typically each have their own settlement agent to represent their interests.

Service providers

Once you've bought your home, you'll need to connect essential services such as electricity, water, gas and internet. Service providers help set up these accounts so your home is ready to move into.

Costs to consider.

Understanding the costs that come with purchasing a home can help you prepare financially and stay on track throughout your home-buying journey.

Deposits

Home loan deposit

When purchasing a home, you'll usually need to contribute a deposit towards the purchase price. Your lender will then provide the remaining funds through your home loan, subject to their lending requirements. Keystart offers home loans with a low 2% deposit, helping reduce the upfront cost of buying a home.

Holding/supplier deposits

Depending on the property and who you're buying from, you may be required to pay a holding deposit to the seller, developer or builder. Requirements vary, so it's important to confirm any upfront payments directly with the relevant party.

Inspection fees

If you're buying an established home, you may choose to arrange building, pest and other inspections. Inspections are generally arranged and paid for by the buyer. Costs can vary depending on the type of inspection, provider, and size of the property.

Valuation fees

Keystart commonly arrange a valuation of the property before finalising formal loan approval. Valuation costs vary depending on the location of your property and the complexity of the valuation.

Settlement fees

You'll need to pay your settlement agent to manage the transfer of property ownership. Costs vary depending on the settlement agent and complexity of the transaction.

Lender's mortgage insurance (LMI)

LMI is an insurance policy that protects home loan lenders from financial loss if a customer can't make their repayments. It's usually required when the customer borrows more than 80% of the home's value, and it can increase the customer's loan size and repayments. We don't charge LMI at Keystart.

Loan setup and maintenance fees

Lenders often charge an establishment fee to cover the costs associated with setting up your loan. Some lenders also charge account-keeping fees to manage your loan on an ongoing basis. We don't charge account-keeping fees at Keystart.

Transfer duty

Formerly known as stamp duty

Transfer duty is a state tax charged on property transactions. The amount you may be required to pay depends on things such as the type of home and property value. First home buyers are often eligible for transfer duty concessions and/or exemptions. Find out more on the Western Australian Government website.

Keystart offers home loans with:

- ✓ **a low 2% home loan deposit,**
- ✓ **no lender's mortgage insurance, and**
- ✓ **no account-keeping fees.**

Building and contents insurance

Also referred to as home and contents insurance

Building insurance protects the physical structure of your home against unexpected damage or loss. Most lenders, including Keystart, will require you to have building insurance in place before settlement to protect the property while you have a home loan. Contents insurance covers your personal belongings inside the home, such as furniture, appliances, electronics, and so on. Different providers offer different levels of cover, and prices can vary.

Service/utility connections

When you move into your new home, you'll need to connect essential services such as electricity, water, gas and internet. Depending on the property and your service providers, connection or installation fees may apply.

Strata fees/levies

If you buy a property in a strata complex, such as an apartment, you'll usually need to pay regular strata fees to help cover the cost of maintaining and managing shared areas, facilities and services.

Shire and water rates

Shire rates are an annual charge paid to your local shire or council to help fund local services and infrastructure. You'll also need to pay water rates and service charges, which are billed separately by your water provider.

Repairs

If your new home needs any immediate repairs or renovations, you'll need to factor these costs into your budget.

Moving/furnishing costs

If you're planning to hire a removalist or need to purchase furniture for your home, these are additional costs you'll need to consider.

Loan repayments

Once your home loan has settled, you'll begin making regular repayments to Keystart. These repayments include both the amount you've borrowed and the interest charged on your loan. Keep in mind that interest rates can change over time, which may increase or decrease your minimum repayment amount.

WA Government support.

Transfer duty (stamp duty) savings

Depending on the type and value of the property, first home buyers may be eligible to pay reduced transfer duty – or none at all. Visit the Western Australian Government website for more information about first home buyer duty concessions and exemptions.

Government grants and schemes

You may be eligible for one or more government grants or schemes designed to help first home buyers. For example, if you're building or buying a brand new home, you may qualify for the First Home Owner Grant (FHOG) – a one-off payment to help with the costs of buying or building. The grants and schemes available will change over time – check the Western Australian Government website for the most up-to-date information.

Low deposit options – spend less time saving!

Some lenders, including Keystart, offer low deposit home loans, meaning you may not need to save as much before buying your first home. Take the time to compare your options and see whether a low deposit home loan could help you get into your own home sooner.



Types of homes.

There are many different types of homes to choose from. You'll need to think about factors such as your lifestyle and home-buying budget when it comes to choosing the right housing type for you.

Remember – your first home doesn't have to be your 'forever' home.

What you want from a home in the future is likely to be different from what you need from a home right now. If your circumstances change, you may decide to upgrade (or downsize!) later on.

Housing type	Benefits	Considerations
Standalone house A standalone house is a freestanding home on its own block of land, with no shared walls.	• Generally more indoor and outdoor space. • Greater privacy. • More opportunity to extend or undertake major renovations.	• Generally more expensive to buy. • Can require more maintenance (such as gardening and larger repairs). • More affordable options may be further from cities, town centres or regional hubs.
Apartment An apartment is a home within a larger residential building, with shared entrances and common areas.	• Often more affordable than a standalone house. • Generally require less maintenance than a standalone house. • Often located closer to city centres, shops, services and public transport.	• Generally less indoor and outdoor space. • Less privacy due to shared walls and common areas. • Regular strata fees may apply. • Less flexibility to renovate, extend or make major changes.
Unit (or villa) A unit is a self-contained home that is usually one of several dwellings on the same property or within a small complex.	• Often more affordable than a standalone house. • Generally require less maintenance than a standalone house. • Can sometimes offer private outdoor space, such as a courtyard or small garden.	• Usually smaller in size than most standalone houses. • Less privacy due to close neighbours. • Regular strata fees may apply. • Less flexibility to renovate, extend or make major changes.
Townhouse A townhouse is a multi-level home that is usually attached to one or more neighbouring properties by shared walls.	• Good balance of space and affordability. • Often feature modern layouts and designs. • Generally require less maintenance than a standalone house. • Can sometimes offer private outdoor space, such as a courtyard or small garden.	• Usually smaller in size than most standalone houses. • Less privacy due to shared walls. • Regular strata fees may apply. • Less flexibility to renovate, extend or make major changes.
Modular home A modular home is a form of standalone house that differs from traditional builds in its method of construction. Modular homes are built in a factory, then transported to your land and installed on a permanent foundation.	• Great option for regional and remote areas where local builders or trades may be limited. • Typically faster to build than a traditional home. • Available at a range of price points to suit different budgets.	• Land often needs to be purchased separately, unless included in a house and land package. • Not all land is suitable for a modular home. Site access, soil conditions and land slope can all affect suitability. • Finance options may be more limited, as not all lenders offer loans for modular homes.

Buying an existing home vs. building a new one.

There are all sorts of ways to own your own home. You might choose to buy an established home, a newly built home, or an off-the-plan home. Each option comes with its own benefits and considerations.

	Buying an existing home	Building a new home
Design	The home's layout, style and features are already established. While you can renovate or update it over time, the extent of any changes may be limited by the home's layout, structure or age.	Building gives you the opportunity to personalise your home from the start. You can choose the floor plan, finishes and features – but keep in mind that additional upgrades and customisations can increase the overall cost.
Purchase price	Once your offer has been accepted, the purchase price is generally fixed. This can provide greater certainty about how much you'll need to pay for the property.	The total cost of building can change over time, even after you've signed a building contract. This is because some contracts include allowances for items that can't be accurately priced upfront, meaning the final cost may be higher, or lower, than expected.
Timeline	Once settlement is complete, you can move straight in or get started on any planned repairs or renovations.	Building a home takes time – you'll need to factor in planning, approvals and construction. Timelines can also be affected by factors such as weather, material availability and trade shortages.
Location options	Existing homes are available in a wide range of locations, including well-established neighbourhoods with existing amenities and transport links.	New homes are often built in developing suburbs or new estates. Be sure to check what amenities and infrastructure are already available and what's planned for the future.
Energy efficiency	Energy efficiency can vary depending on the age and condition of the existing home. Improvements such as insulation, efficient appliances or solar panels may help reduce energy costs.	New homes are built to meet current energy efficiency standards, which can help reduce energy use and lower household bills over time.
Repairs and maintenance	Older homes may require repairs or updates sooner, depending on their age and condition.	Everything is brand new, so you're less likely to need repairs or major maintenance early on.
Infrastructure and facilities	Established neighbourhoods often have existing infrastructure and amenities, such as schools, shops, parks and public transport. Before you buy, take the time to explore the area and make sure it suits your lifestyle.	If you're building in a new estate or developing suburb, some infrastructure and amenities may still be under construction or planned for the future. Consider what's available now, as well as what's expected to be built over time.
Government grants	The WA First Home Owner Grant (FHOG) is available to eligible first home buyers purchasing a newly built home, but not an established home that has previously been lived in.	The WA First Home Owner Grant (FHOG) is available to eligible first home buyers building a new home.





Keystart customer Virgie and her daughter Brianna in their family home.

Where to buy.

Location, location, location. Choosing the right area is just as important as choosing the right home. Where you live can shape your lifestyle, influence your daily routine and even impact your long-term finances. Consider the following points when deciding where to buy.

Affordability

Property prices can vary significantly between suburbs and regions. Buying further from city or town centres may give you more space for your budget. It's about finding the right balance between location, lifestyle and what you can afford.

Distance to work and transport

How long will it take to get to work each day? Check access to public transport, major roads and parking. A shorter, easier commute can make a big difference to your day-to-day life.

Local amenities

Think about what's important to you. Do you want to be close to shops, schools, parks, or medical centres? Having essential services nearby can save you time and make everyday life more convenient.

Lifestyle fit

Think about the kind of lifestyle you want. Some neighbourhoods are quieter and more family-friendly, while others are busier and offer easy access to cafés, restaurants and entertainment. Try visiting the area at different times of the day to get a feel for what it's really like.

Future growth

Research what's planned for the area. New transport links, schools, shopping centres or other infrastructure may make an area more desirable over time and could influence future property values.



"My favourite thing about my apartment is being able to go out on my balcony and look at the awesome view. It's near the city – you can literally see it – and I can walk pretty much anywhere around here as well.

When I first wanted to move out, I thought I wanted a four-bedroom, two-bathroom home. I thought that's what it would be. But then I realised that that's just not achievable for me right now, and that's totally fine. I'm glad with my choice of apartment in the end. It's been the perfect stepping stone for me."

James
Keystart customer

How to know when you're ready.

There's no such thing as a "perfect time" to buy a home, but taking the time to prepare can help you feel more confident and make sure you're ready for the responsibilities of home ownership.

You're feeling financially fit.

- **Do you have enough savings to cover the upfront costs?**
  Buying a home involves more than just the deposit. Costs can vary depending on your circumstances, so it's important to understand what you'll need to budget for.
- **Do you have an emergency fund?**
  Life doesn't always go to plan, and unexpected expenses can arise. Having savings set aside can help you cover these costs without putting pressure on your ability to meet your loan repayments.
- **Do you have a stable income?**
  You'll need to show that you have the ability to make regular home loan repayments.
- **Have you been in your job long enough?**
  Many lenders require you to have been in your current role for a certain amount of time or to have passed your probation period, though this varies between lenders. Keystart's standard requirement is either three or six months, depending on your type and mode of employment.

Lenders look at your spending habits and existing financial commitments when assessing your loan application, including buy-now-pay-later accounts, credit cards and other debts. Before applying, consider paying down debts where possible and closing buy-now-pay-later accounts and credit cards to help strengthen your application.

You've thought things through.

- **Don't rush into anything**
  Buying a home is a big commitment, so take the time to consider your options. Don't feel pressured to make a decision you're not comfortable with.
- **Get on the same page**
  If you're buying a home with someone else, make sure you're aligned on your expectations. Discuss what you both need from a home, what you're willing to compromise on, and how you'll manage repayments. You'll both be responsible for the loan, so it's important to have these conversations early.
- **Keep an open mind**
  Your plans and priorities may change as you learn more about the home-buying process. Being open to different options can help you find a home that's the right fit for your lifestyle and budget.

You've done your research.

- **Ask lots of questions**
  There's a lot to learn when buying a home, and there's no such thing as a silly question. If there's anything you're unsure about, ask the relevant people involved, such as your broker, home loan specialist, settlement agent or builder. Friends and family may also be able to share helpful insights from their own experiences.
- **Familiarise yourself with the lingo**
  The home-buying process can feel overwhelming at first, with lots of new terms and steps to understand. The more you understand, the more confident you can be in your decisions.
- **Keep an eye on the property market**
  Online property websites can be a great place to start. They can help you understand the types of homes available, compare prices in areas you're interested in, and set realistic expectations for your budget.
- **Shop around**
  From mortgage brokers to settlement agents, different providers offer different features, costs and levels of support. Do your research to find what's right for you.



Keystart customers Kate and Matt with two of their children.

"One of our biggest takeaways was making sure we weren't spending too much on discretionary things. Proving that we could live without those things. Proving that we'd actually be able to afford home loan repayments."

Kate
Keystart customer

Why choose Keystart?

We do things a little differently at Keystart. We offer home loans with a low 2% deposit and we don't charge lender's mortgage insurance or account-keeping fees, helping to make the dream of an affordable home a reality for more people.

We're here to help you get started on your home ownership journey with our low upfront costs. Then, when you're ready and you have enough equity in your home, we encourage you to transition your loan to another lender. This process is known as refinancing and can give you access to different loan options, features, and reduced repayment rates to suit your changing needs.

How much can I borrow?

Try the calculators on our website to get an idea of how much you may be able to borrow from Keystart.

Our loan products.

Our range of loan products is split into two different types: **standard** home loans and **shared equity** home loans.

Standard home loans

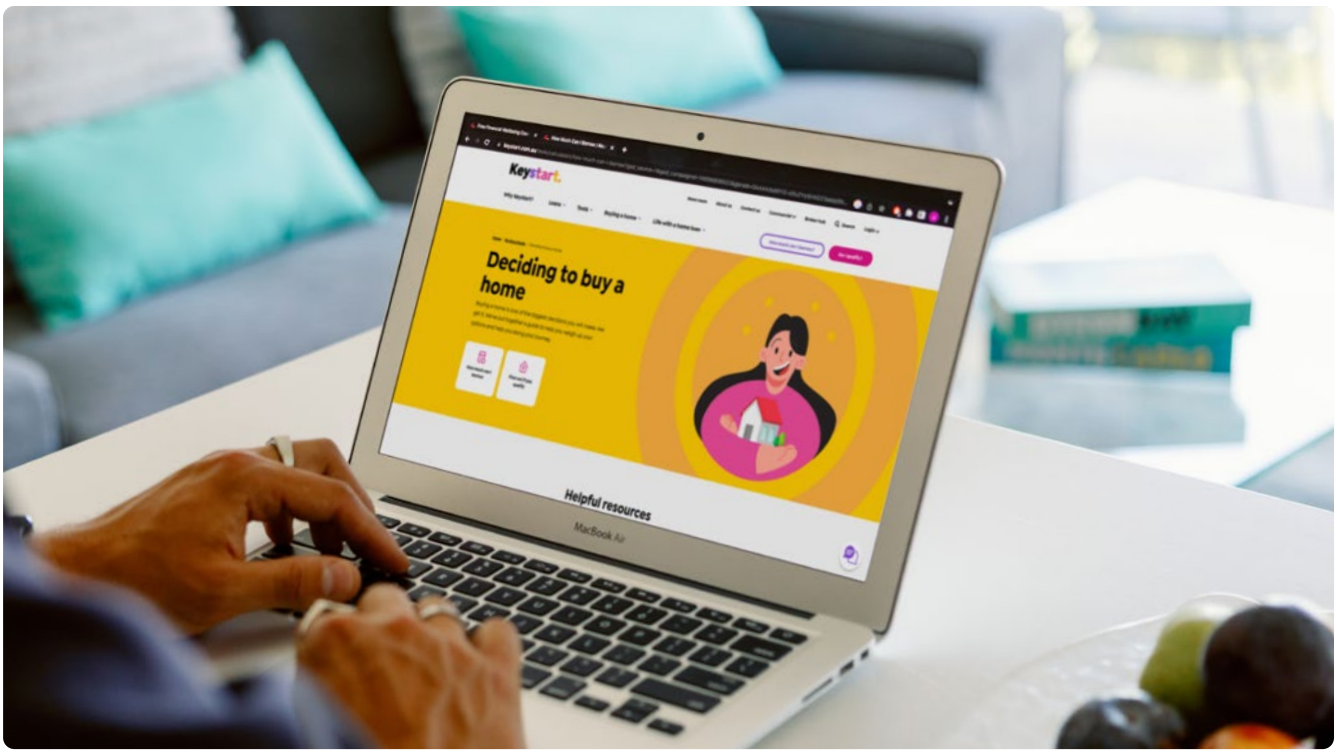
Our suite of standard home loan products offers low-deposit loans for a range of property types, including standalone houses, apartments, units, duplexes, townhouses, villas, and modular homes.

We have multiple options available for both established homes and new builds.

Shared equity home loans

If you meet the eligibility requirements, you may be able to increase your purchase price range with a shared equity home loan. With this type of loan, the WA Government contributes towards the purchase price of your home, acting as a silent partner to help boost your home-buying budget.

Like our standard home loans, our shared equity home loans feature a low 2% deposit and span a range of property types.



Get in touch.

You don't need to navigate this alone – the Keystart team is here to help you every step of the way. Our dedicated home loan specialists are available to answer any questions you may have. Reach out via phone or email – we're always happy to help.

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