



Home Loan  
Guide to:  

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**Brisbane**

In Brisbane we work with local real estate agents to make property buying fast, simple and convenient for home buyers.

For both home owners and those looking to get into the market we've highlighted the key trends for home shopping, getting a home loan and refinancing in Brisbane. When you're ready to make a change or have additional questions, we're available with personalised guidance and Home Loan Experts who offer support, not sales.

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**The Big Picture**

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**Brisbane**

# Brisbane housing market fast facts

**\$529,953**

Median House Value at June 2017

**\$508,341**

Median House Value at June 2016

**4.80%**

Capital Growth July 2016 - June 2017

**3.60%**

5 year average for capital growth

**4.60%**

Median rental yield

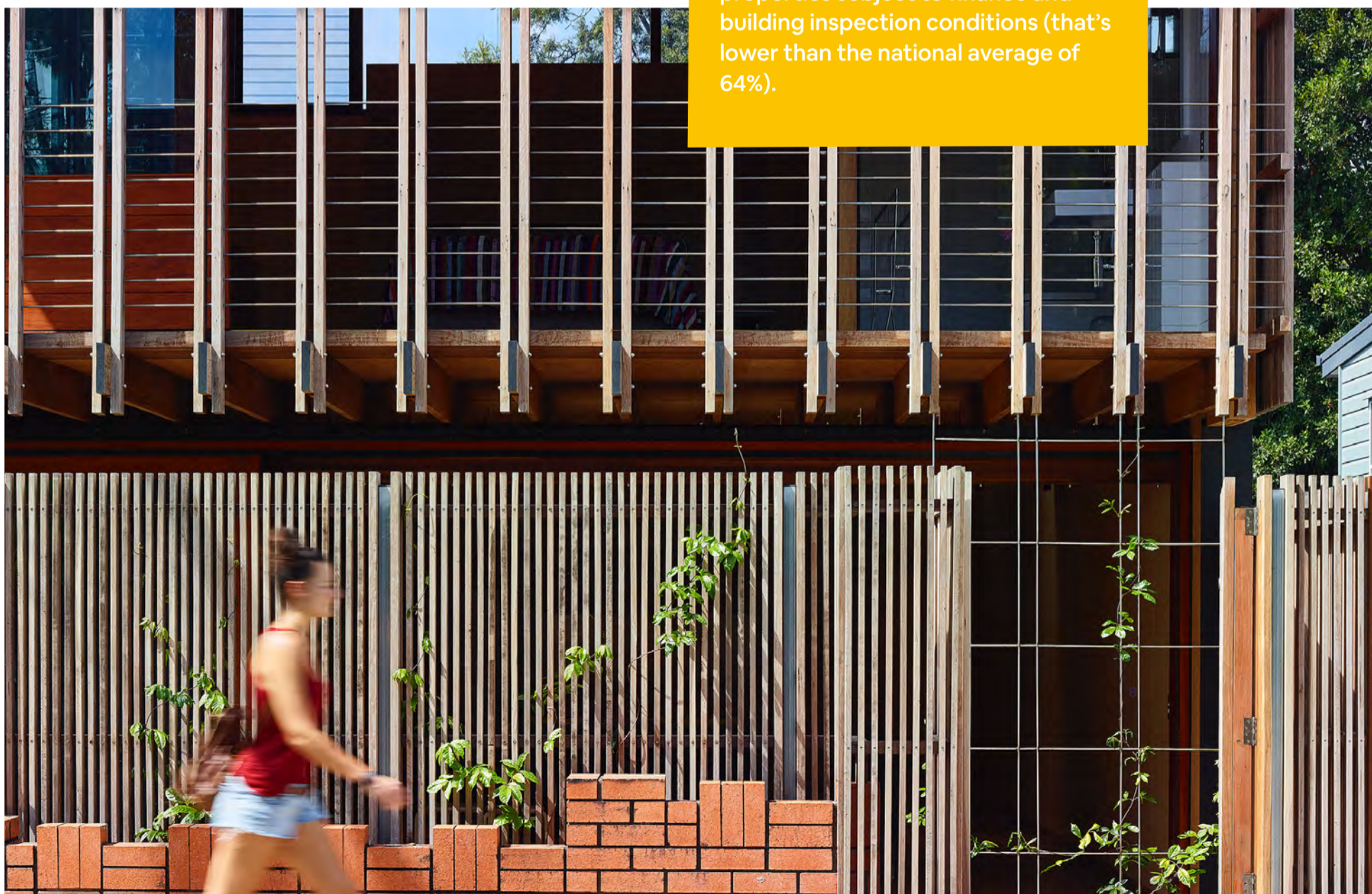
**3.10%**

Vacancy rate, 1 year ago it was 2.70%

Data sourced from RPData, Corelogic & Residex as at December 2017

The housing market in Brisbane is competitive - but still favourable compared to the rest of the country.

Across Brisbane, the yearly auction clearance rate was about 40% giving favourable conditions to buy properties subject to finance and building inspection conditions (that's lower than the national average of 64%).



## Brisbane unit market fast facts

**\$391,669**

Median House Value at June 2017

**\$395,053**

Median House Value at June 2016

**-0.80%**

Capital Growth July 2016 - June 2017

**1.50%**

5 year average for capital growth

**5.20%**

Median rental yield

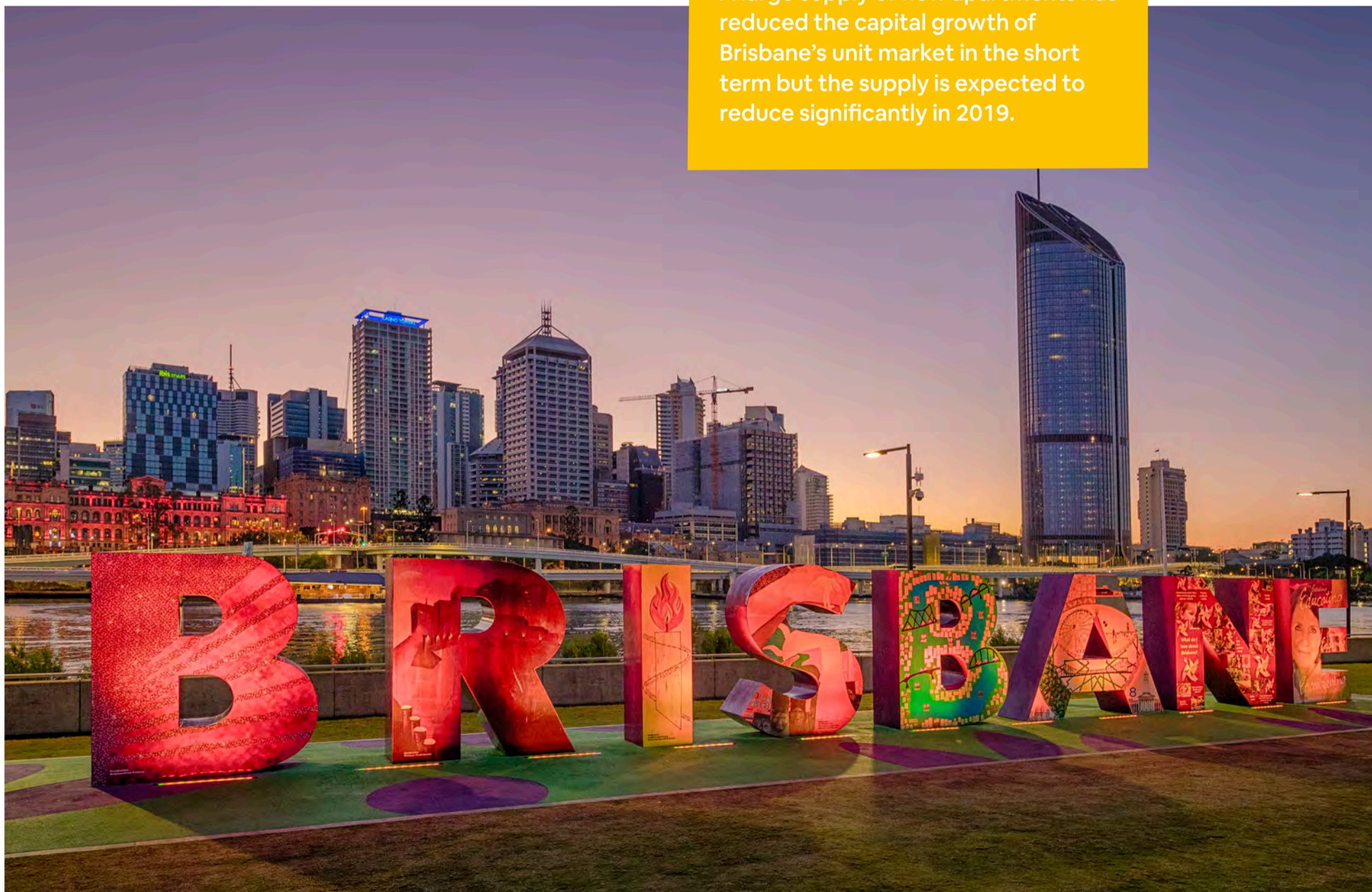
**3.10%**

Vacancy rate, 1 year ago it was 2.70%

Data sourced from RPData, Corelogic & Residex as at December 2017

The unit market in Brisbane has the highest rental yield across all capital cities of 5.20%. There is also a large price value gap between Brisbane and Sydney and is expected to drive demand.

A large supply of new apartments has reduced the capital growth of Brisbane's unit market in the short term but the supply is expected to reduce significantly in 2019.





## First-time homebuyers have options

Although first home buyers might feel intimidated by finding and financing their dream home, the truth is they have heaps of options. For borrowers with great credit and a steady income, a 5% deposit can be an option and in some cases no deposit is required at all allowing them to start investing and build equity much sooner. Let's see how that plays out with a typical renter. The median Brisbane rent payment is around \$400. At current interest rates of 4% the renter could afford a mortgage of \$375,000 with a similar monthly home loan payment. At Hunter Galloway, we see our clients behaving similarly, over 46% of our purchase loans are for first home buyers, with almost 59% of our clients putting down less than 20% deposit.

[Start your application here.](#)

“ We have found that compared to other housing markets, a high proportion of renters in Brisbane could afford a mortgage. Our goal is to help these renters become homeowners by providing simple loan options, and step-by-step guidance throughout

- Joshua Vecchio, Hunter Galloway

\* Median rental figure is based on 2016 Census.

\* Repayments based on 4% interest rate, over 30 year loan term and \$375,000 loan amount. This document should not be considered financial advice and is only general in nature, loan approval is subject to supporting documentation and credit approval.



Shop by  
neighbourhood

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**Brisbane**

There's no denying it: **Brisbane's market is heating up.** That means if you're looking to buy, it will help if you're flexible (and realistic). First, work with a broker to understand exactly how much you're qualified to borrow (don't forget to take your savings and monthly budget into account as well). Then, it's time to start looking for the perfect home in the areas you're interest in.



“

We are seeing lots of activity in the Brisbane market at present, in particular lots of older owner occupiers moving and downsizing. Investors in the inner city suburbs have turned away from just looking for rental return and are now competing for the same style of homes that first home buyers are looking for as they appear to be aiming for longer term capital growth in tightly held pockes - making the market really hot for first home buyers.

- Adam Stefan, Real Estate Agent Brisbane



# Where to start?

We looked at a good mix of a few of Brisbane's most popular suburbs, and a few little known ones to research a few Brisbane suburbs based on your goals.

## **WALKABLE**

If you want walkable, look no further than the city and surrounds, with the Fortitude Valley being a trendsetter's delight. Almost 50% of the residents here are young and independent, giving this inner-city area undisputed cool cachet and excellent bars and nightlife. 'The Valley' as it's known is the entertainment precinct famous for great food, live music, clubs and its bustling China Town.

**Have a look at Fortitude Valley, Bowen Hills and Newstead.**

## **YOUNG PROFESSIONALS**

Home to Italian migrants in the fifties and an altogether rougher, grungier crowd in the 1980s, New Farm has gradually gentrified over the past 20 years. Young professionals love the area for its proximity to the city and cool sensibility, but a new wave of empty-nesters are selling their family homes and moving here to enjoy the low-maintenance lifestyle offered by New Farm's apartments and converted lofts in Teneriffe.

**Have a look at New Farm and Teneriffe.**



## **FAMILY FRIENDLY**

Mainly established couples and families, Cannon Hill is like a country town just outside the city. A lovely, friendly community vibe pervades the air here, and it's close to the CBD, airport, shops, schools and lovely bush walks. Convenience and a peaceful vibe make Cannon Hill popular with commuters. Recent construction at The East Village and the newly-renovated Carindale Shopping Centre have only added benefit for local residents. Another area close to the city with great transport and motorway links, Morningside is only 5 kilometres from Brisbane and within easy access to shopping in the CBD, New Farm, Carindale and Woolloongabba.

**Have a look at Morningside and Cannon Hill.**

## **ROOM TO MOVE**

Only 12.5km from the city, Aspley is a well-established suburb with good access to local shops such as the Hypermarket and Chermside Shopping Centre, as well as decent schools, transport and medical facilities. Mostly populated by older couples and mature families, it's a residential suburb with some professionals who commute to the city. Bracken Ridge has changed a lot in the past decade, with many shops and homes being renovated and a wider variety of people moving in.

**Have a look at Aspley, Albany Creek, Bracken Ridge and Chermside.**

## **ON THE WATER**

Far enough from the city to feel like another town but close enough to commute every day, these bayside suburbs are tucked away from the hustle and bustle of Brisbane CBD and are mostly populated by mature couples, families and retirees. Manly's north-east facing aspect, village shopping centre, parkside esplanade and boat harbour provide the perfect setting for enjoying the good life near the water. It's a clean and friendly village with most conveniences available and good local schools and daycare centres, and homes are a variety of old and new, with many 'Queenslanders' in good condition or ripe for renovation.

**Have a look at Birkdale, Manly, Wynnum & Lota.**

## **STARTER HOMES**

Formerly down-at-heel, times have changes for Annerley ' only 5 kilometres from the city, its mix of colonial homes and apartments makes it a magnet for professionals and families, and the air rings with the industrious sound of renovation. Multicultural and safe, it has a neighbourly atmosphere and offers lifestyle and convenience with suburban charm. A central hub for transport and shopping, the suburb offers both buses and trains in and out of the CBD, easy access to the M3 and is within close proximity to Woolworths.

**Have a look at Annerley, Buranda and Moorooka as well as Fairfield Gardens and Stones Corner.**



Depending on what type of home you are looking for the suburb has the biggest impact. Anything with a train line is always going to be in higher demand when you go to sell later on (investors from down south seem to love trains). If buying a unit try and pick up something on the ground floor, courtyards make a huge difference

**-Adam Stefan, Real Estate Agent Brisbane**

## Expanding your search

Given Brisbane's sprawl it is worth looking outside of just the areas you live, and have lived before. According to David Hyne, Director at Herron Todd White now is the right time to be looking to buy in Brisbane and also the suburbs outside of the inner city of Brisbane.

“ Every other property cycle has started this way, and this is no different. We see growth in the inner city areas, and then start to move out. Brisbane's inner city areas have performed at around 5-6% per year, and although this hasn't impacted the properties 25-30km out in previous cycles the growth continues to move out to the suburbs.

- David Hyne, Herron Todd White



### Where can you buy a home for under \$500,000?

David Hyne believes there are great buying opportunities in and around Brisbane, with the Brisbane market bottoming out in 2011. Looking at the market since 2012, Brisbane has had median house growth of around 20% compared to Sydney's 80% and Melbourne's 60%. The Brisbane market has been the poor cousin in this last cycle, but it presents opportunities to buy well priced properties under \$500,000 in suburbs like Everton Park, the older timber style post war housing or Keperra, Albany Creek and Chermside too.

“ Don't be afraid to buy further out to get what you want. Outside the 10km ring in Brisbane is still extremely close to the city in the grand scheme of things. Also I suggest you start looking online at SOLD properties, not what is currently for sale if you really want to get a good idea on price, not what is for sale. What something is listed and then sells for can be a big variance.

-Adam Stefan, Real Estate Agent Brisbane



## How to land your dream home

Whether you're looking in Brisbane's Bayside, or the inner city suburbs it's important to put your best foot forward when starting to look for your dream home. We had a chat to Adam Stefan, Real Estate Agent based in Brisbane to give you a few ideas on how to get your dream home quicker!

### FIND A GREAT BROKER

"Working with a good mortgage broker will make the entire home buying process a smooth and simple experience, they will have 5 star reviews on Google and show a track record of helping home buyers similar to you. Finance can make or break your first home, so you want to work with someone that keeps you in the loop and works with you together to get that dream home."

### DO YOUR RESEARCH

"If you're looking into new suburbs, or areas you aren't familiar with it's important to do some further research to find out the suburb has everything you are looking for. I also think you should consider if"

- \* The location is close to your family
- \* It's near schools, public transport, employment hubs and other amenities
- \* It's close to your workplace, or easily accessible
- \* The location is affordable



Get out there and check out open homes and auctions. You can only learn so much from behind a computer screen and this will help you later down the track when you are negotiating as you will be able to compare a lot more than the advertised features and you will be able to get these points across to the agent.

**-Adam Stefan, Real Estate Agent Brisbane**

## BE PROACTIVE

“Properties don’t stay on the market for very long. You want to be proactive about identifying homes you’re interested in, scheduling inspections (or going to the open houses) and being ready to make a strong offer to help you secure the property and avoid missing out!”

## GET A PRE-APPROVAL

“Its important to know exactly how much you can afford - and how much a lender will approve you for. Given how hot Brisbane’s make is, reducing the days on your finance clause can help get you in ahead of other home buyers bidding for the same property. In order to do that you’ll need your lender to do an in-depth review of your documents, and do a full pre-approval.”

## WHO THE AGENT IS REALLY WORKING FOR....

“A good real estate agent will work hard for the vendor, or person selling the property to get the best price. Remember most agents are paid commission only and they don’t waste their time own buyers who are unsure or unlikely to commit. So its critical you put your best foot forward at open houses, and be nice to agents they will remember you.”

## MAKE IT PERSONAL

“When dealing with agents the more they like you, the more information they will give. Find out as much as you can about the person selling the property, other competing buyers and terms they are looking for - for example finance or settlement conditions - to help make your offer more appealing than others.”

See how much you can afford [here](#).





**Buying a  
home in**

**Brisbane**



## Get a Leg Up with Brisbane by the numbers

**\$2,167.00**

Median monthly mortgage  
repayment in Brisbane\*\*

**\$85-\$100**

Average home insurance cost  
per month in Brisbane\*

**95.8%**

Households where mortgage  
repayments are less than 30%  
of income.\*\*

**\$30-\$35**

Average content insurance cost  
per month in Brisbane\*

\* Insurance figures provided by Canstar.com.au  
\*\* Figures from 2016 Census

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# How much deposit do I need?

Becoming a homeowner is a massive milestone in most peoples lives, but it can be hard to know when you're ready. At Hunter Galloway we've found that many people don't take the next step because of how daunting it can seem to save up for a large deposit.

According to some analysts, the time taken to save a 10-20% home deposit putting aside \$500 a week at a generous 3 per cent interest is more than a decade - during which time house prices in Melbourne and Sydney have doubled. The challenge is struggling to build up savings for a home deposit, you may have rented for years with no issue and can afford a mortgage but come short on the deposit.

**Find out what you can afford with a 5% deposit [here](#).**

“ Always attend the building and pest inspection. A report can only tell you so much, being there with the inspector will give you a better understanding of what the actual problem is and what needs to be done to fix it which will help if you are negotiating a price reduction. The reports also read a lot scarier than what they can be when talking to the inspector in person

**-Adam Stefan, Real Estate Agent Brisbane.**





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## When a 5% deposit isn't a risk

You may have heard that 20% is the magic number for a deposit. It is true the greater your deposit, the less you'll need to borrow which in turn can mean lower monthly payments and more favourable rates. Putting down 20% or more also means you won't need to pay lenders mortgage insurance (LMI) which lenders typically require if your deposit is less than 20%. That said, for borrowers with a steady income and a good credit history a 5-8% deposit loan can still be a financially sound option, allowing you to start investing and building equity sooner.

Let's say you have a high HELP (student loan) debt, but a stable career with steady income. And you live in a city where your monthly rent is high - even higher than what a monthly home loan payment might be. In this scenario, you may not have a chance to save up for a 20% deposit. But if your debt to income ratio and credit score are strong, it could be a better financial decision to buy now with a lower deposit than wait several years more to build up to the 20% benchmark.

**[Read more about when 3-5% deposit isn't a risk here.](#)**





## How to buy with no deposit at all

You might have read different articles, some say no deposit, some say you need deposit - which is it? When I bought my first home it felt like everyone was trying to sell me something so its important to clarify a few things.

### **GUARANTOR LOANS**

Buying a property with your parents as a guarantor lets you borrow up to 105% of the purchase price! This means you don't need any savings as your parents provide a guarantee secured on their property.

The idea is for you to get into the property market sooner. Once you have paid off part of your loan or your property has increased in value you can remove the guarantee.

Guarantor loans have become very popular in recent years as they cost less than standard home loans, they allow you to buy without a deposit and some lenders now allow you to limit the size of the guarantee.

### **FIRST HOME BUYERS GRANT**

Some states in Australia are giving up to \$15,000 towards first home buyers to purchase their first homes - Best of all, this grant can be used towards your deposit! So for example, on a \$300,000 property you need to provide 5% deposit, or \$15,000 - so the First Home Buyers Grant can help you get into the property market without any deposit at all.

There are some caveats on this like needing to qualify for the first home buyers grant, and at the moment these are limited to being available only on new properties so you'll need to see if it is suitable in your situation.



### **PERSONAL LOAN**

Generally you will need to have a smaller deposit like 3% to 5% and a very high income to make a personal loan as deposit work. Using a personal loan you can borrow up to 95% of the purchase price plus a personal loan, but you need a clear credit history and cannot have more than \$10,000 in existing debt.

This option isn't suitable for all people, and we recommend that you speak with your parents about a guarantor loan before you consider this option.

### **GIFTED FUNDS**

Around 50-60% of first home buyers receive help from their parents, gifted funds work if your parents can give you 5% to 15% of the purchase price. And while this isn't available for everyone might help you get your foot into the door.

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**[Start your application here.](#)**



Hunter Galloway beat four other lenders to get my business. Using the tips and ideas they gave me I was also able to outbid 5 people who were trying to buy the same property as me. Thanks guys without these simple ideas I would have still be stuck renting and would never have been able to get my own place!

**- Home Purchaser, Brisbane.**



**Refinancing in**  
**Brisbane**



## Home values are on the rise

The median house price in Brisbane has increased by 4.80% between July 2016 to June 2017 with a 5 year average for capital growth of 3.60% according to RP Data.

Rising home values means more equity for home owners. You may want to take advantage of any increases equity through a refinance. For example you could refinance to a better interest rate, to pay off your mortgage faster, or take cash out for home repairs or renovations.

**See if refinancing is right for you [here](#).**

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## Common refinance myths

- 1 You won't save that much money by refinancing.
- 2 You need 20% equity to refinance.
- 3 Your current lender can offer you the best rates.
- 4 Refinances are only about getting a lower rate.
- 5 Applications require a lot of documents.
- 6 You need cash to cover exit and switch costs.
- 7 You're supposed to be an expert.

Get the facts [here](#).

“

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- Matt J., refinance in Hawthorne, QLD





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