



# *Your* Guide to Building Your First Home

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Everything you need to know  
about building your first home.

*A dream worth building*

# Building Your First Home Starts Here

Building your first home is an exciting milestone, but it's also one of the biggest financial decisions you'll make.

From understanding deposits and finance to navigating Government incentives, construction loans and contracts, it's normal to have questions.

That's why we've created this guide.

Whether you're just beginning to explore your options or you're ready to build, this guide will help you understand how the process works and what to expect along the way.



## Common questions we hear every day

- How much deposit do I need?
  - Do I really need 20%?
  - Can I use the First Home Owner Grant as my deposit?
  - Do I pay stamp duty on the build?
  - What's the difference between a land contract and a building contract?
  - What happens after I sign my contracts?
- Let's answer them.

# Understanding Your Deposit

One of the biggest misconceptions about building your first home is that you need to save a 20% deposit before you can get started.

While a 20% deposit can reduce your borrowing costs, many eligible first home buyers are able to build with much less.

## What is a deposit?

A deposit is your contribution towards purchasing your land.

Your lender will then provide finance for the remaining amount, together with your construction loan.

Depending on your lender's requirements, your deposit may come from:

- Genuine savings
- Gifted funds from immediate family
- Government assistance (where applicable)
- Equity

## What is Lenders Mortgage Insurance (LMI)?

LMI is generally payable when you borrow more than 80% of your property's value. Eligible buyers using the Australian Government 5% Deposit Scheme may avoid paying LMI, potentially saving thousands of dollars.

## Can I use the First Home Owner Grant as my deposit?

This depends on how your home loan is structured.

If you're building under a standard construction loan, you'll generally need to have your required deposit available before your finance is approved.

The First Home Owner Grant is usually paid once construction begins (typically at your first progress payment), helping reduce your financial contribution during the build rather than forming your initial deposit.

However, if you're eligible for the Australian Government 5% Deposit Scheme and your lender supports this loan structure, the First Home Owner Grant may contribute towards your required 5% deposit, reducing the amount of genuine savings you'll need upfront.

# Understanding Government Assistance

There are several Government initiatives designed to help eligible Australians build their first home.

## Australian Government 5% Deposit Scheme

The Australian Government 5% Deposit Scheme helps eligible first home buyers purchase or build a new home sooner by allowing them to buy with as little as a 5% deposit, without paying Lenders Mortgage Insurance (LMI).

The Government guarantees part of your home loan, reducing the amount you'll need to save upfront.

If you're building a new home, the scheme can apply whether you're:

- purchasing a house and land package, or
- buying vacant land and entering into a separate building contract.

To be eligible, the combined value of your land purchase and building contract must be within the Scheme's property price cap for your location. Property price caps and eligibility requirements apply.

## First Home Owner Grant

Eligible buyers building a new home may receive a \$10,000 First Home Owner Grant. Depending on your finance structure, the grant may contribute towards your overall purchase funds or reduce your costs during construction.

## First Home Buyers Assistance Scheme

Transfer duty (commonly known as stamp duty) is a government tax that's generally payable when purchasing land or property. If you're building a new home, transfer duty is typically only payable on the land purchase—not the building contract. Eligible first home buyers may receive a full exemption or concession under the First Home Buyers Assistance Scheme, helping reduce one of the largest upfront costs associated with buying land.

## Can I use more than one scheme?

Yes.

Depending on your eligibility, you may be able to combine Government initiatives, helping reduce both your upfront costs and the amount you'll need to save.

Always confirm your eligibility with your lender or mortgage broker.

# Building a New Home Works a Little Differently

Unlike buying an existing home, building usually involves two separate contracts.

## Your Land Contract

This is your contract to purchase your block of land.

You'll generally pay your deposit when exchanging contracts, with settlement taking place once the land is registered.

Transfer duty (stamp duty) is generally assessed on the value of the land purchase only. Eligible first home buyers may qualify for transfer duty exemptions or concessions.

## Your Building Contract

This is your agreement with Crystele Homes to build your new home.

Because this is a separate contract, transfer duty is generally not payable on the cost of constructing your home.

## Example

Land Purchase: **\$420,000**

Building Contract: **\$430,000**

Total Project Value: **\$850,000**

Transfer duty is generally assessed on the **\$420,000 land purchase**, not the combined project value.

This is one of the financial advantages of building a new home.



# What Happens After You Sign?

Understanding the journey ahead can make the process much less overwhelming.

**Step 1** Purchase your land.

**Step 2** Finalise your Building Contract and finance approval.

**Step 3** Complete engineering, BASIX requirements, approvals and colour selections.

**Step 4** Construction begins.

**Step 5** Progress payments are made as your home reaches each construction milestone.

Unlike purchasing an existing home, construction loans are generally drawn down progressively, meaning you're only paying for completed stages of construction.

**Step 6** Practical Completion and Handover. Receive the keys to your brand-new home.



# Frequently Asked Questions

## Do I pay stamp duty on my new home?

When building, transfer duty is generally only payable on the land purchase—not the building contract. Eligible buyers may also qualify for exemptions or concessions.

## What are progress payments?

Construction loans are generally paid to your builder in stages as your home is completed, rather than in one lump sum.

## What are genuine savings?

Many lenders require evidence that you've consistently saved money over time. Some lenders may also accept a strong rental history in certain circumstances.

## Can my parents help?

Some lenders allow gifted funds from immediate family members to contribute towards your deposit.

## Who should I speak to first?

A mortgage broker or lender can explain your borrowing capacity, Government assistance and the loan

options available to you before you start building.

## Ready to Build Your First Home?

Building your first home doesn't have to be overwhelming.

At Crystele Homes, we're passionate about helping first home buyers understand the process before they commit. From your first conversation through to handover, our experienced team is here to answer your questions and help you build with confidence.

Visit one of our display homes or speak with one of our New Home Consultants to learn more.

## Disclaimer

This guide is intended as general information only and should not be relied upon as financial, legal or taxation advice. Government grants, schemes, lending policies and eligibility criteria may change over time. Always seek independent advice from your lender, mortgage broker, solicitor or conveyancer before making financial decisions.

# Our Display Locations



Scan QR code to visit  
[crystelehomes.com.au](https://crystelehomes.com.au)

02 4648 1913

4/39 Topham Rd, Smeaton Grange

Follow us @crystelehomes

This brochure is intended as a general guide to the House & Land process with Crystele Homes. Timeframes, costs and requirements can vary depending on land registration, approvals, site conditions, developer requirements, selected inclusions and other project-specific factors. Crystele Homes will guide you through each stage and explain what applies to your package. Marketing By Foundry Three.

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