



## 8 shrewd and proven choices to help save your house deposit

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**It's winter and a brilliant time to ramp up the deposit saving regime.**

So how do we suggest you do this and still enjoy your life? Let's explore your choices. There are a few oldies as well as some innovative ones. We add the strategies to match. We wish, here at Next Address that we had tried some of these simple house deposit savings tips ourselves.

Let's work together on a plan to get you there in 2016!

It is a general rule of thumb, and lenders will require any first home buyer to have a savings deposit of at least 5%-10% of the purchase price of the property. But, if possible, it's fantastic to have a deposit of 20% or more so you can avoid expensive Lenders' Mortgage Insurance. So, here are 8 top choices you can make to help

you grow your savings account balance:

1. **Don't BUY that cashmere jumper this winter.** : Sounds a simple choice, right? But putting together a budget can help you cut down - or hopefully eliminate - unnecessary spending. It's important to be realistic, so allow for an occasional treat when you reach your deposit savings target as it could be just what you need to keep you motivated. There are some great apps out there to help with this too.
  2. **Let's make lunch.** It is just a matter of being a little bit organised **and** sticking to the plan. Making your lunch rather than buying it every day, will save you a packet. Try making a weekly trip to the supermarket - armed with a list of course as this will help you avoid buying unnecessary items. Your choices here will see the savings quickly add up.
  3. **Eliminate the luxuries:** We know, we know, this sounds mean. But reducing the luxuries in your life can be an effective strategy for saving your deposit. The good part is, you don't have to forgo everything at once - why don't you try eliminating one luxury per month, bank the savings, and then move to the next? The most important part of all this is to bank the savings. The choices you could make include:
    - Put your pay television or internet movie streaming subscription on hold for one month.
    - Rather than drive, take public transport or ride your bike to work for a month.
    - Cut back on takeaway coffee for a month.
    - Skip alcohol for one month.
    - Commit to not buying any new clothing for a month.
    - Invite friends around rather than going out for a month.
- **Get yourself an online selling account to sell any unwanted items you don't need.** You probably have loads of stuff packed away at your family home or tuck away in a garage or cupboard that are no longer required. The guitar you got when you were 13, the surfboard or bike you haven't ridden for years, the collection of stamps or Lego: the list goes on. Get organised and get them sold. You may be pleasantly surprised at how much you make.
  - **Appoint a 'savings good fairy or landlord':** Ask an older friend, confident or your parents or partner's parents to oversee your savings plan. Let them know you are saving for a house deposit and could they help keep you motivated.
  - **Pay off any debt you have immediately:** You'll save money this way by saving on interest repayments. It makes sense because it will increase the amount of money you can borrow, and free up your hard-earned cash to use towards mortgage repayments.
  - **Find some extra work;** This may be a simple to write, but you may be surprised at what you may be able to offer. It could be some consulting, tutoring, or even pulling beers at your local. Analyse your skills and see if there is an opportunity. Remember the key is to be focussed on the house deposit.
  - **Finally, every fortnight or month increase how much you save every pay.** Start off with 2% and increase this every pay until you get to 10-12%. Yep, it's an oldie but a goodie, and no doubt one you may have heard from your parents. One of the best ways to do this is to open a designated savings account with a different bank to make it harder to access your money. You just need to automate the move of this money into the deposit savings account. Then just transfer 10 percent of your net pay each pay period.

The choices are all yours! Make great ones now and you could be in your own home sooner than you think.

Just remember everyone who owns a home now was once a first home buyer. Don't despair, just get cracking, set the goals and start today.

**Before you know it, you'll be looking for your Next Address!**

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