

Home loan gets cheaper for first time in 2 years: Should 1st time homebuyers make a move now?

By admin / June 26, 2025

A Golden Opportunity Knocks: Is This the Right Time for First-Time Homebuyers? G'day, Aussie dreamers! Tuesday, June 25, 2025, at 5:30 PM AEST, Sri Finance is vibrating with excitement. Home loans are getting cheaper after two long years. A recent rate decrease has made first-time homebuyers like you sit up straighter. This article from www.srifinance.com.au looks at whether now is the best time to buy your first house, given that the Reserve Bank of Australia's (RBA) cash rate has been at 3.85% since the May 20, 2025, adjustment and there are rumours of more cuts to come. Come on, let's go on this joyful journey together!

The Rate Cut Buzz: A New Beginning

Picture yourself drinking tea and thinking about your first home in Sydney or a cosy place in Perth. The cost of borrowing has gone down for the first time in two years. Variable rates have dropped to 5–6%, while fixed rates will start at roughly 4.94% in 2025. This change is in line with what is happening throughout the world and what the RBA did, which makes it easier to make monthly payments. Your EMI might go down by hundreds for a \$400,000 loan over 30 years at 5.5%. This would give you room to save or spend on your dream kitchen!

But it's not just the rates. The fact that the 2025 federal budget doesn't tax income up to \$120,000 AUD (adjusted for Australia) means that people will have more money to spend. Some people could save up to \$10,000 a year. When combined with reduced rates, this could provide you more borrowing power, especially with first-time homebuyer programmes like the First Home Guarantee that only require a 5% deposit.

Should You Go Ahead? Let's talk like friends over a barbecue. Here's the lowdown: Yes, if you're ready: Rates are around 5–6% right now, and they could drop to 3.60% by the end of the year. This is a great time to buy. You have a golden ticket if you add government help like the \$10,000 First Home Owner Grant (FHOG) in places like Queensland. Help to Buy's 2% option makes it easier to save a 5–10% deposit because you don't have to pay Lenders Mortgage Insurance (LMI).

If you plan ahead, maybe: Experts say that mid 2025 is the best time for rates to level out. For example, a \$400,000 loan at 5.5% saves \$1,200 a year compared to a 6.5% loan before the drop. But wait if you're running low on money; first, save up for an emergency fund that will last you 3 to 6 months.

Don't rush if you're not sure. If home prices in hot spots like Melbourne (down 6.5% from peak) go up with demand, waiting could cost you more. Check your credit score with Equifax and make sure your debt-to-income ratio stays below 40%.

Why work with Sri Finance?

You might say, "Wow, this feels big!" Don't worry, buddy—Sri Finance is here to help! We'll connect you with the lenders who offer the best home loans in Australia in 2025, help you find grants, and make your application go smoothly. Let's make your first house a reality!

Your dream home is waiting for you.

The tax breaks and lower interest rates are like a warm welcome for first-time buyers from Australia. Rates are going down, government programmes are growing, and Sri Finance can help you. 2025 could be your year. Are you ready to jump in? Call us right now and let's work together to construct your future.

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