



Home Buying Budget Guide - Part 1

First Time Home Buyer Confidence

This home buying budget guide is provided to help you step on the property ladder with confidence.

Buying a new home is an exciting process that can often lead to a financially secure future. As a cornerstone of wealth creation, investing in a home can help you break the shackles of rent and grab hold of your future.

Having a clear and concise home buying budget in place when house hunting plays a vital role in achieving home ownership success.

Read on to bulletproof your home buying budget.

Add Up Income

The first step to creating a realistic budget is identifying your monthly income and expenses. Start by listing and adding up every source of income, including each working member of the household.

List Household Expenses

The next step is identifying where your money is spent each month.

List your monthly expenses, being sure to include the amounts put away towards savings.

These expenses should include everything from utilities to entertainment.

Our Affordability Calculator

Once your basic budget has been drawn up, it's time to identify your affordability.

Banks assess your affordability when deciding whether to approve your home loan application.

In short, the financial lender will evaluate your income, living expenses and credit report in order to perform the affordability assessment.

Find out more about [how banks assess affordability](#).

To aid you in identifying your affordability, we have introduced an online affordability calculator.

[\[link\]](#)

Identify Credit Rating

Financial lenders will view your credit profile during the home loan application process.

With this in mind, it's crucial to understand your credit profile and how your credit score is determined.

In terms of the National Credit Act (NCA) you are entitled to one free credit report each year.

You can check your credit profile free once a year on experian.co.za

How to Raise Credit Score

To improve your credit score, be sure to pay off any past-due bills as speedily as possible. The financial lender needs to see that you'll be able to pay off your home loan. With this in mind, it's important to ensure that your bills are paid on time. Keep in mind that lenders don't want to see too many credit inquiries, or too many new accounts, as this could indicate a lot of extra debt down the line.

Home Buyer Guide

For more information about the application and home buying process, be sure to read our general [Home Buyers Guide](#). Having a clear understanding of the application process will enable you to step onto the home ladder with confidence.

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Step on the property ladder confidently with part 1 of our Home Buying Budget Guide. From drawing up a basic budget to identifying your credit record and achieving home buying success 🏡🔑