

## Buying a Home

Buying a home is one of the biggest financial commitments and decisions that you will make, so it is vital to be prepared and do your research thoroughly.

If you haven't bought property before it can be very daunting, but with a little assistance it can be very rewarding.

### Preparation is Vital

- Talk to your bank or mortgage broker and find out how much you can borrow. Make sure you take into consideration the extra costs like stamp duty, conveyancing fees, mortgage insurance, etc.
- Think about what type of home you want; unit or house; large backyard or balcony.
- Look at the suburbs you would like to live in and start going to Open Homes to get an idea of what is available. Research recent sales in the area online through realestate.com.au and domain.com.au to find how much they are selling for.
- Make a list of "must haves" for your home, such as media room, en-suite, room for a caravan, etc.
- If you are looking at a house that is selling at Auction, you will need to prepare before Auction day as you sign an unconditional contract on the day. Get a pest and building inspection and seek financial approval prior to the day.

### Making an Offer

Once you have found the right house and the right price, it is time to negotiate! Put your offer in writing to the agent along with the conditions that you would like, such as subject to finance approval and pest and building inspection or a longer settlement than the normal 42 days.

Once the vendor has accepted your offer, you will need to provide the following details to the agent for the preparation of Sales Advices:

- Full names (include middle names, if any) of every party who will appear on the contract
- Your address, phone number and email address
- Full details of your chosen solicitor or conveyancer
- Details of your bank or mortgage broker
- Any special conditions you may have such as conditional on pest and building report

Even though you may have pre-approval for finance, you will need to contact your financial institution to seek formal finance approval. Most lending institutions will do a valuation of the property before officially granting you finance.

## Next Steps

- When your finance is approved and you are happy with your pest and building report, you will attend your solicitor's office to go through the contract and sign it if everything is in order
- You will pay the deposit into the agent's trust account. This is usually 10% of the sale price but can sometimes be negotiated to 5%. If you don't have the funds in the bank for the deposit, a deposit bond can be obtained from your lending institution
- Now the deposit has been paid, exchange of contracts will occur. This is when both parties have signed contracts and the vendor's solicitor hold both contracts.
- Congratulations, you have bought a home!!

## Settlement

Settlement usually occurs 42 days after exchange but may vary according to the buyer's and/or vendor's requests.

It is advisable to conduct a pre-settlement inspection in the days before settlement. This is to make sure that the home is in the same condition as when you initially inspected it. If there are any issues, you can get your solicitor to contact the vendor's solicitor to sort them out prior to settlement occurring.

Once settlement occurs, your solicitor will send the selling agent an "Order on the Agent". This authorises the agent to release the keys to you.