

HOME BUYERS CHECKLIST

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Compliments of
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R&W Campbelltown



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Buying a new house is one of the most (if not the biggest) investment that a person can make in their life. This can be extremely stressful. We've compiled this checklist for you so that you can be in control every step of the way and feel confident in our process.

BUILDING A FOUNDATION: STEP 1 - Find a real estate agent

Interview a few agents and see if their personality matches your needs and wants. You want to "click"! Ask family and friends for referrals or look online

Qualifications your real estate agent should have:

- Local market knowledge.
- Good reviews or testimonials.
- Financial Knowledge - they can walk you through the numbers!
- Find an agent who works full time in the industry and has a proven track record.

Great time management and communication skills:

- Did they show up on time & prepared?
- Do they communicate with you in a way that you understand and feel comfortable?
- Do they readily provide informative information to help you research and make informed decisions?

Network connections:

- Effective real estate agents rely on their relationships. Are they giving with their time? Willing to share information?
- Share your house goals and wishes, provide them your 'Wish List'.

STEP 2 - Know your financials

- Maintain great credit, check your credit rating - www.experian.com.au/order-credit-report
- Pay off as much debt as you can before proceeding.
- Your lender will be pulling your credit history in the future as a part of the pre-approval process.
- Compile and save any important financial documents.
- 2 months worth of pay slips & bank statements.
- 2 years of tax returns .

STEP 3 - Find a lender

Compare different lenders to understand the benefits and advantages of working with each. Something as simple as a lower rate or term can save you thousands of dollars over the life of the loan. Compare the advertised comparison rate. Don't just look at the lower advertised interest rate.

We have two brokers that we regularly work with that can assist you. You will find each very helpful -

Melissa Procaglio of Shore Financial, melissaprocajlo@shorefinancial.com.au

Theresa Casanova of Mortgage Choice, theresa.casanova@mortgagechoice.com.au

THE FINANCIALS: STEP 4 - Establish a budget

Saving up 20% of a home's purchase price as a deposit is recommended. This will avoid additional costs in loan mortgage insurance (LMI) which can add in some instances up to \$10,000.

If saving up 20% isn't feasible, work with your lender to create the best plan for your situation.

Remember that just because you're pre-approved for a certain amount doesn't mean that you have to spend that amount. Work with your lender and agent to establish a price point and monthly payment schedule that you will be comfortable with. Make allowances for Stamp Duty, check if you are exempt as a First Home Buyer. Stamp Duty on your purchase is a state government tax and applies to the value of the property.

STEP 5 - Get pre-approved for a mortgage and find a legal representative

Ask the lender if you qualify for any special loans or state or federal government grants, <https://www.revenue.nsw.gov.au/grants-schemes/first-home-buyer>

Get Conditional Approved; this gives you, your agent, and the lender an estimate of how much you can afford to spend on a home. This will help to avoid any potential disappointments or delays when making offers on a property.

Find a legal representative (Solicitor or Conveyancer) that will review and advise you on any property contract matters. The agent will have a contract of sale for every property that they have listed.

FINDING YOUR NEW HOME: STEP 6 - The fun part

Meet with your chosen real estate agent to discuss your home buying wish list, register your mobile and email address so that you can receive immediate alerts and digital newsletters with new listings and current advice on the market.

Make sure to include: **Must haves:** Number of bedrooms, bathrooms, garages, proximity to transport and schools etc.

Nice to haves: pool, air conditioning, home office capabilities, etc.

Bring along your pre-approval, lender and legal representatives contact information so you can discuss budget and have your agent connect with your chosen representatives.

Determine different suburbs you might want to live in. Ask your agent about the suburbs you prefer and their opinion.

STEP 7 - Find the home

- Keep your “Must Haves” Checklist in mind.
- Keep a journal or guide of the different houses you’re interested in.
- Ask the agent if you can take photos so that you can remember each property
- STAY WITHIN YOUR PRICE RANGE!!!!
- Provide your agent with ANY feedback regarding the properties that you view.
- Both positive and negative feedback is very helpful for an agent to find exactly what you want.

STEP 8 - Make an offer

- Work with your agent to establish a strategy to get the most from your offer and have the best chance of it getting accepted.
- Once your offer is accepted you are generally required to enter into a Contract For Sale with a due diligence (5 to 10 Business Day Cooling Off Period).

INSURING YOUR HOME: STEP 9 - Do your due diligence

- Your legal representative will have independent pest and building inspectors that they utilise.
A good inspector will help to ensure that you don’t end up in a “money pit,” for example, a property with unforeseen issues (not obviously visible).
- An inspector will also report any issues found with the home which may allow you to ask for repairs to be completed or a discount off the purchase price to cover any unforeseen costs.
- If you will be making any additions to the property, such as adding extensions, a pool or a granny flat, check with the local government council to ensure zoning allows for those future upgrades.
- Review disclosures, special conditions and title search report with your legal representative to ensure that there are no unknown easements or covenants that restrict the use of the property.
- Liase with your lender regarding unconditional loan approval and assistance with applications for any grants that may be applicable or built into your loan.

STEP 10 - Arrange for homeowner's insurance

- Search for a homeowner’s insurance policy with great coverage at a reasonable cost. Ask your lender for suggestions if necessary.
- Some lenders require a full year’s cover of homeowner’s insurance up front before approving a mortgage.

THE HOME STRETCH: STEP 11 - Finalising financing with your lender

- In some circumstances the lender will order a valuation on the home to verify that the market value supports the purchase price.
- Double check that your interest rate and mortgage payments are what you agreed upon and sign your loan/mortgage documentation.

STEP 12 - Final inspection of home - Prior to settlement

- It is recommended that you inspect the house with your agent on the day prior or the morning of settlement.
- Ensure that any repairs that were agreed upon at the point of sale have been honoured and completed.
- If repairs are difficult to visually inspect, call back your building inspector or a specialist to ensure the repairs were completed correctly.
- Ensure that all the inclusions that are noted on the front page of the contract still remain at the property. Curtains, Dishwashers, Clothes line and Garden Sheds are examples to watch out for.

STEP 13 - Settlement Day

The big day - The excitement and anticipation is building

- You will be advised of a settlement time by your legal representative.
- You will receive a phone call from your legal representative once settlement has taken place.
- The appropriate paperwork will be forwarded to the agent from the lawyers confirming settlement (This Can sometimes take up to one hour) before the keys can be released.

STEP 14 - Move in!

- Collect the keys from your agent to your new home AND then,
- **CELEBRATE! CONGRATULATIONS!!!!** You are now the proud owner of your new home. Now the FUN really starts.



Have any questions? We're Just A Phone Call Away!!

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