

HOME BUYERS CHECKLIST



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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 the process.

STEP 1 - Find a real estate agent

- Interview a few agents and see if their personality matches your needs/wants. You want to “click”!

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 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.

Network connections:

- Effective real estate agents rely on their relationships. Do they work with other agents regularly?
- Share your Housing Goals

STEP 2 - Know your financials

- Maintain great credit.
- Pay off as much debt as you can before proceeding.
- Your lender will be checking your credit file in the future as a part of the pre-approval process.
- Compile and save any important financial documents.
- 2 month's worth of pay slips & bank statements to evidence income.
- 2 years of tax returns.

STEP 3 - Find a lender

- Compare different lenders/mortgage brokers 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.
- Make sure to tell **each lender/mortgage broker** not to pull your credit until you're fully committed to working with one.
- If your credit isn't where you want it to be, work on creating a plan with your chosen lender. We can also help you find someone trustworthy that we have worked with before.

STEP 4 - Establish a budget

- Saving up 20% of a home's purchase price as a deposit is suggested, but often hard to do in high-priced markets.
- If saving up 20% isn't feasible, work with your lender/mortgage broker to create the best plan for your needs.
- Remember that just because you're approved for a certain amount doesn't mean that you have to spend that amount. Work with your lender/mortgage broker and agent to establish a price point and monthly payment that you will be comfortable with. Always calculate repayments as if interest rates were 10%. This ensures you can manage if rates go up during the time of the loan.

STEP 5 - Get pre-approved for a mortgage

- Ask the lender/mortgage broker if you qualify for any special loans.
- **Get Pre-Approved;** this gives you, your agent, and the lender/mortgage broker an estimate of how much you can afford based on your credit score and past financial documents.
- Work with your lender and real estate agent to determine if your file should be underwritten before submitting any offers. This will help to avoid any potential disappointments or delays during the transaction.

STEP 6 - The fun part

- Meet with your chosen real estate agent to discuss your home buying wish list.
- Make sure to include: **Must haves:** bed/bath number, garage, etc. **Nice to haves:** pool, spa, smart home capabilities, etc. **Things to avoid:** pools, busy streets, etc.
- Bring along your pre-approval and lender/mortgage broker contact information so you can discuss budget and have your agent connect with your chosen lender/mortgage broker.
- Determine different neighborhoods you might want to live in.

STEP 7 - Find the home

- Keep your “Must Haves” Checklist with you.
- Keep a journal or guide of the different houses you’re interested in.
- Take plenty of pictures to look back at.
- Stay within your price range!
- Provide your agent with ANY feedback regarding the properties that you view.
- Both positive and negative feedback can be 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.
- Sign the offer, plus any additional documents, pay an initial deposit! Ask the selling agent to let you know when the offer will be submitted to the owner - tell them you would like an answer asap.
- When your offer is accepted make sure you receive a copy from the selling agent, signed by the vendors.

STEP 9 - Do your due diligence

- Find a reputable and thorough building/pest inspector, if you need suggestions ask your agent.
- A good inspector will help to ensure that you don’t end up in a “money pit,” for example, a property with lots of electricity, plumbing or foundation issues.
- An inspector will also report any issues found with the home that will allow you to ask for repairs during negotiations.
- If work is needed to be done on the property, speak with your agent to investigate whether the repairs will be done by the owner. Remember, they are not obliged to do this.
- Review disclosures and paperwork with your agent.
- If you will be making any additions or construction to the property, such as adding a pool or a guest house, check with the Council building department to ensure zoning allows for those upgrades.
- Review Section 32 with conveyancer and agent to ensure that there are no unknown easements or liens on the property.

STEP 10 - Arrange for homeowner's insurance

- Take out a homeowner’s insurance policy, as soon as your offer is accepted by the vendor. Ask your lender for suggestions if necessary.

STEP 11 - Finalizing financing with your lender

- The lender will order an appraisal on the home to verify that the market value supports the purchase price.
- Double check that your interest rates and mortgage payments are what you agreed upon.

STEP 12 - Final walkthrough of home - 3 days prior to settlement

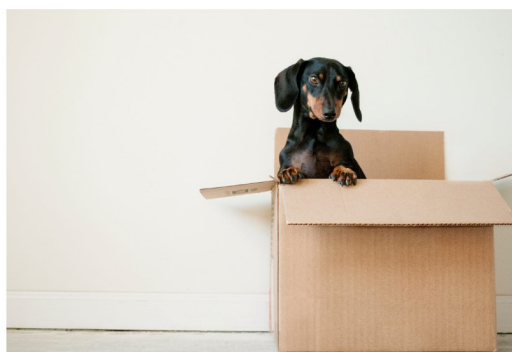
- Go through the house with your agent to double check everything you agreed upon in your Contract is present. Ensure that any repairs that were agreed upon in the transaction were completed.
- If repairs are difficult to visually inspect, request your building inspector or a specialist to check the repairs were completed correctly.
- Turn on all lights and appliances to make sure that they still are in good working order.

STEP 13 - Settlement Day

- Make sure your conveyancer/solicitor has everything they need to attend settlement.
- Any additional payment you may need.
- Make sure you arrange to meet with your agent after settlement to collect the keys.

STEP 14 - Move in!

- Meet with your agent to collect the keys to your new home.
- **Celebrate!** You now own your new home!



Have any questions? Let's chat!

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TERMINOLOGY

Agent = Real Estate Agent

Certificate of Title = A Certificate of Title or a 'copy of title' is a formal legal record about a particular piece of land. It contains basic information about the land including the location and dimensions of the land, current ownership and whether any restrictions are registered on the land.

Contract = The binding agreement between the vendor and the purchaser, with all details of terms and conditions of the sale, signed by all parties to the transaction.

Credit = is generally defined as a contractual agreement in which a borrower receives something of value now and agrees to repay the lender at a later date—generally with interest. ... Credit also refers to the creditworthiness or credit history of an individual or company.

Credit Score = The amount of debt you have is one of the biggest factors that go into your credit score; your level of debt is 30% of your credit score. ... Carrying a lot of debt, especially high credit card debt, hurts your credit score and your ability to get approved for new credit cards, loans, and an increased credit limit.

Debt = Money you owe to others. This could be a Bank, a Credit Card provider, a personal loan, car loan, store card owed.

Deposit = The amount you are willing to pay up front to secure the property, pending settlement. This is held in the trust account of the selling Agent until settlement.

Lender = an organisation or person that lends money.

Mortgage Broker = Your mortgage broker will have access to a wide range of lenders and will help you choose the most suitable one for your situation. It is their job to make your mortgage process hassle-free, undertaking tasks such as liaising with the lender and all other legal parties.

Offer = The terms and conditions you put forward to a vendor, when you want to buy their property. It includes the purchase price, deposit, settlement, Finance clause and any special conditions.

Purchaser = YOU! The person who successfully purchases the property.

Purchase Price = The amount you are willing to pay for the property.

Settlement = The date of the final payment of the purchase price, and handover of title and keys etc.

Section 27 = This is the Section of the Sale of Land Act, which must be completed by the vendor and submitted to the purchaser, if they want to access the deposit before settlement.

Section 32 = The Section 32 is a document provided by the seller of real estate to an intending purchaser. Its name comes from Section 32 of the Sale of Land Act, which requires a vendor to provide certain information to a purchaser BEFORE a contract of sale is signed.

Special Conditions = the extra conditions a purchaser adds to an offer as part of the purchase. They can include building/pest inspections and other conditions.

Vendor = The registered owner of the property, as noted on the certificate of title. This can be the actual owner, or a representative if the owner is deceased or incapable.

Still not sure? Let's chat!

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Purchaser's Checklist

- Discuss mortgage structure
- Pay deposit
- Meet with broker to sign bank documents
- Organise house insurance now
- Update your will
- Review personal insurance
- Complete pre-settlement inspection
- Book moving truck
- Sort electricity, gas & phone providers
- Collect keys

Congratulations!
You've found your
new home.

