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BUYERS GUIDE



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# ORGANISE YOUR FINANCES

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You should have your finance pre-approval sorted before you start looking.

There are many prerequisites that need to be met; it can be a lengthy process once you put in an offer, you want to be able to act quickly.

Agents will advise their clients to accept an offer from would-be buyers with pre-approval rather than risk losing a sale in the event of a buyer with another offer failing to secure a loan.

Most lenders will arrange pre-approval for free, but before you get there, you need to keep track of your finances. You can start keeping your pay slips, tax returns and bank statements together in a file because you will need these for your application.

You should already have a hefty deposit by now. Gone are the days when banks would fork out 100% of the purchase price, now a minimum of 10% deposit is mandatory in most cases. Also, note that a pre-approval would generally only last for three months.

First home buyers should also do their research about government grants and incentives available.



# AVOID SWITCHING JOBS

Many prospective home buyers think, 'I need to find a better paying job', this, however, could be a costly mistake. Lenders are looking for stability in employment and residency, so you may find that you have to wait for another three to six months before applying for a loan if you change jobs prior to buying a property and seeking finance.

Standard mortgage applications need a two-year work history listed. If you've been at your job or within the industry that long, no further questions are needed.

If you've got less time at your position than two years, your history comes into play. Here's what the lender looks for:

- Your qualifications and training
- The health of your industry and company
- How often you change jobs
- Extended periods of unemployment
- Increases in pay and responsibility over time
- Work history within the same field
- Jobs that match your pay and training

If you change jobs before applying for a mortgage, lenders will have questions, and they will want more information from you. Explain why you changed jobs and list your qualifications for the new position.

# CHOOSE A LOCATION

**A loan pre-approval is such a critical step in your search as it helps narrow the areas to what you can afford. Armed with the knowledge of how much you can borrow – and, more importantly, repay – you can research your preferred location's affordability.**

**The two key questions to ask yourself when considering a home are 'where' and 'what'. Where do you want to live, and what type of property do you want to live in? The old real estate adage – 'location, location, location' – is as important a concept today as it has ever been. It is not only more enjoyable to live in a good area, but it will enhance your property's value and appeal when the time comes to sell.**

## WHAT MAKES A GOOD LOCATION?

- Urban, coastal or inner city areas generally outperform other areas, such as outlying suburbs or regional areas.
- The combination of good urban planning and natural beauty also results in desirable locations. Access to transport, shopping, schools and parkland.
- Consider growth areas with good access to local facilities.
- Once you have decided on your location, the next question is what to buy. Make a list of what is important to you – number of bedrooms, car access, size of land –but be prepared to compromise where necessary. Determine what is a 'want' and what is a 'need'.
- Look for at least one distinctive feature; it could be a view, a large backyard, a designer interior or original historical features.
- Maps and information about facilities and services in specific suburbs and regions are available online. They are a great help if you are moving to an area you don't know well.
- Consider if you are prepared to renovate; if so, the worst house in the best street could be a good buy.

# GET ACQUAINTED WITH REAL ESTATE AGENTS

Make yourself known to real estate agents servicing your preferred location. Tell them what you're looking for, and touch base regularly to see what's coming up. You may be invited to an advanced viewing of the first open home. Giving you an opportunity to opportunity to commence your due diligence early.

Make searching easier by leaving details of what you are looking for on agent's sites. Receive an instant email as soon as suitable properties become available. C21 makes house hunting easy by registering your details on the below page to find the suitable property for your needs.

[www.century21.com.au/hh/register](http://www.century21.com.au/hh/register)

Just to let you know, regular communication with an agent will help in the search for your property. Give them honest feedback to help them understand what it is you are searching for.



# CHOOSE A SOLICITOR/CONVEYANCER



Solicitors or conveyancing companies are an added but necessary expense when buying a home. Choose someone who knows your area – they will be familiar with any location peculiarities.

Your helpful Century 21 agent can recommend solicitors or conveyancers they know and trust who can make your purchasing experience less stressful.

A conveyancer has expertise in property transactions, whereas a solicitor is a versatile legal expert who can provide legal advice and handle disputes but is generally more costly.

A good conveyancer/solicitor will be able to guide you through the entire home-buying process, and can manage any contract negotiations, building and pest inspections, and strata reports.

# THE HOME HUNT

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Now you have set your priorities – you know where you want to buy and you have negotiated your mortgage – now it's time to start the search.

Look at as many properties as possible in your price range to get an idea of what you can afford – especially your borrowing limit! Eating baked beans for dinner for the next 25 years might not be your goal.

## WHERE TO START

- A good starting place is the internet and setting up a profile on some of the major real estate portals like realestate.com.au and domain.com.au
- By checking the real estate portals, you will determine if the type of property you are looking for in your chosen area is affordable or not in your price range. If prices are too high, you may have to lower your expectations or consider another area.
- Other key sources of information are local real estate agents, and it's wise to visit some offices in the areas you have chosen to consider.
- Once you are ready, be prepared to look at a lot of different properties. It may take time to find what you want. You can attend open for inspections and auctions of properties you are considering, to get a feel for the market.
- When you have found what you want, it is time to get expert advice. Have the contracts checked by your solicitor or conveyancer, and if needed, organise pest and building inspections. If there is a problem, these checks will help you make an informed decision about the property.
- Once you find your dream home, don't wait, or you may miss out!



# WHAT TO LOOK FOR IN A PROPERTY



When you're thinking of buying, your requirements will vary depending on your personal circumstances and on the sort of property you wish to buy.

You may be looking for a family home, an investment property or a holiday home. Once you have found the property of your dreams, you should enquire with the agent about recent sales evidence in the area.

## CONSIDER THE FOLLOWING CHECKLIST

- Will you enjoy living in the neighbourhood?
- Is the house sound? If you have any doubts at all, hire building and pest inspectors to check.
- Are there any long-term costs or issues? You should also consider strata levies.
- What type of Title is the property? Is it Torrens Title, Company Title, Strata Title, or some other? Ask your solicitor to advise.
- Do you understand how local council non-compliance of structures or encroachments may impact you?
- Is it built for the climate? Is it insulated? Will it be warm in Winter and cool in Summer?
- Have you asked your local council about planning issues like the possibility of any upcoming developments or construction of new roads nearby?
- If substantial changes are needed to make the property comfortable, then it's a good idea to know the costs before you make an offer.
- Is the house and land suitable for your stage in life.

# WHAT TO LOOK FOR IN A PROPERTY ...

## THEN THINK ABOUT THE DETAIL:

- Does the house have enough bedrooms?
- Are you happy with the garden – or its potential?
- Will you have good access to the facilities you need such as schools, doctors, medical centres and shops?
- Are there enough bathrooms?
- Is there enough garage or parking space?
- Is the kitchen serviceable?
- Is it safe for your family, e.g. children, the elderly or disabled?
- Is it suitable for pets?
- Are you happy with the building's security?
- Did you check under the house?
- Is the block well drained?





# MAKING AN OFFER

When you have found your dream home and all the checks are complete and acceptable, it is time to make an offer.

When making an offer, you will find negotiating through an agent is the easiest approach. It takes much of the emotion out of the transaction for both you and the vendor. If you have done your research you will know how much you can afford to offer and what is a fair and reasonable price for the property.

You may be tempted to make a very low offer in an attempt to grab a bargain but others may also be making offers and if these are higher, you could miss out. If you really want the property, make sure your offer is realistic and in line with current market value.

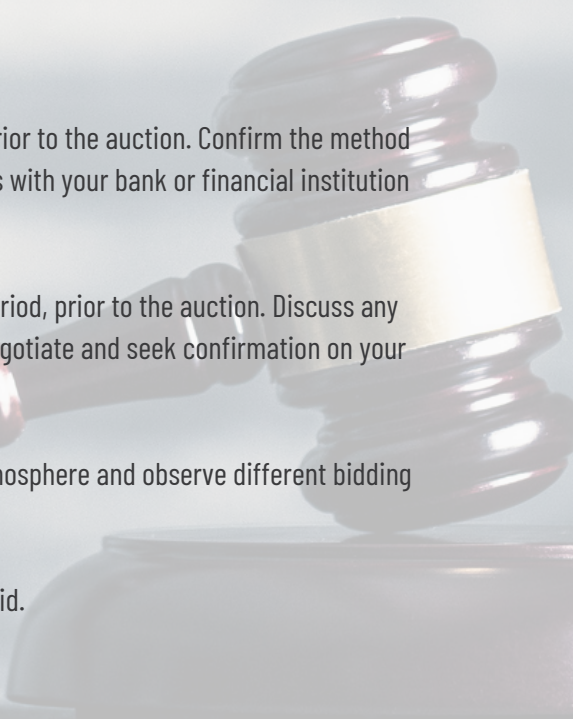
# BUYING AT AUCTION

Attending an auction can be a daunting experience. A good tip is to attend or register online to watch some local auctions before the one you intend to bid at, to get a feel for the process.

- An auction may be held in an Auction Room, online or on-site at the property.
- The auctioneer will present the property for sale and then invite bids from the crowd.

Auction can be one of your most transparent methods of purchasing a home. Arrive with a plan, stick to your plan, and bid with confidence to your maximum affordability.

## PRIOR TO THE EVENT

- Pre-register for the auction. The process is slightly different if buying on behalf of a superannuation fund, trust or company, so be sure to discuss what is required with your agent, accountant and solicitor or conveyancer prior to auction day. Similarly, if you intend to have someone else bid on your behalf, the agent must ensure they are holding a letter of authority from you.
  - Have your finance in place prior to auction day.
  - Contact the agent to check what deposit is required at least 3 or 4 days prior to the auction. Confirm the method of payment with the agent and ensure you've increased any transfer limits with your bank or financial institution in advance.
  - Organise any amendments to the contract, such as a longer settlement period, prior to the auction. Discuss any alteration requests with your solicitor or conveyancer, so that they can negotiate and seek confirmation on your behalf.
  - Experience online or on-site auctions beforehand, to get a feel for the atmosphere and observe different bidding strategies.
  - Attend the auction early with your government-issued photo ID, ready to bid.
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# ON THE DAY

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- Project confidence – make the other bidders think you have no limit.
- Make your bids fast and assertive. Agonising over your next bid is a sign of weakness.
- Buyers can speed up the tempo of an auction by making big jumps in their bidding – say from \$550,000 to \$570,000 in one bid – or slow down the auction by bidding in smaller increments.
- Steady, firm and unemotional bidding is often the best tactic – set your limit and stick to it.
- Once bidding reaches the reserve price and the property is to be sold, the highest bidder will be the buyer.
- If you are the highest bidder, you must be ready to pay the 10% deposit and you are then legally bound to buy the property. There is no cooling off on auction sales.
- If you default, you risk losing the 10% deposit.
- If the reserve price is not reached, there is still an advantage in being the highest bidder, as you will then have first right of negotiation with the vendor.

## THE GREATEST BENEFITS OF THE AUCTION PROCESS FOR BUYERS ARE:

- An immediate result – unconditional contracts are signed straight after the auction, or if the property passes in, the highest bidder usually gets first right to negotiate.
- You know what the competing offer is at all times, unlike private treaty negotiations.
- You can see your competition and read their body language – watch closely to pick up signs they are close to their limit.
- The price is benchmarked in public – it's comforting to know others have valued the property similarly to you.

# CENTURY 21.<sup>®</sup>

Novocastrian

**WE AT CENTURY 21 LOOK FORWARD  
TO ASSISTING YOU IN FINDING  
YOUR NEW HOME -  
IT'S WHAT WE DO.**