

USEFUL QUICK CHECKLIST FOR HOME OR INVESTMENT PROPERTY BUYER

Six step buyer checklist

- Step 1. Make an inquiry to determine borrowing capacity.
- Step 2. Charges associated with property purchase
- Step 3. Loan options to consider
- Step 4. Obtain an approval in principal or pre approval for loan
- Step 5. Engage with real estate agents to help identify a property
- Step 6. What to do when you have found your dream home?

Step 1. Borrowing Capacity

Factors that will be considered

- Income
- Expenditure
- Current financial obligations
- Savings history
- Credit history
- Guarantors

Step 2. Charges associated with borrowing cost

- Upfront deposit on the loan i.e. 20% target or obtain a family pledge
- Stamp duty
- Bank fees
- Council Rates
- Conveyance fees (legal)
- Loan application fees
- Water rates

- Pre inspection report cost
- Insurance
- Registration fee and title fee searches
- Repair work on the property

Step 3. Loan options to consider

A loan can be either variable or fixed. Some products will have a combination of both fixed and variable.

To know more about attractive discounted rates offered from lenders, please call us for a free consultation on mobile 0420 354 418 or email info@3sistersfinance.com

To get you started, the question you will ask yourself will include the following:

- Whether you would like the flexibility of making additional loan repayments
- Type of banking facilities available to gain readily access to funds or make regular repayments.
- Offset account
- Is there a redraw facility offered
- Any break cost for switching loan from fixed to variable
- Penalty involved for early repayments
- Fees associated
- Any introductory discounts offered for home loan
- Concerned about rising interest rates, increasing the cost of borrowing

Step 4. Obtain an approval in principal or pre approval for loan

An approval in principal is when a lender has pre approved a loan, having satisfied the lending requirements. The loan is pre approved by making a formal submission to the lender such as employment history, payslips, bank statements, personal details and other documents requested by the lender.

Step 5. Engage with real estate agents to help identify a property.

With a pre approval, the information will allow you the comfort of choosing a desired and preferred location to buy your new home.

A property inspection checklist will make it easier to make comparisons of each property site visited.

Factors to consider when making comparisons include the following:

- Council charges
- Transaction prices in that area
- Growth potential
- Access to amenities
- Public transport
- Any repair work required on the property?
- How well is the property suited to your short and long term needs?
- Heating, air con units
- Potential development in surrounding area or site
- Any zoning issues

Step 6. What to do when you have found your dream home

- Make an offer
- Pre inspection report
- Contract of Sale – contains the proposed offer, settlement and other conditions. The contract of sale can be conditional with terms attached or unconditional, meaning an outright purchase of the property or land with no conditions attached.
- Contact your broker to have the financing arrangements in place
- Engage with lawyers to facilitate the settlement of the property
- Settlement – With the help of lawyers, an agreed settlement date will finalize the necessary paperwork and make arrangements in obtaining access to your set of keys to your new place.