



**Professionals**

Buying your home

# The future awaits

## There are a lot of mixed emotions when searching for a new home.

You're making plans for the future, choosing a home in an area that appeals to you, and investing in one of the safest methods for acquiring wealth.

At the same time, if you don't have the right knowledge and advice, it can quickly become a daunting experience.

So we've simplified the whole process for you. In the following brochure you'll find practical information on...

- > Organising finance
- > Understanding the market
- > Finding an agent
- > Finding a property
- > Buying an established home
- > Buying a strata property
- > Buying a block of land
- > Tips for a successful auction day
- > The offer, acceptance and settlement process

With Professionals, we never forget how exciting it is to buy a home! Our easy-to-follow booklet will guide you step-by-step and give you everything you need to know about purchasing your own home.





# First things first...

## organising your finance

**Very rarely can people afford to buy a home without borrowing money.**

What's more, there's no point seriously looking for a home until you know how much you can borrow.

Once you know this, stick to your limit, even if you see that dream home priced just outside your range.

Remember, the price you pay for your home is not the only cost involved.

**Some of the additional extras you need to consider are:**

- > legal fees
- > building reports
- > stamp duty (if applicable)
- > mortgage insurance
- > moving costs
- > property valuation
- > home and contents insurance











# Buy first or sell first?

**We get this question all the time and we understand that the prospect of selling your home before you know where you're moving to may seem risky at first.**

However, the truth is a huge number of home hunters find the property they want within a relatively short time.

So don't be afraid to sell first, then buy. This means you'll have your financial arrangements taken care of and the freedom to bid at auction or make an offer knowing you're in a strong position to negotiate on price and settlement period.

**If you do decide to buy before selling, there are two important factors to consider:**

If you make an offer on a property before your house is even on the market, the seller of that property is typically less willing to negotiate on the price or terms.

Selling your house as a condition of contract to buy another means you have very limited time in which to complete a sale for your existing property. We've seen many instances where people were under pressure to sell and accepted a lower market offer.

# Understanding the market

**The property market will always fluctuate, so it's helpful to know what sort of market prevails at the time you're looking to buy a new home.**

Knowing the current market gives you an indication of what sort of properties are being sold, how quickly, and for how much. Each type of market has its own set of characteristics.

No matter what time of year it is, there will be great homes on the market!

## Buyer's market

- > Number of properties on the market is greater than number of buyers
- > Properties usually take longer to sell
- > Buyers often dictate the selling price
- > Prices are stable or sometimes they fall
- > Good opportunity for first time home buyers to enter the market

## Seller's market

- > Number of buyers exceeds number of properties available for sale
- > Properties sell faster
- > Prices generally rise
- > Sellers may receive offers from more than one buyer
- > Sellers achieve prices close to or above the listed price

## Balanced market

- > Number of properties for sale is about equal to number of buyers
- > Sellers will consider reasonable offers
- > Prices are generally stable
- > Properties sell within a reasonable time
- > A good number of prospective buyers see the property



### Seasonal factors

While there's no such thing as a bad time to sell your property, early Autumn and Spring are traditionally the time of year when most people list their property for sale. The backdrop of colours and mild weather tends to bring out buyers in greater numbers.

Generally, there are fewer properties for sale during the Winter months, but if your property exudes a warm, homely feel, this may be a great time of the year to sell.





# An experienced real estate agent can be a big help

**Find a real estate agent who specialises in the area you want to live and view the homes they're currently selling.**

Explain to the agent the type of home you're looking for and give them an idea of what you can afford and your make-or-break priorities.

It's vital to build a good rapport with your agent – don't be afraid to ask them everything that's on your mind. You want an agent who will seek the property you want, understand what's important to you and who's willing to listen and go the extra mile to find the right home for you.

For 40 years Professionals has remained one of the leading brands in the real estate market. We've made a name for ourselves across all areas of real estate and can help you find that dream home.







# Starting your property search

**Many home buyers become equipped with a wealth of knowledge during their property search, especially research from the internet.**

The first step is to make a list of what you're looking for in a property and your plans for the future. Are you planning a family? Do you like to entertain? Do you want a swimming pool? Do you need space for pets?

**The most common considerations for home buyers are:**

- > Price Range
- > Location
- > Type of property (eg townhouse, apartment, unit, house, acreage)
- > Property size (land and home)

- > Proximity to amenities like schools, shops, public transport, work
- > Number of bedrooms
- > Garage and storage
- > Views of the city, coast or landscape

Every buyer has a wish list, but keep in mind that the more specific your needs, the more difficult it can be to find your dream home.

# Make sure you do your homework

**Every week across Australia there are thousands of properties for sale, so as a buyer you don't need to rush and make an offer on the first one you see.**

What matters is that your new home matches your needs and circumstances, not what others tell you should be important.

## **Here are 5 things to keep in mind during your search:**

- 1.** Take the time to inspect a reasonable number of homes to give yourself a good understanding of the area and market value.
- 2.** The first homes you see quite often, in retrospect, have more appeal as your market knowledge increases. At other times, your first impressions will also help narrow your preferences and the lifestyle you want.
- 3.** It's a good idea to keep a list of the properties you've viewed and their strongest features, even taking photos to remember them in more detail if the seller permits.
- 4.** Although the internet is a great source for property searches, don't forget local papers and real estate offices. You can often discover new information on properties that will help in your decision making.
- 5.** Drive through as many surrounding streets and pretend you already live there. You can then get a feel for the community, local amenities, shopping areas and traffic conditions.



# How to choose a property that's right for you

## Seasonal factors

Established homes often have a charm that many home buyers love, while offering excellent value in comparison to building or buying new.

Prior to purchase, it's important to factor in the cost of any maintenance required. Arranging a building inspection with a reputable building inspector can give you peace of mind.

This will help inform you if the property is structurally sound and what improvements you'll need to make in the near future such as:

- > Roof and gutter repairs
- > Plumbing maintenance
- > Replacement of insulation
- > New hot water system
- > Fencing and gates

It's advisable to have a 'satisfactory' building inspection report as part of the conditions of the contract you sign when buying the property.





# Buying a strata property

**A Strata Company or Body Corporate are made up of the owners of a complex or building. Buying a strata property has a number of unique aspects which you should take the time to understand.**

Here are the key facts for a strata property to help in your decision making.

- > 'Strata Company' means ownership of all the strata property's common area is shared and you must work with other owners to maintain the value of the property.
- > The Strata Company is also responsible for making key decisions such as how much money is levied each year for maintenance of the common areas. You'll need to factor into your annual budget and mortgage repayments the payment of 'strata fees'.
- > Members of the strata properties meet as agreed to elect a council of owners who will be responsible for making recommendations on key issues relating to the property. It's a good idea to obtain the last 12 months of Strata Company meeting minutes to see what they've done.
- > Ask about financial reserves and if they're planning to upgrade or make improvements to the property. If the Strata Company has large arrears, it could mean they have insufficient funds to correctly maintain the shared areas.
- > Every strata property will have a strata plan to help you determine what you actually own. The plan will show you all of the units, common property boundaries and if your unit has been allocated car parking. These aspects all have an impact on the true value of the strata property.
- > Every Strata Company has their own set of rules and regulations. Some Strata Companies have restrictions on pets, renovations or installation of exterior wall mounted air conditioners.

Before you buy, make sure you know if the current owner owes money to the strata company.

Any outstanding money should be deducted from the settlement price of the property.











# Buying a block of land

## There's something pretty special about building a new home on your very own block of land.

The planning, design, choice of a home builder and progress of your new home can be a great experience.

When you buy a home it's usually the land that increases in value, not the building. A decade ago, land represented approximately one third of the value of the average new house and land package. Today, land typically represents more than half the total cost.

Here are some points to consider before purchasing land.

### Scarcity

The scarcity of land is generally determined by geographic features such as how near a river, lake, ocean, hills or unique developments you are. The fewer properties available the greater the demand and the higher the price they'll command.

### Size

Every square metre of land has a value. So the bigger the land size in any area, the higher the market value. Compare the price paid per square metre for similar blocks in the area where you intend to buy to ensure that the price you pay represents a fair value at the time.

### Location

Location has always been the key to capital growth in real estate. A good location can mean a prestigious suburb, close proximity to the CBD, a property nestled idyllically in rolling hills or by crashing waves.

What buyers should consider about location in any city, suburb, or regional area is the convenience and lifestyle that most closely meets their needs.

### Services

Take into account the proximity of connections to services such as sewerage, electricity, gas and water to the land and to the most suitable building site.

### Facilities

If you're buying a block of land in a new estate, you'll need to know the future plans for the location of schools, shops, access to public transport and building of roads or highways.

### Covenants / Encumbrances

Covenants (rules) often exist on a new estate and are a set of minimum standards for building construction and land use. These are in addition to building codes and are applicable for every property owner in the estate. Ensure you secure a copy of the covenants and understand the commitments and provisions prior to purchase.

# Offer and acceptance process

**Your excitement is building right around now, imagining yourself in your new home. It's important to know all the details and dates during the buying process.**

## **Making and negotiating an offer**

A normal part of the process of buying a home is negotiation between the buyer and the seller. The more attractive you can make your offer in terms of price, and the fewer conditions you've included as part of the offer, the more likely you are to have your offer accepted.

The initial offer to purchase should have details of any conditions to be put upon the sale, which may include:

- A specific time within which to organise finance
- A settlement date
- A satisfactory building inspection report

Advice on offers to purchase in your region can be obtained from your real estate agent or legal conveyancer. A deposit is usually paid upon signing of a legal contract, however this may vary depending on the conditions of the offer.

The deposit amount and when it is paid may be part of the buyers offer to purchase. If a contract is unconditional and you do not proceed to settlement, you may be required to forfeit your deposit under the terms of the contract

## **A conditional offer means**

- You have placed one or more special conditions on the purchase, such as subject to finance, to a

house selling, to completion of certain work on the home, and to title search.

- The sale is not complete until the special conditions have been satisfied within the stated time.
- In some cases, the offer will be rejected because the owner does not wish to wait the extra time for the condition(s) to be satisfied.
- Some regions legislate a 'cooling off period' or similar, so make sure you're aware of all government legislation and the seller's rights.

## **An unconditional offer means**

- As a buyer you are not placing any special conditions on the purchase.

- The seller has only to accept the offer for the property to be sold.
- Once accepted, the contract becomes binding.
- An auction bid is an unconditional offer, unless conditions have been agreed prior to the auction.

## **Acceptance of offer**

After the offer has been accepted, your legal conveyancer will need to check all the details of the title and prepare any necessary documentation. When nearing settlement, be sure to sign any mortgage documents and arrange your finances for payment of the purchase price balance.



### Pre-settlement inspection

It's a normal condition of sale to complete one pre-settlement inspection to ensure the property is in the same condition as when you agreed to purchase it.

Check that all the chattels are still in place and any repairs agreed upon have been made.

Chattels are specified items in the agreement that the seller will leave with the property - eg curtains, lighting, dishwasher, garage door remote, etc.

### Settlement

Once your offer has been accepted and all conditions met, your

Professionals agent will forward the contract to your legal conveyancer. They'll administer the settlement which includes exchange of titles and transferring of funds.

#### Arrange for the following:

- > Your legal representative to:
  1. Finalise your mortgage documents
  2. Arrange the signing of the transfer with your financial institution
  3. Organise appropriate allocation of rates and insurance
- > Arrange collection of the keys
- > Your insurance broker to arrange cover from unconditional date
- > A mail forwarding service

- > Contact relevant parties regarding your change of address
- > A removal firm or a group of helpers
- > Connections with suppliers for electricity, gas, telephone and water

Now that you have your settlement date, it's time to organise your move. Pick up a copy of Professionals Moving Home Checklist to help with the big day!

### Important dates

Agreement or Contract date on the Contract which specifies when negotiations concluded and the agreement is signed by both parties.

The date when all conditions of the offer are met. This is when the contract becomes 'unconditional'.

The settlement and possession date, which sets down the date by which you must pay the balance of the purchase price to the seller and you receive the keys to your new property.



# Settlement and possession day

## It's time to pop the bubbly and celebrate!

Once final payments are made, official settlement has occurred. The keys of the property are then handed over to you on the agreed date. Congratulations and welcome to your new property!



# Information you need to know about buying at auction

**Auctions are always exciting events, full of emotion for both potential buyers and the seller. But they can be daunting for many first time auction buyers.**

In order for the property to be sold to the highest bidder, bidding needs to reach the reserve price. If it doesn't reach the reserve price, it is still to your advantage to be the highest bidder so you have the first right to negotiate with the seller.

## Tips when bidding at auction

- > Prior to you making a bid, attend a few auctions to see how it works
- > Always stick to your agreed price range
- > Have someone with you who can stop you bidding when you reach your limit
- > Prior to bidding arrange pest and building inspection reports for the property
- > Depending on the auction, you may bid in small or large increments
- > If you're successful you must be prepared to pay the deposit immediately







# Why choose Professionals?

## **A better way for customers.**

Since 1976, Professionals Real Estate has established a thriving property group, with more than 250 offices across Australia and New Zealand and a network of over 3000 passionate people.

Our brand has made a name for itself as a dynamic, award-winning agency group across buying, selling and renting.

All our members offer a deep knowledge of the local market, and are fully committed to the community they serve.

## **Customer happiness is everything.**

We understand that buying a home is one of the biggest decisions you'll ever make. For anyone considering a purchase, we want to earn the right to be your first choice when it comes to property now and into the future.

That's because Professionals has a simple but powerful goal—to be famous for service and create customer happiness.

So if there's anything you need during your homebuying journey, please contact your nearest Professionals office.

Visit us today at [professionals.com.au](https://professionals.com.au)



Good luck on your buying journey!  
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