

CHOOSING A HOME LOAN

There are a variety of home loans that are available and each offers different rates and features. Lenders will provide information on the types of loans they offer.

When selecting a loan you should look for a competitive rate of interest, sufficient time to repay the loan, favourable conditions and options that suit your needs.

There are two basic home loan types; variable loans and fixed loans. Each has its advantages and disadvantages.

PROPERTY INSPECTIONS

Before you commit to purchase a property a number of reports should be completed. The cost of a professional property inspection is minimal compared to the cost of buying a property that requires extensive and unforeseen repairs.

Building inspection

A building inspection will give you an expert's opinion on the condition of the property you're interested in buying. The report should detect any significant building defects or problems.

Pest inspection reports

A pest inspection will identify whether there is any termite activity or other pests that may exist in the property.

Strata and company title searches

A strata or company title report and a copy of the most recent body corporate minutes is important for people buying an apartment, townhouse, villa or any property managed by a company or body corporate.

This search will show you the history of the property, identify any problems the property has and list past and proposed repairs to other units and the common areas.

BUYING



Ask for a copy of our

NETWORK DIRECTORY

The Raine & Horne network consists of franchise offices operated and independently owned by their proprietors.



PURCHASING YOUR PROPERTY

Making an offer

Deciding how much to offer can be difficult. You might wish to make your best offer up front or start with a lower offer and be prepared to negotiate up.

Contract of sale

A residential property cannot be put on the market until a contract has been drawn up. A contract of sale sets out the terms and conditions of the sale.

A buyer can examine the contract at any time during the buying process, even before an offer is made.

Contract exchange

Once your offer has been accepted or you have purchased your new home at auction contracts must be signed between you and the vendor.

Most people employ a conveyancer/settlement agent or solicitor to do legal work involved in purchasing a property such as preparing documents, giving legal advice on contracts and explaining the implications.

The deposit

When contracts are exchanged you will be required to pay a deposit, which is usually 10% of the purchase price. The deposit is paid to the seller's real estate agent or solicitor who will place the money into a trust account until settlement when the balance of the purchase price is paid.

Cooling-off period

In some States in Australia there is a cooling off period of three to five working days following the exchange of contracts during which you can withdraw from the sale. During the cooling off period it is common and permitted for buyers to organise inspections of the property such as pest or building inspections.

There is no cooling off period for sellers and there is no cooling off period for buyers who have purchased at auction.

Buying a property requires a considerable amount of research, time, commitment and planning. The first thing you should do before you start your search for a property is determine how much you can afford and the area in which you wish to buy.

Researching recent sales and the price of properties on the market should give a good indication of property values and an understanding of the real estate market in the area which you are looking to buy.

Settlement

The sale is finalised when the balance of the purchase price and other adjustments have been paid and the title and transfer documents have been exchanged. Settlement usually takes place between 2 – 6 weeks after contracts have been signed by both parties. At settlement you become the legal owner of the property.

State tax

Stamp duty is a government tax that must be paid on settlement. It is calculated as a percentage of the sale price or the market value. Your Agent can explain the tax payable in your State or Territory.

BUYING AT AUCTION

Before you bid at auction you must understand exactly what you are doing and have satisfied yourself about all details relating to the property. If you are the successful bidder and the property is sold to you under the hammer, you are obliged to purchase the property.

Reserve price

Before the auction the seller will nominate a 'reserve' price to their agent which is the lowest price that the seller is willing to accept. The reserve is not revealed to buyers.

Passed in

If a property fails to reach the reserve price the property can be 'passed in' or withdrawn from auction. The agent may then negotiate with the highest bidder on behalf of the vendor. This may result in a sale.

Dummy bidding

It is illegal to make 'dummy' bids at an auction. If you make 'dummy' bids for the seller, you may be prosecuted and incur a substantial fine.

Purchase at auction

If the property is sold at auction the successful bidder is required to sign the contract of sale and pay a deposit (usually 10%) immediately.