

BUYERS GUIDE

Steps to Buying a Property

1. Get Finance
 - Choose a mortgage type
 - Get a loan pre-approval
2. House Hunting
 - Make an offer and negotiate price
 - Arrange pest inspection
 - Arrange building inspection
 - Obtain survey report or building certificate
3. Exchange of Contracts
 - Sign a contract of sale
 - Pay the deposit
4. Post Exchange to settlement
 - Conveyancing begins
 - Arrange move in date
 - Insure the property
 - Sign mortgage documentation
 - Arrange final inspection
5. Settlement
 - Pay settlement monies
 - Transfer of legal ownership
 - Pick up keys / move in
 - Arrange connection of utilities

Buyer's Conveyancing Checklist

Here is a general checklist of items covering the conveyancing process for the purchase of real estate. It will not cover every situation and should only be used as a guide for discussions with your conveyancer or solicitor.

- search title
- check property or land measurements
- discuss insurance arrangements
- explanation of caveats and whether to put one on the title
- understanding of the contract terms
- name the property should be held in
- review and understanding of the vendors statement

- review of costs, duties and fees
- details of all searches on the property (council, utilities, government)

- liaising with vendor's conveyancer (writing and sending requisitions)
- release of deposit
- process of settlement
- mortgage and lender details
- calculation of costs and disbursements
- pest and building inspection reports
- stamping, lodging and registering transfer
- post settlement procedures

Be realistic

Take a deep breath and psyche yourself up.

Moving can be an incredibly stressful experience affecting the whole body, and as such, it is imperative that you make it as easy on yourself as possible.

This is a very big step you are taking so minimise stress by familiarising yourself with the house buying process with the 'PropertyVisa Buyer's Guide'.

Funds

Ensuring that you have sufficient funds in place is not as simple as you might think.

As well as deciding how much you are willing to pay for a property, it is imperative that you do not forget to include all other relevant costs that you can expect such as legal expenses, solicitors' and conveyancer's fees, the costs of any surveys that you may require and any possible decorating expenses that may be necessary.

Mortgages

A mortgage may be something that you need to consider when calculating how much you will be able to afford for a property. A mortgage can be defined as a way of using a property as collateral for the repayment of a debt.

Though there are a number of different mortgage types, they can generally be categorised into 2 distinct kinds, and it is important to carefully consider which is most suitable for your specific circumstances;

* Repayment mortgage

Regular payments (usually monthly) incorporate both the capital and the interest on the loan. The initial payments are higher because the outstanding capital is at its highest. This trend is reversed the closer one gets to the end of the specified term until, by the end, the loan has been completely paid off.

* Interest only mortgage

Regular payments only pay off the interest on the loan. At the end of the term the capital amount, which remains outstanding, is paid off in a lump sum. Most people with a mortgage of this type put money away in a savings account until it is time to pay off the requisite amount.

How to search

PropertyVisa allows you to refine your search by selecting a price range, property type, area and specific features like number of bedrooms. Know your needs to narrow the search down.

Things to consider when you search:

Ask yourself exactly what you are looking for in a property. Do you require a specific number of bedrooms? A garden? A large kitchen?

Decide what you would like, what you would prefer, and what you absolutely cannot do without.

Don't forget to take account of amenities such as distance to shops, major town/city centres, schools, and location and area.

Even if you are looking for a quiet country sanctuary surrounded by rolling hills and dales, it is crucial that you consider the distance to the nearest hospital and the time it would take to get there.

Traditional methods utilised in the finding of a property include local newspapers, estate agents' windows, street cruising (i.e. driving around desirable areas and keeping an eye out for sale properties) and word of mouth (i.e. asking family and friends).

[picture]

We can now add to this list the increasing use of property websites and online estate agents such as PropertyVisa.

Benefits of internet property searching include;

Specific: You can narrow your search by as much detail as you like.

Fast: Add a property you like to your favourites. This way you don't have to hunt through dozens of properties to find it again.

Choice: More and more people are increasingly using the internet to advertise their properties. This means that you are more likely to find a number of properties that meet your criteria. It also allows you to choose a specific service provider in the same process.

Viewing a property

You can book a viewing through PropertyVisa. This feature was designed to ensure that the vendor's availability is optimised.

Advice, hints & tips

Don't go alone. Apart from the potential security risks, it is always worthwhile having a level headed person with you to bounce comments and opinions off.

Go during specific times to get an idea of the area. For example, a 3 o'clock weekday viewing will give you an idea of traffic at the end of the school day.

Also arrange a viewing for the evening.

Check the roof for missing tiles.

Find the balance between objectivity and subjectivity. Take note of deficiencies but also highlight the positives. Don't disregard a whole property because of a small problem that could be easily fixed. Contrarily, don't become fixated on a single property just because you love the door handles.

If the seller doesn't mind, take pictures and make notes. Consider the shapes of the rooms. Will you have trouble getting your furniture to fit in?

Picture yourself living in the house. How does it make you feel?

Check the views from all the rooms. Are you satisfied with the storage space?

Make sure all the security features are in good working order (i.e. locks on doors and windows).

Ask the sellers why they are moving. This could give you an idea of any potential problems with the structure or the surrounding area.

Enquire as to what is included in the sale.

Examine the water heating system and air conditioning carefully. Ask when it was last professionally serviced, and if there are any problems with it. Test it if you can.

Ask questions about average utility bills, council tax, neighbours, the area, traffic, etc. No questions are too small or insignificant so don't be put off.

Don't see too many properties in quick succession. Take time between viewings to think and reflect on the property.

Making an offer

You've found a house that meets all your essential criteria and you want to make a formal offer. Offers must be done in writing and PropertyVisa has built in tools to help you with just that. Select the offer page and fill in all the required fields that will constitute the offer. The offer can be sent through PropertyVisa message system in PDF format and a hard copy of the offer can be printed for delivery to the seller.

[picture]

You may use this tool to negotiate the price of the property. Your conduct during this process is determined by how confident you are in your own bargaining skills, and how much information you have regarding the position of the seller.

Bearing a number of factors in mind can place you on a firm foundation and increase your bargaining position immeasurably;

Think back to that original figure you agreed with yourself at the very beginning. Decide how much higher than that figure you are willing to go as a maximum.

Be aware of what is going on in the market. If it is a buyer's market, with property prices dropping, you may be able to offer less than you first anticipated.

Find out if the seller has already found another property. Is he in a hurry to move because school is starting soon? This information may help you put in a lower offer.

If the property has been on the market for a while it may offer a better chance for negotiation.

If you are going through an agent, never forget that the agent represents the seller, and as such, will try to sell the property for as much as possible. In most instances their commission is based on the selling price. The higher the selling price, the higher the commission will be.

Find out what kind of interest there is on the property, and if any other offers have been made. What condition is the property in? Did you have a viewing. Did you ask all the questions that were necessary. Pay close attention to the results of any surveys that have been conducted.

If you are able to obtain a 'mortgage in principle' from your lender, make sure the seller knows about it. Make this one of your offer conditions – 'Subject to Mortgage Loan Approval.' Most lenders are willing to provide a certificate outlining how much you will be able to borrow.

After the offer

The seller has accepted your offer. Congratulations.

This begins the part of the process in which you will be required to start paying out some money for;

Deposit

Usually either 5% or 10% of property value.

Solicitor's or conveyor fees

To begin conveyancing, process of transferring a property from one person to another.

Stamp duty

A tax paid by property buyers. The rate depends on the value of the property.

Surveys

It is recommended that a pest/building inspection or strata inspection is carried out as part of the process. A survey is not always compulsory but serves an important function in that it provides an overview of the condition of the property and highlights potential weaknesses and deficiencies. You may even find yourself re-considering a property if a major problem is uncovered. In this respect the survey provides peace of mind and could save you a significant amount of money in the long run.

PropertyVisa helps you with the process through a selection of services. You should instruct a settlement agent from our list of companies to act on your behalf to avoid delays in the exchange. Read more about our services in the partner pages and also visit the Timeline pages that explain the buying and selling processes.

Moving in

In all the excitement and anticipation of moving home it is quite common to forget to do some important tasks.

These tasks are most likely to be so easy to do that you keep prioritising larger tasks over them and putting them off for a later date. Unfortunately, when that later date arrives you could find yourself with a large number of small, easy jobs to do that end up taking a lot of time to complete.

So, with that in mind, don't forget to...

Have your post re-directed to the new address.

Take meter readings at your current address.

Have the telephone, internet, gas and electric changed into your name at the new address.

Make necessary arrangements regarding house insurance.

Inform your vehicle insurance company of your change of address. If this is not done, it may affect any future claims.

Inform your bank of the change of address.

Register with a new doctor and dentist, if necessary.

Inform your friends of your new address.