2024

HOME BUYERS GUIDE

We believe that buying Real Estate, whether it is your first or tenth time, should not be a daunting experience, so we have put together this booklet to help you be prepared and confident so that you can enjoy this exciting time.

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FIRST STEPS

Buying a home is one of the biggest and most expensive transactions you will make in your life, so it is important that you feel equipped to make the right decision. Having a well thought out plan of attack will help remove the stress and help you make good decisions.

Use these 5 W's to help guide you:

WHO
can help you on your journey?

WHAT
do you need vs want?

WHERE
is the right area to buy?

WHEN
is the time right for you to buy?

WHY
are you buying?

We have put together some information for you in this booklet, but because everyone is different and there are always many scenarios in real estate, we are always happy to share our expertise or put you in touch with other professionals to help with your particular situation.

Organise your finances

You should have your 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 need to be able to act quickly.

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

Most lenders will arrange preapproval for free, but before you get there, you need to keep track of your finances. 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. In most circumstances you will need a 10% deposit but there are options for low deposit loans, bridging loans, grants etc. available.

We can be of assistance in pointing you in the right direction.

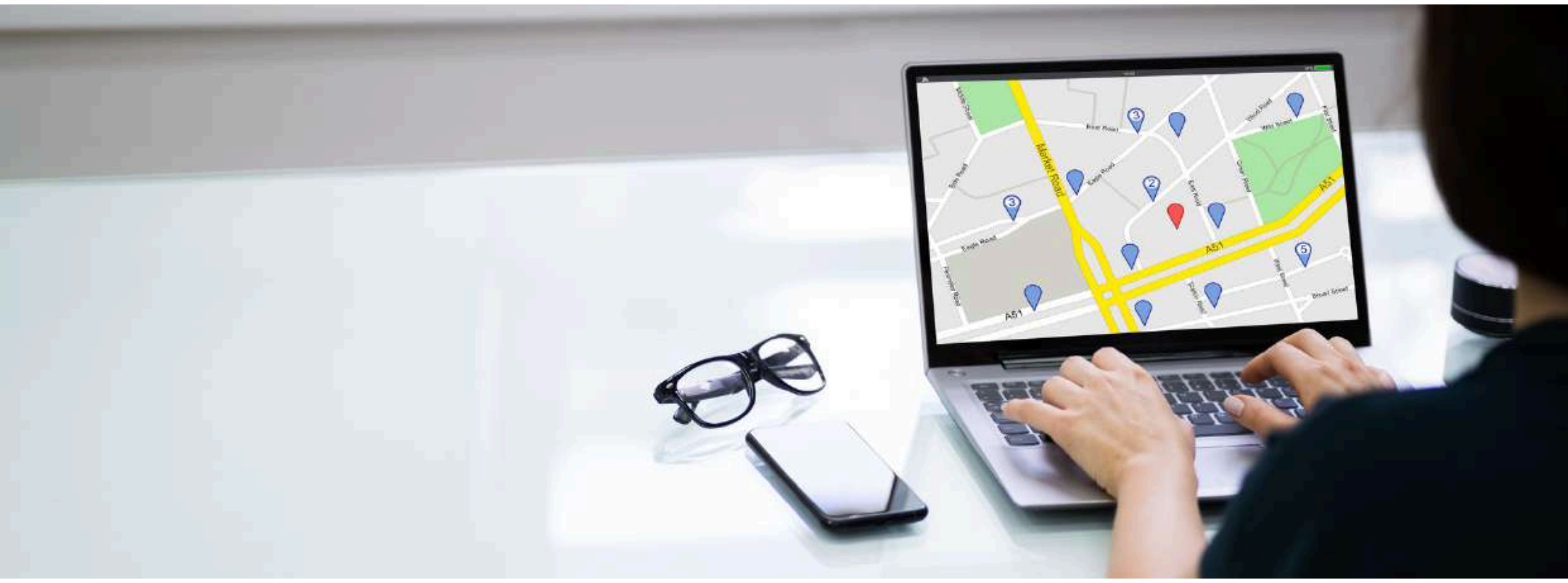
Don't switch jobs

Many prospective home buyers think, 'I need to find a better paying job', and they change jobs, this, however, could be a costly mistake. Lenders are looking for stability in employment and residency, among other things, 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.

Choose a location

There is no point inspecting properties in Unley Park or Toorak Gardens if your budget won't stretch to million-dollar mortgages. This is another reason why preapproval is such a critical step, it helps narrow your search to areas 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 is '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?

- Access to transport
- Schools
- Shopping
- Parks & gardens
- Freeway access
- Neighbourhood
- Affordability
- Capital growth
- Proximity to work or family

- Cities, 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 result in desirable locations. Access to transport shopping and Schools Park land.

- Consider growth areas with good access to local facilities and avoid environmental problems such as areas with busy roads or noisy factories nearby.

- 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 on some things. Determine what is a want and what is a need.

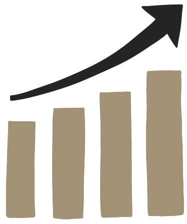
- Consider if you are prepared to renovate; if so, the worst house in the best street could be a good buy.

- Look for at least one distinctive feature; maybe it is a view, a large backyard, a designer interior or original historical features.

- Maps and information about facilities and services in specific suburbs and regions is available online and a great help if you are moving to an area you don't know well.

THE PRO'S

There are many professionals involved in the real estate transaction. Don't be afraid to enlist the help, and pick the brains of these professionals who deal with real estate transactions every day. They can save you a lot of time and help you achieve your goal quicker.



Mortgage brokers provide the convenience of being a one-stop-shop. This eliminates the need to visit multiple lenders to try to get the best rate and, ultimately, approval for a mortgage. And consumers won't have multiple hits to their credit reports since they only have to visit one person to secure the best loan possible.

A conveyancing company or Property Lawyer is an added but necessary expense when buying a home. Choose someone who knows your area — they will be familiar with any location peculiarities and hopefully have a good relationship with local real estate agents.

It is always a good idea to get a Building and Pest Inspection done so that you know what future maintenance and repair costs are likely to be. This will help you plan ahead and not be surprised by unexpected costs after your purchase.

REAL ESTATE
AGENT

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 able to snare a private viewing of a property before it opens to the market, which would place you in prime position to make an offer before other buyers.

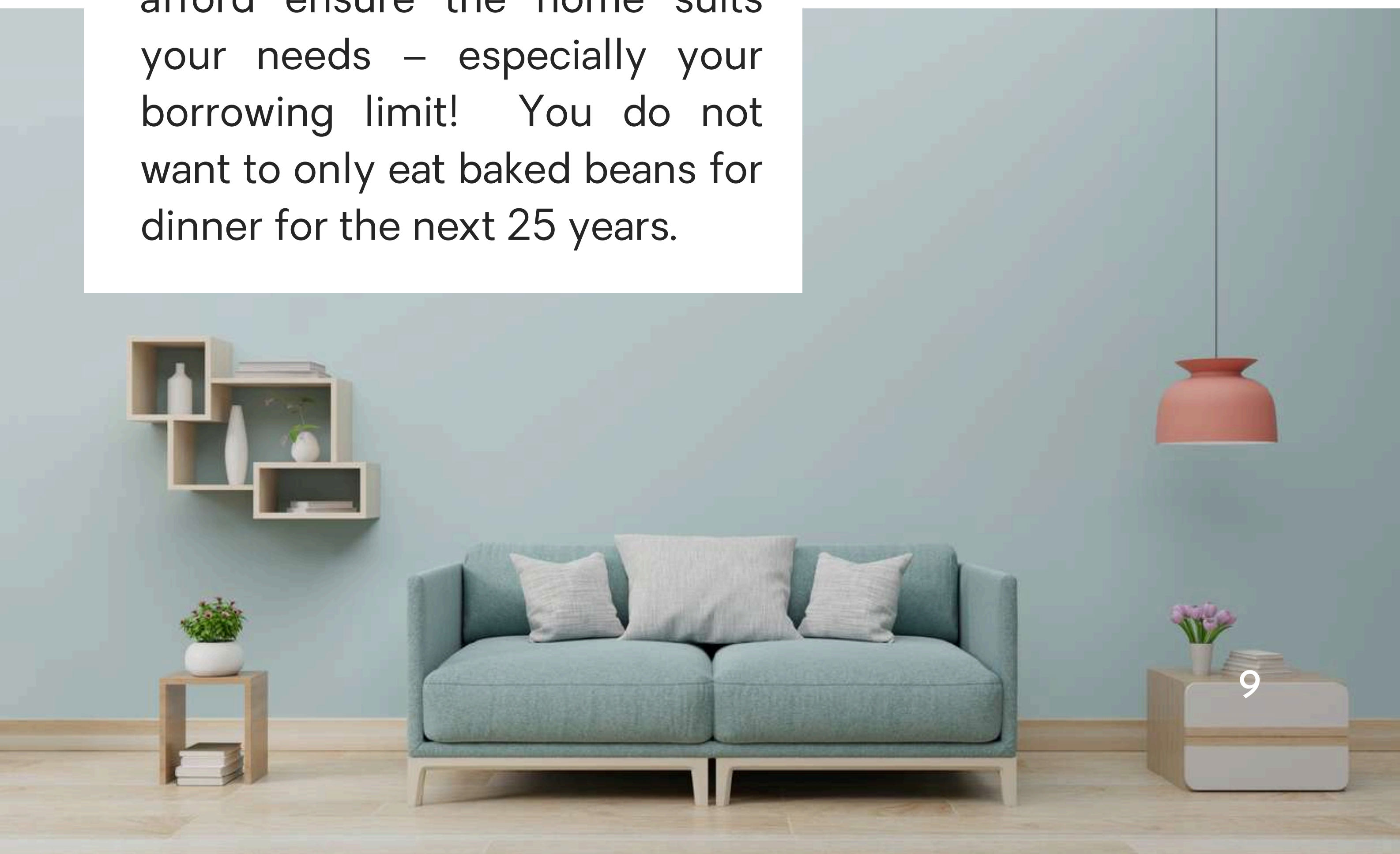
Make searching easier by leaving details of what you are looking for on agent's sites. Receive an instant email as soon as suitable properties become available.

Regular communication from 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.

THE HOUSE HUNT

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 ensure the home suits your needs – especially your borrowing limit! You do not want to only eat baked beans for dinner for the next 25 years.



• A good starting place is the internet and or local newspaper or metropolitan newspaper supplement.

• 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 check out the window displays and talk to the agents.

• By checking the newspapers, web sites and agency windows 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.

• Once you are ready, be prepared to look at a lot of different properties. It may take time to find what you want. Attend open for inspections and auctions of properties you are considering getting a feel for the market.

• If you are serious about a property make sure you go back several times – at different times of the day and night.

• When you have found what you want it is time to get expert advice. Have the contracts checked by your solicitor and if needed organise a building inspection are undertaken. 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

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 ask for the paperwork and feel the agent out on price comparable results and where the vendor is likely to sell...

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.

• Is it in an area likely to hold resale value or benefit from capital growth?

• Are there any long-term costs or issues such as body corporate fees, jointly owned driveways?

• What type of Title is the property? Is it Torrens Title, Company Title, Strata Title, or some other? Ask your solicitor to advice on the Title

• Does the entire house, including alterations, have the required Council permits?

• Is it built for the climate? Is it insulated? Will it be warm in winter, cool in summer?

• Have you asked your local council about planning issues like the possibility of any big developments planned 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 – are there too many stairs, is the garden too steep?

• 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, doctor, medical centres and shops?

• Are there enough bathrooms?

• Is there enough garage space? Is the garage accessible from inside the house?

• Will you have problems with traffic or noise?

• 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?

• Check under the house – is it dry?

• 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 even if the property is going to auction.

If you choose to wait until auction day, be aware someone else may make a pre-auction offer that could be accepted.

• When making an offer you will find dealing 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 daunting experience for first time bidders. A good tip is to attend some local auctions prior to the one you will be bidding at to get a feel for the process.

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

You can make an offer prior to auction, but you risk paying more than you need to. Pre-sales usually occur where there is lacking interest or when one buyer is offering a lot more money than the others.

Prior to the event

• Use your research and budget to help you identify a 'walk-away' price. It's in your interest to keep this a secret from the agent so they don't use this information to help the vendor set their reserve.

• Have your finance already in place and attend the auction ready to write a deposit cheque.

• Attend some auctions beforehand to experience the atmosphere and observe different bidding strategies.

• Organise any amendments to the contract, such as a longer settlement period, prior to the auction. Talk to the agent and get agreement from the vendors in writing.

On the day

• If you're going to start the bidding, start low.

• 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 small 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.

• Stick to your 'walk-away' price. It's better to feel the short-lived disappointment of missing out on a property you love than the long-lasting remorse of paying too much.

The greatest benefits of the auction process for buyers are:

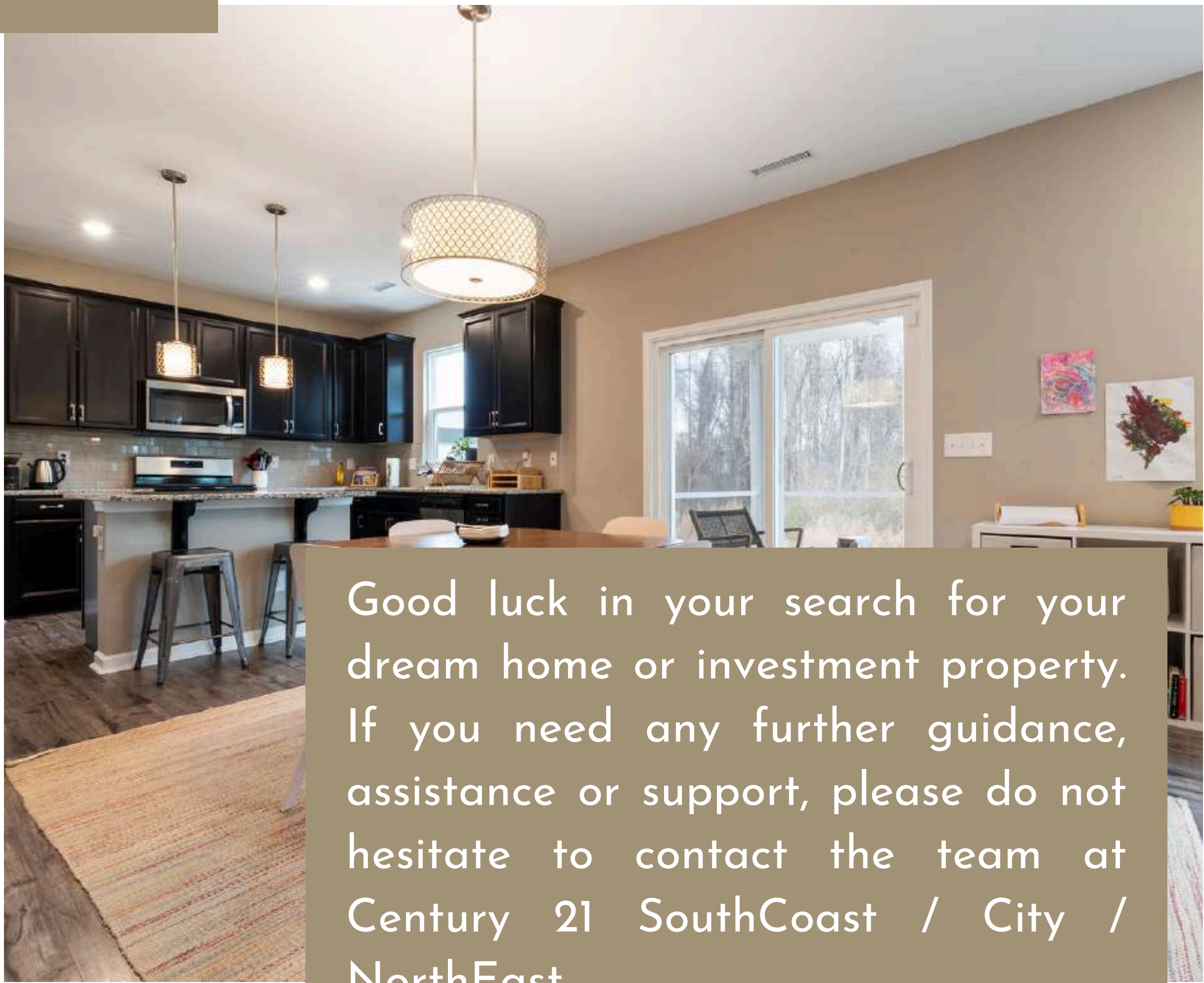
• An immediate result – unconditional contracts are signed straight after the auction; or if the property passes in, the highest bidder usually gets first right to negotiate.

• 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.

THANK YOU



Good luck in your search for your dream home or investment property. If you need any further guidance, assistance or support, please do not hesitate to contact the team at Century 21 SouthCoast / City / NorthEast.

CONTACT US

CENTURY 21 SOUTHCOAST
161 Esplanade
Aldinga Beach SA 5173
realestate@c21southcoast.com.au
08 8556 6001

CENTURY 21 CITY
207 Frome Street
Adelaide SA 5000
realestate@c21citysa.com.au
08 7521 9600

CENTURY 21 NORTHEAST
1/504 Grand Junction Road
Northfield SA 5085
realestate@c21northeastsa.com.au
08 7521 9600

RLA 273693