



## BUYING A HOME IN NEW SOUTH WALES

### FINANCE:

1. Ring around to all the banks and lending institutions.
2. Make an appointment with the **home loans manager** - They assess your current financial status eg. your expenses, wage/s, debts, credit cards and in turn give you a figure on this information that you are able to borrow.
3. There are varied loans to suit your requirements/repayments with some lending up to 90%.
4. Bridging finance is also available if you have not sold your home and would like to buy another. A higher interest rate is charged.
5. Deposit guarantees - the bank gives you the 10% deposit necessary to purchase and exchange on a property. This is a written letter guaranteeing the deposit. Please ask your bank for more details.

We do advise that you see a bank or loans institution if necessary before you put an offer on a property. Once your offer is accepted it is harder to wait for finance to be approved.

### HOW TO BUY A HOUSE:

Once you have your finances organised you can seriously start looking.

### VIEWING PROPERTIES:

Make an appointment with a consultant through Hilary Lazarus Real Estate to arrange a convenient time to view properties that are suitable and in your price range.

1. Ring around or personally visit agents. It is best to deal with one agent that you feel comfortable with.
2. Make sure you know your spending limit including

- Solicitors fees
  - Stamp duty
3. You can view properties either by appointment with your agent or through open for inspections, which are usually conducted on Saturday, Sunday and Wednesday.

### **MAIN FORMS OF SALE :**

1. There are two main forms of selling a property:
  - **Private treaty (for sale)** - where the property has a fixed price but can usually be negotiated.
  - **Auction** - where the property has no fixed price and the sale is set for a specific date. Usually has a four-week intensive marketing campaign.

### **REQUESTING A CONTRACT:**

This is the document(s) on the property. Request a copy of the contract for your solicitor/yourself to peruse. Ensure it is a full copy.

### **MAKING AN OFFER:**

If you want to purchase the home:

1. Make sure you have the necessary funds. Don't forget stamp duty and your solicitors fees and GST where applicable
2. Put in an offer to your agent (whom you have inspected the property with) of what you want to pay for the property. Know your limit. An offer is usually done verbally or the contract may be signed with your 10% deposit.
3. The agent by law must submit all offers to the vendor (owner).

### **IF YOUR OFFER IS ACCEPTED:**

If your offer is accepted it is advised that you organise a building and pest inspection on the home. This is usually conducted before exchanging. The price for both varies from approximately \$400 up. If your offer is rejected you can negotiate further with your agent.

**Building Inspections** - Detects any fault with the structure of the home. You will receive a written report approximately 10-15 pages giving full

details of the property. This type of report is normal - please look for any structural faults.

**Pest inspection** - Detects if there is any active or inactive insects in and around the property. In Australia the main pests are termites. Termite activity may be present or evidence of past activity.

### **SOLICITORS:**

You may organise your own or ask your agent for any that may have been recommended. Solicitors are used for exchange of contracts and settlement of the property. Your agent can also exchange contracts for you only if they are licensed. This type of exchange gives you a five-day cooling off period. This means you have time to do all the necessary inspections and get financial approval. This is an exchange without a section 66W.

### **EXCHANGE:**

Identical contracts are signed by both vendors and purchasers then exchanged. Your 10% deposit is then invested in a trust account with your solicitor or agent. The property is sold, and removed from any further marketing.

### **INTEREST ON YOUR DEPOSIT:**

Once you have exchanged, the 10% deposit is invested in a trust account up until settlement. Please ensure you supply our office with your tax file number/s. The interest is divided equally between both parties on settlement.

### **COOLING OFF PERIOD:**

There is no cooling off period if the property is bought at auction or if there is a section 66w in the contract. The solicitor signs this saying he/she has explained the contract.

The purchaser may rescind the contract at any time before 5pm on the fifth business day before exchange. A purchaser exercising the right to cool off by rescinding the contract will forfeit to the vendor .05% of the purchase price of the property.

### **AFTER EXCHANGE:**

There is normally a 6-8 week waiting period. Your agent is usually out of the picture by now. If you have any queries or request please contact your solicitor.

The time leading to settlement is used to organise removalists and cleaners etc. A pre settlement inspection is usually conducted 1-2 days before settlement.

### **SETTLEMENT:**

The remaining balance is paid to the vendor and the legal title to the property passes on completion. Settlement usually occurs between 12 noon and 2pm. The settlement period can be altered if agreed between both parties involved.

### **COMPLETION CLAUSE:**

Moving trucks may only enter the new property after the time of settlement. You may only gain access to the property after the time of settlement.

1. The agent must first receive written authorisation from both the solicitors that the property has settled and **only then is the agent able to release the keys** to the new owner **NOT BEFORE.**
2. The purchase is now permitted to move into his/her new property.
3. Please call your solicitor for the exact time of settlement so you are able to arrange an approximate time for your removalists.
4. Allow approximately 1 hour after settlement for your agent to receive the solicitors written authorisation to release the keys. Please confirm with your agent that they have received written notice.
5. You are at liberty to pick up the keys from our office.

Please keep in touch with your solicitor between exchange and settlement and inform your agent of any hiccups. Generally your solicitor will inform you