



# Home Buyer's Guide



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national**  
REAL ESTATE

We put you first

*Turning the home of your dreams into a reality is easier if you're prepared.*

IMPORTANT NOTICE: The information contained within this book has been provided in good faith to assist you with some of the questions you may have about the purchase of a property. It is by no means meant to be definitive solution to all possible queries as the actual answers may vary with individual situations. If you have any doubts about any matter you should speak to your legal representative about your specific query. Due to the variations in individual circumstances, we cannot accept any responsibility for any misunderstanding that may result from the information provided herewith. However, please do not hesitate to contact our office for any specific queries or assistance you may require and we will do everything possible to provide the information you seek or else recommend who you should speak to for an answer.



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# introduction

**Life is full of decisions - relationships, children, career and lifestyle.**

Buying a home is about the biggest financial commitment you'll ever have to make. However, it's also going to be an exciting turning point - one that will almost certainly make the most impact on your lifestyle. For many it will be something never done before. Selecting the right home in the right area, organising finance and negotiating the sale - it all sounds a little daunting. Yet it isn't as complicated as you may think!

This book is just the start.

It will guide you through the complete process, from finding the home of your dreams through to finance arrangements and, finally, the move. We've included work sheets that will help you prioritise and ensure you find a home that will suit your needs both now and well into the future. Of course, if there's anything else you need to know, just ask. You'll find your First National Real Estate agent is happy to help.







# do your research

**This is an important and exciting time in your life. We want to make sure it's enjoyable and that everything goes smoothly.**

If you find the prospect of buying your first property a little intimidating, don't worry. Doing some basic research is easier than most people think. It increases your confidence and reduces the chance of making a mistake.

Most people start their search with an image of the property they would like to buy in their mind. Frequently they have a short list of suburbs they're interested in as well.

You can establish an idea of where you're likely to find an affordable property by looking at the price ranges of properties for sale in different suburbs. Start by checking the real estate sections of newspapers, magazines or websites. Visiting websites such as *firstnational.com.au* will help you cover a lot of ground quickly and efficiently. Plus, you'll find lots of other valuable information to help you with your search. First National Real Estate agents are trained to assist you to identify your priorities, helping you to find the property that best suits your needs and budget. The advantage of dealing with a network like First National is that your new property can be found by your agent, working in collaboration with thousands of First National agents nationally. All First National offices have technology links that will enable you to view a potential home on the other side of the city, in another state, or even another country.

**Your local First National Real Estate office belongs to one of Australasia's largest, most progressive real estate networks.**

Buying a home is not a task undertaken everyday. It's important to understand the process of real estate, what you can comfortably afford and the type of loan product best suited to you. This guide provides fundamental tips to make your journey easier but it's also important to listen to the advice of as many experienced people as possible. This will help guarantee you make an informed choice.

Ask your local First National Real Estate office for assistance or call **13 16 66** for details of your nearest office.





# do your sums

**“Borrowing Power” is a term you’ll often hear used to describe the amount you can comfortably borrow to finance your property purchase.**

Your borrowing power is determined by your current income and financial commitments as well as your savings and credit history. You should carefully consider your current and future living expenses so you’ll be assured you can repay your loan and maintain the quality of lifestyle you’ll require. A budget and purchase worksheet is provided at the back of this booklet.

One of the biggest initial outlays you’ll face is, of course, the deposit. This is usually 10 per cent of the purchase price but don’t forget that the deposit, like many elements of a property purchase, can be negotiated. It’s not uncommon for a property owner to consider a 5 per cent deposit in some circumstances, so don’t be afraid to ask your agent if your funds are stretched.

In addition to the purchase price of your new property, you will need to pay for things like Stamp Duty (on the purchase price and the loan amount borrowed), conveyancing fees and possibly mortgage insurance. Stamp duty scales vary from state to state but your First National agent will happily explain what is applicable in your home state. Check if you’re eligible for the First Home Owner’s Grant by visiting [firsthome.gov.au](http://firsthome.gov.au)

**1.** The starting point is saving towards a deposit but it’s important to understand all the costs associated with home ownership, such as mortgage insurance, taxes and legal costs. Starting a rigorous savings plan and doing all the sums can help you see what the hurdles are and how you can best plan to tick them off.

**2.** Get professional advice. Sit down with a range of lending institutions to fully learn about and understand the options and possibilities. Even if you don’t act, you will properly understand where you are at and what you need to do.

**3.** Be flexible with your expectations. Units and townhouses are available in many areas at lower prices and could provide a feasible market entry point. The key is to get into the market, pay down your mortgage and establish equity in the home as a basis for future financial options and flexibility. Then you are able to think about an up-grade or a move to a suburb you’ve always wanted to live in.



# financing

Choosing the right home loan from the many products available can be daunting. It's important to understand all the alternatives before making your choice.

Talking to several brokers as well as a finance adviser will definitely help you sort the wheat from the chaff. There are two options available to you when organising finance. You can apply directly to a finance institution or you can use a mortgage broker to help you through the process. There are two fundamental types of home loans available, each offering you a range of repayment options.

## **“Variable Rate” home loans:**

With a Variable Rate Home Loan the interest rate is described as variable because it may change during the term of the loan, depending on economic conditions

- Repayments can usually be made monthly, fortnightly or weekly
- The maximum term is 30 years with many lenders
- Interest is calculated on the daily outstanding balance of your loan and charged to your account monthly so any additional or increased repayments will benefit you immediately

Unless the loan is paid out in the first five years, there are rarely additional costs for early repayment of the loan, other than government/bank discharge fees.



### “Fixed Rate” home loans:

- As the name implies, this home loan product has a fixed rate of interest. The term for which the interest is fixed may vary from one to five years. After that, the loan may need to be renegotiated for another fixed rate period or it may simply revert to a variable rate home loan
- You may be able to make the choice to repay interest only or principal and interest
- There may be additional costs if you opt for early repayment of the loan

Choosing the right home loan from the many products available can be daunting. It's important to understand the alternatives before making your choice.

Brokers are available at your convenience and will be happy to meet with you at a time and location that suits you. Consumers don't normally pay for a broker's service directly. The broker is paid by the lender.

Brokers can place business with any of the major lenders, so they have an incentive to find you the best, most suitable product, taking the hassle out of arranging finance as well as saving you money and time by finding the best deal available.



## how much can you afford to spend?

**Before you begin actively looking for a property you should determine what you can comfortably afford. The budget worksheet on page 32 and 33 will help you to establish a price range.**

A lending institution will apply a “Qualifying Ratio” which is the percentage of a home buyer’s gross income that can be prudently allocated for debt, based on personal income.

As a general guide, lenders limit the total sum of monthly mortgage principal, interest, tax and insurance payments to 28 per cent of the borrower’s gross monthly income. Furthermore, they may limit the total of all long-term debt payments to 36 per cent of the borrower’s gross monthly income.



## arranging a new home loan?

Choosing the right home loan from the many products available can be daunting. It's important to understand the alternatives before making your choice.

Talking to several brokers as well as a financial adviser will help you understand the most suitable mortgage product to help you make the transition from your existing home to your next.

Ask your local First National Real Estate member about the range of mortgage brokers available to you.



# let's go property hunting

Shopping for a property should be an exciting adventure. If you have a clear picture of what you want and how much you can afford, it can be a fun and rewarding experience.

Aside from basics such as the suburb and number of bedrooms, there are other important things to consider, depending on your circumstances. For example, is the property within walking distance of a primary school? How far to the train station? Is there off-street parking? Does it have a sunny aspect? Is it on a truck route? How close are the nearest shopping facilities?

There are now many ways of accessing information on the property market. Of these, the internet is by far the most popular means of finding real estate for sale. Use the search feature on the First National website to find properties listed. You'll be asked to provide a price range and your ideal property location. Providing this information helps narrow your search, ensuring you only view properties matching your criteria.

Visit [firstnational.com.au](http://firstnational.com.au)



**Other sources for details on properties for sale are:**

- National metropolitan newspapers,
- Suburban/local newspapers,
- Real estate magazines,
- Real estate agents' windows,
- For Sale signboards, and
- Friends and neighbours.



# make an offer

Found a place you'd love to call home? Once you've considered other comparable nearby properties, take a deep breath and make an offer!

There are two ways to do this:

## Unconditional offer:

An unconditional offer is when you offer an amount to buy the house as listed (with or without drapes, fixtures, etc.) without adding or negotiating any other conditions.

## Conditional offer:

A conditional offer is when you offer to buy the property only if certain conditions are accepted by the vendor. These must be listed on the Offer to Purchase. For example, your offer may be conditional on arranging finance. If finance cannot be arranged within a certain period of time, the offer becomes void. For your own protection, you should nominate a specific lender as your source of finance. Leaving out a nominated lender or having open-ended finance conditions on your Offer to Purchase may force you to take up finance at substantially higher rates, perhaps shorter terms, and from a lender you would not prefer to deal with. Another condition might be an extension of the settlement period. If the seller does not accept the conditions, further negotiation may take place or the offer may simply be declined.



1. Avoid the temptation to make an offer before your finances are arranged and approved. Even though you may wish to secure the property, it's safer to talk to your lending institution about the type of property and its location before making the first move.
2. Next, make sure a legal advisor has reviewed the contract of sale and that you are satisfied that the terms and conditions of the sale are reasonable and that you are in a position to meet those terms.
3. Finally, conduct a building and pest inspection so you know if there are any problems with the property and what they might cost to fix. Now you're ready to make an offer and, when negotiations are completed, move quickly to complete the necessary legalities to make the property yours.



# auction

**If buying at auction, ask your agent about the process. A fundamental rule for auctions is to be completely prepared. A successful bid at auction is legally binding and no “cooling off” period is applicable.**

If you plan to bid at auction, it is wise to complete any building or strata inspections you desire beforehand. It's also important to have received your loan approval in writing. Immediately following the auction, if successful, you will be required to sign the contract and provide a cheque for the full deposit. It is crucial that any changes or conditions you would wish to make to the contract have been negotiated through the real estate agent, and agreed to by the owner in writing, prior to auction. The owner is under no obligation to agree to changes to terms stipulated in the contract post-auction and the auctioneer is legally entitled to sign the contract on the buyer's behalf in the event of a dispute.

Whether the auction is being held in a real estate agent's auction rooms or on-site, the process is identical. The auctioneer starts proceedings with a short explanation of the contract and terms of the auction. Buyers are entitled to ask questions at this stage. The auctioneer will then call for an opening bid. If a genuine bid is not forthcoming, the vendor is entitled to make a “vendor bid”.

It is legitimate for the vendor to bid for their own property. Likewise the auctioneer can bid on behalf of the vendor as can an agent on behalf of a buyer. The auctioneer is likely to announce the vendor bid if no other bid has been received.



The “reserve price” is the minimum price that the vendor will accept. This is set by the vendor prior to auction and can be changed by the vendor during the auction if desired.

Once the reserve price is reached, the auctioneer will generally state that “the property is on the market” or words to that effect. Once the reserve price is met, more competitive bidding will sometimes become evident as buyers realize the property will definitely be sold to the highest bidder.

If the highest bid falls short of the reserve, the property may be passed in or the auctioneer may pause the auction while the agent discusses the situation with the vendor. At this point, the vendor may choose to reduce the reserve to the highest bid and recommence the auction. Alternatively, if the vendor refuses to revise the reserve price, the property will be “passed in”. You may then be approached by the agent and invited to negotiate in an attempt to agree upon an acceptable offer for the vendor.

With auctions, keep in mind that the sale price can vary significantly from anyone’s reasonable expectation. Auctions effectively allow the market to determine the final price.

You can get an idea of the likely price outcome from Private Treaty advertisements in the area, or from a real estate agent’s list of recent sales.

Once again, before you bid at auction, make sure you’ve completed all the necessary inspections and searches as there’s no going back once your bid is accepted!



1. When you buy at auction there is no “cooling off period” so it’s wise to have completed all enquiries before raising your hand.





# auction versus private treaty

## Buying at auction

- There is no cooling off period.
- You must pay the deposit immediately following a successful bid.
- All building inspections should be completed before bidding.
- You are unaware of the reserve price (i.e. The minimum amount the seller will accept.)
- Competition from bidders could carry the price beyond expectation
- Your bid at auction is assumed to be unconditional, unless agreed otherwise prior.

## Buying through Private Treaty (For Sale)

- A cooling off period does apply but you may be asked to provide a waiver.
- The cooling off period varies from state to state.
- You pay the deposit when exchanging contracts.
- You can complete building inspections after exchanging contracts, before the end of the cooling off period, and withdraw your offer if anything is not to your satisfaction.
- There is either an asking price or an indicative range in which the owner will consider offers.
- Competition can occur if several parties are interested and make offers at the same time.
- You may be able to successfully negotiate contract conditions or changes.

**1.** Purchasing at auction provides buyers with the opportunity to secure their desired property. Immediately following the auction, contracts are exchanged, thereby preventing further competition from other prospective purchasers.

**2.** The Private Treaty buying process allows more time for negotiation, however, interested parties aren't always aware of the presence of other would-be buyers and are sometimes surprised to find their agreed offer has been beaten or "gazumped" by another party before contracts are exchanged.

**3.** When buying by Private Treaty, some buyers move to exchange contracts quickly so they can secure the property. The "cooling off period" is then used to complete enquiries, safe in the knowledge that only a small portion of the deposit is forfeited if the buyer withdraws from the purchase.



# exchanging contracts

When your offer or bid is accepted, you and the seller will sign and exchange Contracts of Sale. You'll also pay the deposit (usually 10 per cent) to the real estate agent who places it in a trust account.

Have your legal consultant check the documents thoroughly before you sign because once contracts are exchanged, you are legally bound to complete the purchase. With Private Treaty sales, a cooling-off period of several days applies, following the exchange of contracts, but this varies from state to state. Check the number of days with the agent or your legal advisor.

With Private Treaty sales, buyers are sometimes willing to exchange contracts before completing legal enquiries and building inspections. This is so they can be sure they have secured the property and protected themselves from the likelihood of the owner receiving a higher offer from another buyer. They use the cooling off period to then complete enquiries to their satisfaction, safe in the knowledge that the vendor is prevented from considering any other offers.



In the event that the buyer decides not to proceed with the purchase before the expiration of the cooling off period, a small percentage of the deposit is forfeited. Check the contract for the exact details or ask an advisor before exchanging contracts.

Once contracts have been exchanged, your legal advisor or conveyancer will manage the rest of the transaction through until settlement – the day the balance of all monies are paid and ownership of the property is transferred to the buyer.

Conveyancing is an integral part of the buying process. This is the protocol by which legal title (or ownership) of a property is transferred from one party to another. This is usually done in one of three ways; a solicitor, a conveyancer, or by the purchaser using a do-it-yourself (DIY) conveyancing kit. Solicitors are usually the more expensive option but can provide you with a wide range of legal advice in relation to your property purchase. Expect to pay anything from \$400 to upwards of \$1,500, depending on the circumstances of your particular property transaction.

Conveyancers are licensed to provide the same conveyancing services as solicitors, but cannot provide comprehensive legal advice should problems with the transaction emerge. In such an event it may become necessary to retain a solicitor, in addition to the conveyancer.

Conveyancers are often less expensive than solicitors, with fees ranging from \$600 to \$1,000 (although their costs will vary depending on the circumstances of your particular property transaction).





# settlement

You're now on the home straight with the finish line in sight. It usually takes four to eight weeks from the exchange of contracts for settlement to be completed. Until settlement, the property remains in the possession of the vendor.

## How the settlement process works

1. Your solicitor / conveyancer will prepare all the documentation that will be required to complete the purchase on the day of settlement.
2. Your solicitor / conveyancer will contact the vendor's legal representative to arrange the date, place and time of settlement.
3. Your solicitor / conveyancer will advise you prior to settlement, of the exact date, time of settlement and the amount of funds that you are required to provide prior to settlement (if applicable).
4. After settlement, the vendor's solicitor will contact the real estate agent that sold you the property and instruct them to release the keys to the property to you. This normally occurs around one hour after settlement and the agent cannot legally release keys until ordered to do so by the vendor's solicitor in writing.
5. Your solicitor will contact you to confirm settlement has taken place. They will also send you a Statement of Adjustment to show you how the funds have been disbursed to all parties involved.

**At this point, the property is officially yours. So, send out the invitations for your house warming party!**

**1.** During the settlement period purchasers are entitled to ask for accompanied access to the property for "reasonable" purposes. This might include measuring up for appliances you need to buy, curtains you may wish to order, or renovations you might wish to begin planning for. Remember though, the property still belongs to the owner and they are not obliged to grant access so it's wise to be judicious with your requests.

**2.** Stay in close contact with your legal representative when planning removal van booking times. It's crucial that your belongings will be delivered to your new home at a time that fits tightly with the legal process.

**3.** Your agent cannot hand over the keys to your new home until instructed in writing to do so by the vendor's solicitor. This can cause difficulty if you have moved out of your current residence and settlement does not proceed as planned, causing delays.



# getting ready to move

You're almost there! Next comes packing up and moving in to your new property. Regardless of whether you've bought a mansion or a cozy studio, moving home can be very hectic so it pays to plan well in advance.

Start organising the move as soon as you've exchanged contracts. Sort and sell things you don't need at a garage sale and put the money towards moving costs. Ask friends to recommend removal companies, or look in the Yellow Pages. Ask for quotes as prices can vary considerably. At the back of this booklet you'll find a handy moving kit.



### **Eight weeks before the move**

- If you are using a professional mover, get estimates from different moving companies and choose the one that is best suited to your needs. If you are moving yourself, get estimates from truck rental companies. Be sure to make your booking well in advance.
- Draw a floor plan of your new house. This will help you decide what furniture stays and what furniture will go.
- Use up things that can't be moved - such as the food in your freezer and flammable household aerosol cleaning supplies.
- Contact the information office or local council in your future location and start gathering information about your new home town.

### **Six weeks before the move**

- Discuss costs, packing, loading, delivery, insurance and the claims procedure with your mover.
- Make inventory of all of your possessions now determine what can be sold and what can be donated to charity.
- Get copies of your records from doctors, dentists, lawyers, accountants, etc. Make arrangements to transfer your children's school records.
- Go to the post office and obtain a change of address kit and start filling out the cards. Don't forget about changing the address on magazine subscriptions, catalogues, etc.



### Four weeks before the move

- If you have contracted to have the mover do all the packing for you, arrange to have this task completed a day or two before loading the truck.
- If you need it, arrange for storage.
- Clean or repair any furniture, curtains, or carpets that need it.
- Hold a garage sale. Use the extra cash to splurge a little on your new place.
- If you are moving yourself, work out how many boxes you'll need. (Many truck rental companies will provide this service)
- "Do-it-yourselfers" should take stock of non-boxable items. Add 15 per cent to their combined cubic feet (along with total cubic feet of boxes to be loaded) to determine the size of truck you'll need.

### Three weeks before the move

- Assemble packing materials
- Furniture pads
- Packing tape
- Bubble wrap
- Styrofoam "peanuts"
- Nylon packing string and rope
- Crumpled newspapers
- Scissors
- Utility knife
- Large self-stick labels
- Felt-tip markers
- Boxes, boxes, boxes
- Begin packing items that you won't need. Don't pack too much weight in an un-reinforced box.
- Arrange to cancel utilities and services at your old home and have them installed at your new home.

### **Two weeks before the move**

- Arrange to transfer all of your bank accounts to new branch locations.
- Make any special arrangements to move pets.
- Consult your veterinarian about how to make moving easier for your pet.
- Make arrangements for new telephone service.
- Cancel any direct deposit or automatic payment arrangements on bank accounts you are closing.
- Cancel delivery services.

### **One week before the move**

- Transfer all medical prescriptions to a pharmacy in your new location.
- If you will need a babysitter, make a booking before moving day.
- Return library books and videotapes.

### **Two or Three days before the move**

- Defrost your refrigerator and freezer.
- Have the movers pack your shipment.
- Arrange to have cash, a certified cheque, or money order ready to pay the driver on delivery day.
- Set aside valuables and legal documents to go with you, not in the van.
- Pack clothing and toiletries to go with you, take a day or two's extra clothes in case of delay.
- Pack your first-day handy items box (see "Delivery Day") to go with you.

### **Moving Day**

- Do-it-yourself movers should pick up the truck early.
- Make a list of every item and box loaded onto the truck.
- Let the mover know where you can be reached.
- Before you sign your agreement with the mover, read the conditions.
- Keep it in a safe place until your goods are delivered, charges are paid, and any claims are settled.
- Check your old house to make sure you've turned off water, appliances etc.
- Inspect basement, attic, garage.
- Be on hand to answer questions and give directions to the mover.



## Delivery Day

Assemble first-day handy items:

- Scissors.
- Utility knife.
- Coffee cups.
- Tea kettle.
- Paper plates.
- Toilet paper.
- Instant coffee, tea, soft drinks.
- Soap.
- Pencils and paper.
- Local phone book.
- Masking tape.
- Bath towels.
- Trash bags.
- Toiletries kit.
- Shelf liner.
- Check off all boxes and items as they come off the truck.
- Make sure the utilities are hooked up.
- Unpack kids' toys.
- Be on hand to answer questions, pay the driver, give direction and examine your belongings.

Things to Do - Tick When Completed.

Here's a final checklist of contacts to be made:

### Financial / Legal (notify in writing)

- Bank (Credit cards and children's accounts)
- Building society (Loan and savings accounts)
- Credit union
- Age / Invalid / Repatriation
- Pensions (Social Security / Repatriation Departments.)
- Public library

- Life insurance companies (quote policy no.)
- Property insurance company (contents quote policy no.)
- Car insurances company (quote policy no.)
- Any other insurance (children's accident, etc.)
- Hire purchase companies
- Credit cards (Diners Club, store accounts, etc.)
- Motor registration Branch
- Car registration
- Driver's license
- Electoral Office (address in telephone directory under Government section)
- Local police (if you have any driving summonses, etc. pending, or if you are to be a witness in a case, etc.)
- Shares & investments,
- Government bonds, etc.

### Personal / Social

- Employers
- Apprenticeship Commission if one of the family is apprenticed (quote apprenticeship number)
- Schools
- Kindergarten
- Primary
- Secondary
- Part time, evening and correspondence courses
- Other (when children change school, you may need an official transfer)
- Doctor
- Dentist
- Hospital (if you are an outpatient, etc.)
- Baby health centre
- Health fund
- Social clubs
- Children's activities (Scouts, Ballet, etc.)
- Sporting clubs (whether a player or a member)
- Neighbours

- Relations
- Friends
- Other

### Housekeeping

- Newsagent (with date last paper required)
- Electricity department
  - "off" at old address
  - "on" at new address
- Gas company
  - "off" at old address
  - "on" at new address
- Telephone (Contact Regional Sales Office)
  - "off" at old address
  - "on" at new address
- Post office (pay a monthly fee for redirected mail)
- Magazine subscriptions (anything received by mail)- save wrappers with reference numbers

Here's a good idea - make up a "Moving Notice" and photocopy enough for your requirements. It will save time writing letters. Here's a sample:

**WE ARE MOVING!!**  
**John & Mary Brown are leaving**  
**I Smith Street, Smithtown**  
**and will be at**  
**10 Brown Street**  
**BROWNSVILLE STATE 0000**  
**From 1st November**  
**New Telephone: (00) 0000 0000**



# kids and moving

Moving to a new home can be one of the biggest changes that a family can face, especially for young children, so it is important to take them into consideration. With sensitive planning these changes can be put into positive framework.

The following are a few points to take into consideration.

- Prepare your children for the move by giving them lots of information about the reasons for moving and letting them know what they can expect in their new home.
- Invite children to talk about their feelings with you.
- Listen to what they have to say and assure them that you understand.
- Avoid being over optimistic and insisting everything will be wonderful. Even if the new home is fantastic it may still take time for them to adjust.
- Try not to take it personally if your child is having trouble adjusting to the move and blames you for causing it.
- Try to explain that sometimes big decisions need to be made and some cannot be avoided.
- Provide emotional support and understanding.
- Share the feelings that you may have had during your childhood.
- Don't forget to share your feelings with someone, adults sometimes need support as well.
- Focus on the positive aspects of your new home, neighbourhood and community.

Remember, your local First National Real Estate consultant can provide information and contacts that will assist you to settle into your new area.

**Just ask.**



**1.** Buying a new house and planning a move may be as much stress as you think you can handle - but remember that it is likely to be a particularly trying time for your children as well.

**2.** Kids need time to get used to the idea of moving, so give them as much advance warning as possible. Provide them with as much information as you can about why the family is moving and what they can expect in their new home and suburb.

**3.** It's important to be positive and optimistic because your children's attitude will largely mirror yours. But don't insist everything is going to be wonderful. Even if the new house is fantastic, it may still take time to adjust.



# budget worksheet

*How much can you afford to pay each month / fortnight?*

Your Income		
	You (per fortnight / month)	Your partner (per fortnight / month)
Net salary /wages (after tax and super is taken out)	\$	\$
Regular overtime (after tax and super is taken out)	\$	\$
Part-time employment (after tax and super is taken out)	\$	\$
Commission (after tax and super is taken out)	\$	\$
Net rent received	\$	\$
Net interest / dividends	\$	\$
Other income (including business income, benefits)	\$	\$
<b>TOTAL</b>	<b>A \$</b>	<b>B \$</b>
TOTAL A + B = TOTAL C	\$	Transfer this total to C

## Your Expenditure

		(per fortnight/month)
Mortgage payments other than this loan	\$	
Rent or board (if applicable)	\$	
Credit card repayments	\$	
Hire purchase payments	\$	
Repayment of other loan(s)	\$	
Estimated motor vehicle expenses (fuel, maintenance, registration, insurance, etc)	\$	
Life assurance and superannuation payments	\$	
School and childcare fees / maintenance	\$	
Rates	\$	
Medical insurance	\$	
House and contents insurance	\$	
Other household expenses (estimate amount for gas, electricity and water; telephone, maintenance etc)	\$	
Food and clothing	\$	
Other living expenses (estimate amounts for gifts, travelling, entertainment, holidays, donations, subscriptions, etc)	\$	
Other expenses - give details	\$	
	<b>TOTAL D</b>	\$
Total fortnightly / monthly income (from above)	<b>TOTAL C</b>	\$
Less total monthly / fortnightly expenses (from above)	<b>TOTAL D</b>	\$
<b>TOTAL MONTHLY / FORTNIGHTLY UNCOMMITTED INCOME</b>		<b>\$</b>

You would use this uncommitted income to make your mortgage repayments, but don't forget to allow yourself a sufficient amount for any unexpected expenses.



# purchase worksheet

## Potential deposit

Savings	\$	
Shares (approx. current value)	\$	_____
Other investments	\$	_____
Assets (approx. market value)	\$	_____
Other sources	\$	_____
<b>TOTAL AVAILABLE FOR CONTRIBUTION</b>	<b>\$</b>	<b>_____</b>

*Note: Combine savings, shares, etc. if this is a joint purchase.*

## The additional costs of buying a house

Valuer's fee	\$	_____
Solicitor's fee	\$	_____
Loan approval fee	\$	_____
Moving costs	\$	_____
New appliances or fittings	\$	_____
Bonds or establishment fees you may have to pay		
Electricity	\$	
Gas	\$	
Telephone	\$	_____
Other	\$	
Lump sums you may have to pay when you move in		
Insurance		
House	\$	_____
Contents	\$	_____
Mortgage Protection	\$	_____
Mortgage Insurance	\$	_____
Rates	\$	
Other	\$	
Urgent maintenance or repairs	\$	_____
Other	\$	
Real Estate agent fees (if you are selling a house and buying another)	\$	_____
<b>TOTAL ADDITIONAL COSTS</b>	<b>\$</b>	<b>_____</b>

*Note: You can add these costs to the amount you borrow.*



# abbreviations

*What are the ads in the real estate pages really saying?*

<b>Ac</b> - air conditioning	<b>grge</b> - garage	<b>pol flr</b> - polished floor
<b>Alc</b> - alcove	<b>ghws</b> - gas hot water service	<b>posn</b> - position
<b>Bi</b> - built-in	<b>htr</b> - heater	<b>qual</b> - quality
<b>Bir</b> - built-in-robe	<b>include</b> - including	<b>rec</b> - recess
<b>bics</b> - built-in-cupboards	<b>ingr pl</b> - in-ground pool	<b>ren</b> - renovated
<b>br</b> - bedroom	<b>int</b> - interest	<b>rend</b> - rendered
<b>bt</b> - brick walls with tile roof	<b>intl</b> - internal	<b>rc</b> - reverse cycle
<b>ctl</b> - cement tile	<b>kit</b> - kitchen	<b>rf</b> - roof
<b>cnr</b> - corner	<b>k'ette</b> - kitchenette	<b>rm</b> - room
<b>crm</b> - cream	<b>lge</b> - large	<b>row</b> - right of way
<b>crpt</b> - carpet	<b>l/fitt</b> - light fittings	<b>sc</b> - self-contained
<b>cpds</b> - cupboards	<b>liv</b> - living	<b>shwr rcs</b> - shower recess
<b>dep</b> - deposit	<b>Inge</b> - lounge	<b>sgle fr</b> - single fronted
<b>det</b> - detached	<b>ldr</b> - lounge dining room	<b>s'out</b> - sleepout
<b>din rm</b> - dining room	<b>lug</b> - lock up garage	<b>spac</b> - spacious
<b>dbl</b> - double	<b>mais</b> - maisonette	<b>tc tile</b> - terracotta tile
<b>dbl fr</b> - double fronted	<b>mstr</b> - master	<b>t'out</b> - throughout
<b>dbr</b> - double bedroom	<b>mtge</b> - mortgage	<b>tld rf</b> - tiled roof
<b>elf</b> - electric light fittings	<b>oil/htr</b> - oil heater	<b>tmbr</b> - timber
<b>elhws</b> - electric hot water service	<b>ofp</b> - open fire place	<b>tf</b> - timber frame
<b>encl</b> - enclosed	<b>ono</b> - or nearest offer	<b>TT</b> - Torrens Title
<b>estab</b> - established	<b>oyo</b> - own your own	<b>umr</b> - under main roof
<b>ext</b> - external	<b>ophws</b> - off peak hot water system	<b>ven blds</b> - venetian blinds
<b>fib</b> - fibro cement	<b>OS</b> - Old System Title	<b>vp</b> - vacant possession
<b>fitts</b> - fittings	<b>Osp</b> - off street parking	<b>wc</b> - water closet
<b>fl covs</b> - floor coverings	<b>ped bsn</b> - pedestal basin	<b>wi pant</b> - walk-in pantry
<b>f/furn</b> - fully furnished	<b>pa</b> - per annum	<b>ww</b> - wall to wall
<b>f tld</b> - fully tiled	<b>p mth</b> - per month	<b>wb</b> - weatherboard
<b>gi</b> - galvanised iron	<b>p wk</b> - per week	<b>wi</b> - wrought iron



# glossary of terms

<b>Adjustment</b>	The apportion between buyer and vendor of expenses like council and water rates.
<b>Allotment</b>	A lot or block subdivided from a larger portion of land.
<b>Amortisation period</b>	The number of years it will take to repay a home loan completely. Maximum amortization period is usually 25 years.
<b>Appraised value</b>	An estimate of the value of the property offered as security for a home loan. This appraisal is done for financial lending purposes and may not reflect the actual market value.
<b>Assets</b>	What you own.
<b>Auction</b>	Sale of a property in public to the highest bidder.
<b>Breach of contract</b>	Breaking the terms of a contract.
<b>Brick veneer</b>	A system of building in which a structural timber frame is tied to a single brick external wall.
<b>Bridging finance</b>	A short-term loan, usually at a higher rate of interest, taken out by people who have bought a house while waiting for theirs to be sold, or when a normal mortgage and their savings fall below the asking price.
<b>Building regulations</b>	Designed to uphold the standards of public safety, health and construction, these regulations are in place and have been formulated by local councils to control the quality of buildings.
<b>Caveat</b>	Is a document any person with a legal interest in a property can lodge with the Titles Office to ensure the property is not sold without their knowledge.
<b>Caveat Emptor</b>	Latin for 'Let the Buyer Beware.' This puts the burden onto the buyer to be satisfied with the item before purchasing a property.
<b>Certificate of Title</b>	Legal proof of ownership of a property, carrying the owner's name and other information.
<b>Chattels</b>	Chattels are personal property. There are two types. Real chattels are buildings and fixtures. Personal chattels are clothes, furniture, etc.
<b>Cluster housing.</b>	Detached group of houses which share open space.
<b>Cluster Title</b>	Each Cluster Title holder has a Certificate of Title which specifies ownership in terms of a particular area for which the owner is responsible and defines the common property. Unlike a Strata Title, it does not subdivide 'airspace.'



<b>Commission</b>	Fee payable to real estate agent for selling a property, by the person authorising the sale. Usually a percentage of the sale price.
<b>Common property</b>	Areas in strata-title properties shared by all owners.
<b>Company Title</b>	This title applies when owners of flats in a block form a company. Each has shares in the company which owns the land and buildings. The owner of the shares is entitled to exclusive occupation of a flat. However, if you want to alter occupancy in any way, you must have the company's approval to do so. See your solicitor before buying.
<b>Contract Note</b>	The first document signed on buying a house is sometimes a Contract Note, instead of a Contract of Sale. This document when signed by both parties is a legally binding as a Contract of Sale and the buyer and seller should treat it with the same importance. It must be accompanied by a Vendor Statement.
<b>Contract of Sale</b>	Written agreement setting out the terms and conditions of a property sale.
<b>Conveyancing</b>	Legal process of transferring the ownership of a property from one person to another.
<b>Covenant</b>	Conditions affecting the use of land or property written into the title.
<b>Deposit</b>	Usually 10% of the purchase price of a property placed in trust as evidence of intention to buy. Non-refundable after exchange of contract, the deposit goes towards the purchase price when the sale goes through.
<b>Easement</b>	A right held by someone to use land belonging to someone else for a specific purpose. Mains, drains and water pipes are usually covered by an easement.
<b>Encroachment</b>	When a building overhangs someone else's property, or a fence is built over the dividing line between two properties.
<b>Encumbrance</b>	An easement, mortgage, or other liability on a property which impedes its use or transfer.
<b>Equity</b>	The difference between the market value of the property and any loans that are outstanding on the property.
<b>Exclusions</b>	Any item that is specifically not included in the sale. e.g. An above ground pool, garden shed, etc.
<b>Flat interest rate</b>	Is calculated on the original amount of the mortgage for the whole term of the loan.
<b>Freehold</b>	An owner's interest in land where the property and the land on which it stands both belong to their owner indefinitely.
<b>Gazumping</b>	If someone has agreed to sell you a property and then sells it to someone else for a higher price, you have been gazumped!
<b>General Law Title</b>	Old, complicated form of land ownership in form of chain of documents. Can be more than 100 years old and of historic interest.
<b>Inclusions</b>	Lights, curtains, blinds, ceiling fans, airconditioning units, flyscreens, TV antenna, dishwasher, rangehood, stove, fixed cupboards, clothes hoist or any other removable item that the vendor has agreed will be included in the sale.

<b>Interest-only loans</b>	Loan on which interest only is paid periodically and the principal paid at the end of the term.
<b>Inventory</b>	List of items included with a property for sale; usually furniture, furnishings and other removable items.
<b>Investment</b>	The purchase of an asset, such as real estate, with the ultimate goal of producing capital gain on the resale of the asset.
<b>Joint tenants</b>	Joint Tenancy is the equal holding of property by two or more persons. If one person dies, their share passes to the survivor/s.
<b>Land tax</b>	Value-based levy applied to some property (exemptions include principal place of residence).
<b>Lease</b>	A document granting possession of a property for a given period without conferring ownership. The lease document specifies the terms and conditions of occupancy by the tenant, including period of occupancy, rent payable, etc.
<b>Leasehold</b>	The interest in land of a person who owns a lease granted by a freeholder.
<b>Liabilities</b>	Your outstanding debts or what you owe.
<b>Limited Title</b>	Form or Torrens Title which applies to a property before it has been adequately surveyed.
<b>Maturity date</b>	The last day of the term of the home loan agreement. The home loan must then be paid in full or the home loan agreement renewed.
<b>Mortgage</b>	Legal agreement on the terms and conditions of a loan for the purpose of buying real estate.
<b>Mortgagee</b>	One who lends the money for the property.
<b>Mortgagor</b>	One who borrows the money to purchase property.
<b>Multiple listing</b>	System of selling the property through many agents.
<b>Offer to purchase</b>	A formal legal agreement which offers a specified price for a specified property. The offer may be firm (no conditions attached) or conditional (certain conditions apply).
<b>Old System Title</b>	Another old form of land title and also known as Common Law Title. Automatically converted to Torrens Title on the sale of a property.
<b>Option to Buy</b>	Legal agreement giving the buyer the right to purchase property at an agreed time and price.
<b>Option fee</b>	Usually one percent of price, is payable and forfeited if buyer does not go through with the transaction.
<b>Party Wall</b>	Wall separating two adjoining buildings and normally straddling the boundary.
<b>Plan</b>	This shows the ground plan design, elevation of house, number and size of rooms, kitchen, bathrooms and laundry layout, position of the house on the land.
<b>Principal</b>	The actual amount of money that has been borrowed to buy a property.
<b>Private Sale</b>	The seller does not engage an estate agent but acts on his own behalf, dealing directly with the buyer.
<b>Private Treaty Sale</b>	Sale of property via an agent through private negotiation and contract.
<b>Qualified Title</b>	Applies to some Old System Titles converted to Torrens Title which may not have been fully investigated.
<b>Real Property</b>	Land, with or without improvements.
<b>Requisition of Title</b>	The process in which the buyer of a property asks for written information about the title to a property from the vendor in addition to that supplied in the Contract of Sale.
<b>Reserve price</b>	Price below which an owner is not prepared to sell at auction.
<b>Right of Way</b>	Right of access across a property.
<b>Rise and Fall Clause</b>	This clause would be contained in a building contract. It provides for an upward or downward contract price dependant on movement of prices, wages or other factors specified.
<b>Security</b>	Property offered as backing for a loan. In the case of home loan money usually acts as the security.
<b>Semi-detached</b>	Two buildings joined by a common wall.



<b>Settlement</b>	Completion of sale when balance of contract price is paid to the vendor and the buyer is legally entitled to take possession of the property.
<b>Sole agency</b>	One agent or agency has the exclusive rights to sell a property.
<b>Stamp duty</b>	A State Government tax imposed on the sale of real estate. It is determined by the sale value, and it varies between states.
<b>Strata Title</b>	Most commonly used for flats and units, this title gives you ownership of a small piece of a larger property including 'air space'. You have sole right to a particular unit and can lease, sell or legally dispose of your unit as you desire. You also have an undivided share of the common land. You also become a member of the Body Corporate which controls maintenance.
<b>Stratum Title</b>	This title gives you legal ownership over a piece of property and also gives you a share in the company set up to look after the common areas of the flats or units you live in. It does not include 'air space'.
<b>Survey</b>	Confirmation of the property boundaries and improvements.
<b>Tenancy in Common</b>	Tenancy in Common is the holding of property by two or more persons, either equal shares or unequal shares. If one person dies, the property is dealt with in accordance with the law.
<b>Term</b>	The time length of a home loan. Payments made may not fully repay the outstanding principle by the end of the term because the amortisation period is longer. For example, a Fixed Rate Loan might have a five year term, but it will take 20 years to repay the loan completely. When a term expires, the loan is renegotiated.
<b>Title search</b>	The process of examining the land title to ensure the vendor has the right to sell and therefore transfer ownership. A title search details the names of the owners and other information about the property such as encumbrances or caveats on the title.
<b>Torrens Title</b>	System of recording ownership of property, also known as Certificate of Title. Most common and simplest form of title to property.
<b>Town house</b>	Two storey attached building, usually Strata-Titled.
<b>Transfer</b>	Document registered in the Land Titles Office recording change of ownership of a property.
<b>Unencumbered</b>	Property free of covenants or other restrictions.
<b>Valuation</b>	Assessment of the value of a property given in a written report by a registered valuer.
<b>Variable rate loan</b>	A home loan for which the interest rate changes as the money market changes. The payment remains the same, however the amount applied to reduce principal changes according to change in interest rate.
<b>Vendor</b>	Person offering a dwelling for sale.
<b>Vendor Statement</b>	Statement setting out particulars of the property, made by the vendor.
<b>Villa</b>	An attached dwelling usually single storey.
<b>Zoning</b>	Control of the use of land exercised by local authorities or the responsible planning authority.





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