

General Buying Tips



- Understand the market:
 - A **buyer's Market** is characterised by properties taking longer to sell, more people wanting to sell than buy, prices are stable or sometimes they fall and buyers often dictate the selling price.
 - A **Seller's Market** is characterised by properties selling quickly, more people want to buy than sell, prices usually rise, sellers may receive offers from more than one buyer at once and sellers gain prices closer to the list price
 - A **Balanced Market** is characterised by properties selling in a reasonable time frame, there are about the same number of buyers and sellers, prices are generally stable.
- It is compulsory to arrange a **pest inspection** when buying a property and this comes at the buyer's expense.
- When you make your offer you will be required to put down a **cash deposit** to secure the property - this ranges from \$1,000 to 10% of the purchase price but is usually \$1,000 - \$2,000 in WA.
- You may be eligible for **government or local grants** so ask your finance broker or real estate agent for more information.



About Us



Unlike the name suggests, we don't sky-dive into appointments!

Brokers from Extreme Mortgages and Finance are a part of a team of Real Estate Professionals including settlement agents, property managers and real estate agents so the advice we give comes from a background of knowing all the ins and outs of property transactions.

We deal with over 40 different lenders including all the major banks so you not only get personalised service but you also get the best range of products.

What's more is you can enjoy special discounts and services from the other Extreme companies.



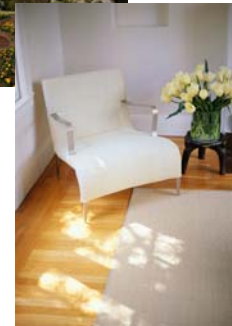
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Your Guide to Buying Established Property



Essential tips for
anyone
considering
buying a home or
investment
property in WA





Established homes have a real charm and character to them. They can often offer excellent value in comparison to building or buying new.

Buying property is exciting and life changing. Property brings you a home as well a wonderful investment but the process of buying can be daunting.

This easy to follow brochure will help you through the process whether you are upgrading, investing or buying your first home.

1. Research

- The first step, naturally, is to work out what you are looking for in a property so you can **narrow down** which areas you spend time researching. Ask yourself:
 - Is a big backyard important?
 - How far from work is acceptable?
 - Is being close to the coast important?
 - Is it important to have a relatively new house?
- **Drive through the area** you are looking at to get an idea of its layout and where you most want to buy within that suburb.
- Engage with a **local Real Estate Agent** to find out what he/she has for sale and what properties are soon to be listed.
- Use sites like **www.realestate.com.au** to broaden your view of what's available.

2. Finance: Get a Preapproval

- Find out your **borrowing capacity, loan repayments** and required **deposit** - this quickly clarifies your options and helps you decide what you do and do not want to commit to. Your search will become easier once you have arranged your finance.
- You could go directly to a financial institution such as a bank or credit union to make a home loan application. The reality is that they will only be able to provide you with their own home loan option which may not suit your needs best. Given the number of home products on the market, and for a more **personalised service**, you would be better off talking with a **mortgage broker**.
- Preapprovals are a great way to give yourself **peace of mind** knowing that a lender will fund your purchase. Also, they position you well to **negotiate a good price** with Real Estate Agents as they will see you are a genuine and eligible buyer.
- If you are **upgrading**, you'll need to work out if you have to sell your old house first or if you can buy the new house while **retaining the old one** (this can be helpful because you won't have to rent somewhere while waiting to buy the new one).
- Again, if you are **upgrading** If you can't buy a new house while retaining your old one, **bridging finance** may be available to you. Or, you may be able to purchase the new house **subject to the sale** of your old house to achieve the same result.
- Your finance broker should also be able to recommend you a **settlement agent** (someone who sorts out all the legal stuff) so you are ready to make your offer on the land.



3. Making an Offer

- Decide on an **offer price** and tell the agent who will then relay the offer to the seller who will either **accept, decline or make a counter offer**.
- If your offer is accepted, you will be required to write up an **"Offer and Acceptance"** with the Real Estate Agent - this is a legally binding contract.
- Unless you are making a cash offer (you do not need a loan) you will need to make the offer **subject to finance** - 21 days is a normal amount of time to allow for finance, and this is a key date in the contract.
- Other things you may want to include as **conditions** on your offer are:
 - Subject to a building inspection
 - Subject to a termite inspection
 - Subject to simultaneous settlement of another property (eg one that you are selling)

4. Settlement

- Settlement is when the property **legally becomes yours** and you get the keys - the fun part!
- Most people use a **settlement agent** to arrange for the transfer of the property from the seller's to the buyer's name. Once finance is approved, they will work to make sure **everything runs smoothly** at settlement.
- A usual **time frame** to write on the Offer and Acceptance for settlement to occur is "21 days from formal finance approval".