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## THE GUIDE TO BUYING A HOME

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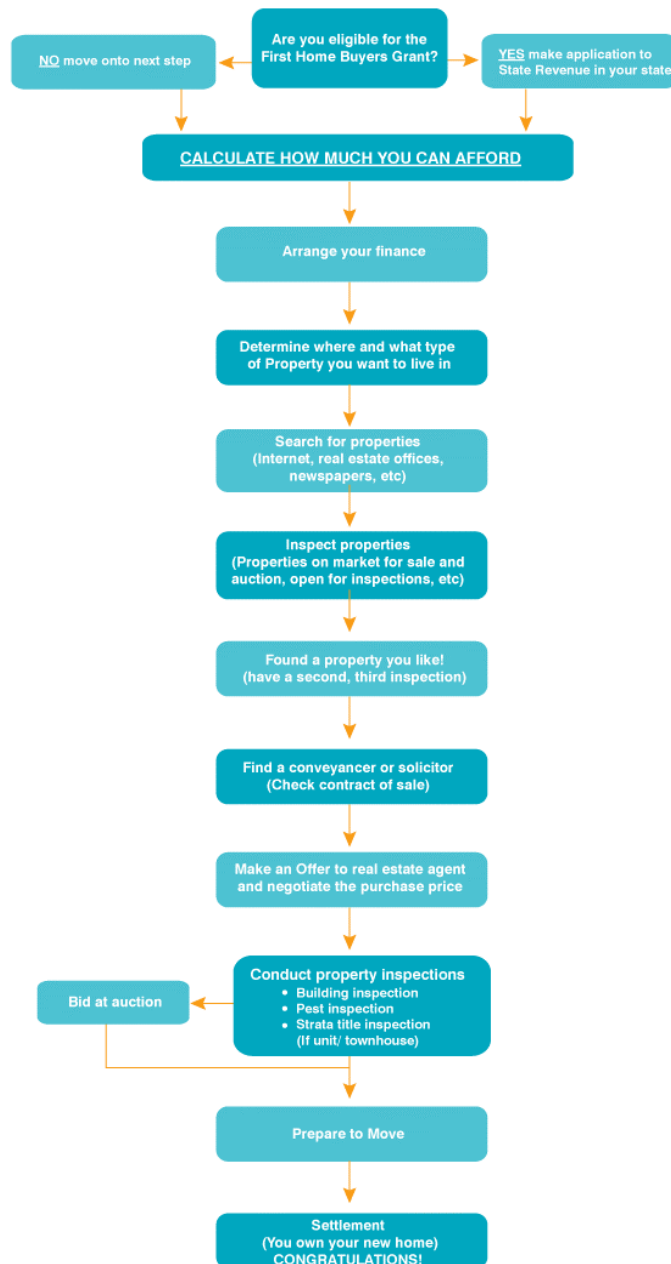
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## THE GUIDE TO BUYING A HOME

### Step 1 - Getting Started

Buying a home is not an activity you do everyday, so we want to make it easy for you to understand the process of how it works and to give you some tips to make your journey easier. The flowchart below provides you with an overview of the buying process:





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## First Home Buyer's Grant

This section is only relevant for first home buyers. If you are not a first home buyer you may wish to skip this step and go straight to step 2 – What can I afford to buy.

If you are a first home buyer, we need to work out whether you are eligible for the First Home Owners Grant (FHOG). This is a tax free grant from the Federal and State Governments of up to \$7,000 to give first home buyers a helping hand in buying a home.

To check your eligibility for the grant, you will need to answer the 7 questions below:

Insert same functionality as per the first home buyers kit to test the eligibility

If you answered **Yes** to **all** the questions, you may be entitled to receive the FHOG, subject to the decision being made by the Commissioner of State Taxation. However, if question 3 was your only **No** answer, you may still be **eligible** to receive the grant and you should still apply.

If you answered **No** to **any** of the questions (except for question 3), you are **not** eligible for the FHOG. Sorry!

If you are eligible for the FHOG you will need to fill out an application form. Select the state in which you will be buying your home below to find the application form and lots more info!

|            |  |
|------------|--|
| <b>NSW</b> | <a href="http://www.osr.nsw.gov.au">www.osr.nsw.gov.au</a>           |
| <b>QLD</b> | <a href="http://www.osr.qld.gov.au">www.osr.qld.gov.au</a>           |
| <b>VIC</b> | <a href="http://www.sro.vic.gov.au">www.sro.vic.gov.au</a>           |
| <b>ACT</b> | <a href="http://www.revenue.act.gov.au">www.revenue.act.gov.au</a>   |
| <b>SA</b>  | <a href="http://www.revenuesa.sa.gov.au">www.revenuesa.sa.gov.au</a> |
| <b>WA</b>  | <a href="http://www.dftf.wa.gov.au">www.dftf.wa.gov.au</a>           |
| <b>NT</b>  | <a href="http://www.nt.gov.au">www.nt.gov.au</a>                     |
| <b>TAS</b> | <a href="http://www.treasury.tas.gov.au">www.treasury.tas.gov.au</a> |

For a **step by step** guide for this process, review the First Home Buyers Kit at [www.HowMuchCanYouBorrow.com.au](http://www.HowMuchCanYouBorrow.com.au) (click on the 'research' heading).





## Step 2 – What Can I Afford to Buy?

Knowing your financial position will help you determine how much you can borrow, so you can start setting realistic expectations in terms of what house you can look at potentially buying.

If you want to find out how much you can borrow, click on the link below:

- [Buying my first home](#)
- [Buying a new home](#)
- [Refinancing my current home](#)
- [Investing in a property](#)

Don't forget to factor in the cost of legal fees and various property inspections (e.g. building, pest, strata) which may cost you an extra \$2,000 to \$3,500 (costs will vary depending on your individual circumstances).

## Step 3 – Arranging Your Finance

Choosing the right mortgage can be daunting due to the large number of different products available. It is important to do lots of research before you choose your lender and if necessary seek advice from a financial expert.

There are two options available to you in organising your finance. You can apply directly to the financial institution or you can use a mortgage broker to help you through the process.

Most of the financial institutions apply different criteria in assessing how much they will lend you and what interest rates they charge. It is important to shop around to make sure you get the mortgage that suits your financial needs.

In order to apply for a mortgage you must be over 18 years of age and have a regular income to meet the loan repayments. The maximum term to repay your mortgage is generally 30 years for a home loan and 25 years for a residential land loan. Repayment options are usually on a weekly, fortnightly or monthly basis. The more frequently you make mortgage repayments, the lower the interest cost will be and the sooner your home loan will be repaid.





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## Banks, Building Societies and Other Financial Institutions

There are many banks, building societies and other financial institutions that offer mortgages. You can find a list of mortgage providers in the business section of any of the major newspapers, specialist mortgage magazines and on the internet.

Most institutions will come to your home or office for an appointment or you can get information online or over the phone. Alternatively you can make an appointment to see your banks manager.

When searching for a finance provider, it's great to compare what Home Loan providers are offering before you sign on the dotted line to ensure you get the best deal available. Create a comparison sheet like this:

| Bank        | Loan                | Rate Type | Interest Rate | Comparison Rate | Fees | Minimum Redraw Amount | Repayment Frequency  | Repayment Type | Lump Sum Prepayments Allowed | Portable (if you move) |
|-------------|---------------------|-----------|---------------|-----------------|------|-----------------------|----------------------|----------------|------------------------------|------------------------|
| Sample Bank | Mortgage Simplifier | Variable  | 6.9%          | 6.9%            | \$0  | \$1                   | Fortnightly/ Monthly | Interest Only  | Yes – No Fees                | Yes                    |
|             |                     |           |               |                 |      |                       |                      |                |                              |                        |
|             |                     |           |               |                 |      |                       |                      |                |                              |                        |
|             |                     |           |               |                 |      |                       |                      |                |                              |                        |

## Brokers

If you find it difficult to understand the many different products available, or you don't have time to do the research, consider using a mortgage broker to do all the work for you.

Mortgage brokers are financial experts who act as a 'middle-man' between you and the mortgage provider. They understand the differences between the various finance options available to you and have the expertise to assess the best products to suit your needs. They also do the 'running around' for you saving you lots of time.

Mortgage brokers **don't charge** fees, as they get paid a commission from the lender when borrowers take up a home loan that was recommended to them. You will usually meet with a broker face to face. It's a good idea to ask friends or colleagues for a recommendation when looking for a mortgage broker.

Ensure that the broker you choose is accredited with the MFAA (Mortgage and Finance Association of Australia).





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## Common Home Loan Types

Most mortgage providers offer the following five types of home loans:

- 1. Honeymoon rates home loan** Discount introductory mortgage rates which, after a certain period (normally 6-12 months), revert back to a variable rate home loan
- 2. Basic variable rate home loan** A lower rate than the standard variable rate, but some features are not available or you need to pay to use them, such as a redraw facility
- 3. Standard variable rate home loans** A higher rate than the basic variable rate, but with more features with either lower or no fees
- 4. Fixed interest home loans** A fixed rate of interest over a period of time, which will usually revert back to a standard variable rate home loan after the nominated term
- 5. Line of credit** A loan where you borrow to a ceiling amount and you can pay down and draw back up to that ceiling amount

## Fixed V's Variable

**Fixed Interest Home Loan** – The interest rate is fixed (doesn't go up or down) over a set period of time, usually for between one to five years. If interest rates increase, you will be protected from these rises. However, if they decrease you will not enjoy the benefits of lower rates. A fixed rate provides you with certainty as to what your repayments are each month, which can help with budgeting.

Generally, a fixed interest home loan is less flexible (eg. You can't redraw any extra repayments you've made) and have charges for early repayment. Your mortgage repayments are determined by the amount borrowed, the term of your home loan, frequency of the repayment and the interest rate.




**Variable Home Loans** – The interest rate goes up and down depending on the rates determined by the Reserve Bank of Australia. So your mortgage repayments will rise and fall depending on movements in the interest rate. They often allow greater flexibility than a fixed loan, by offering such things as a cheque book, a redraw facility (allows additional repayments made on a loan to be accessed, or drawn on by the borrower, at any time) and to make extra lump sum mortgage repayments.

If you are unsure whether to go with a fixed or variable rate loan, you should seek professional advice before you make a decision. You should also consider taking a **split loan** whereby a portion of your loan is fixed and the rest is variable. If you choose this option check to see if there are any extra costs involved.





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## Applying for a Home Loan

Your mortgage provider will give you the application forms to complete. Generally they will require you to provide a range of documents to support your home loan application (see page 18 for a list of documents you may require 'Application Checklist for a Home Loan').

If you are using a mortgage broker, they will complete the application forms for you and tell you what documents are required to support the application.

Once you have decided which mortgage product you want, it is a good idea to apply for the mortgage to become "pre-approved" for a loan. Pre-approval means the bank is prepared to lend you up to a certain dollar amount. This enables you to conduct your property search with the knowledge and comfort of how much you can spend to buy your dream home.

## Step 4 – What to Buy and Where to Live?

### Choose Property Type

Now that you have an idea of your financial situation, the next step is analysing what kind of property you require and where you want to live. In determining the type of property you want, identify the most important things you want from your home to narrow down your search. Consider the following points:

- Do you want to live in a house, semi-detached house, terrace, townhouse or unit?
- Do you want to live on a large block of land or a smaller, lower maintenance block?
- How many bedrooms do you need?
- How many bathrooms do you need?
- Do you require off street parking? If so, how many spaces?
- Do you want a new or renovated home or are you happy to live in an older run down home with potential
- Do you want any other special features such as a pool, or landscaped gardens, etc?

Once you have decided what type of property you want, you then need to work out where you want to live.

### Choose Location

It is a good idea to choose 2 or 3 Suburbs that suit you and your family's needs. Things to consider:

- Is it close to transport, schools, shopping, entertainment, parks, beaches, the city, sports facilities, etc?
- Do you need to live close to family for support?
- Do you want to live in the city or in the bush?
- Do you need to compromise on the type of property you want so that you can afford to live in that suburb?



**Summary**

By now you should have a clear idea of what you and your family are looking for in your new home. Write your answers in the box below:

|                      | Example list   | Your List  |
|----------------------|--|------------|
| <b>Price Range</b>   | Maximum \$500,000                                    | Maximum \$ |
| <b>Property Type</b> | House  |            |
| <b>Location</b>      | Albion Park, Oak Flats, etc                          |            |
| <b>Require</b>       | 4 bedrooms, 2 bathrooms, double garage & study       |            |
| <b>Luxuries</b>      | Large kitchen, entertaining area, swimming pool, etc |            |

Now here comes the fun part...

**Step 5 – Search for your Dream Home**

Once you know what you want to buy, you can begin your search for your home. Most people selling their homes will advertise on the internet and in the newspaper, so this is usually the best place to start.

**Internet Advertising**

This is the most convenient way of finding your property. There are several websites that carry details of properties for sale where you can type in your requirements and your price range and search for properties online. You can also sign up for email alerts, so when a property that matches your criteria is advertised it will notify you by email immediately, so you can act quickly.

**Newspaper Advertisements**

The major and local newspapers contain listings of properties for sale and auction. Find out which papers have the detailed property section and which days they appear in the paper.

**Real Estate Agents**

Many real estate agents display their properties for sale in their office. So it's a good idea to make contact with the agents in your desired suburb, and let them know what you are looking to buy and ask if they have any properties that match your requirements. Even if they don't have any, ask them to let you know when a property comes onto the market that matches your criteria.



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## Step 6 – Inspecting Properties

Most properties that are for sale will have set open for inspection times where potential purchasers can inspect the property. These times will be displayed in the advertisements. If the property you want to inspect does not specify a time, call the agent to arrange a time to inspect the property.

### Take a Checklist

You are likely to visit a number of properties before you find your ideal property, so it's a good idea to take a checklist with you so you can remember all the details of the house (see page 19 for an example checklist to take with you 'Property Buyer's Checklist').

When you return home, **compare** the lists of the properties and analyse these questions:

- What is the street and neighbouring properties like
- What is the overall condition of the home?
- Number of bedrooms and size?
- Number of bathrooms?
- Natural light, does it get sunshine?
- Will my furniture fit?
- Will I need to do much work on the property?
- Is there room to extend the house?
- Is there any signs of structural damage (cracks in walls, etc)
- Is there a musty smell? (this indicates that there's rising damp or water damage)
- What are the neighbours like? (You could go and meet them, if you are too shy...have a look at the way they maintain their gardens by peeping over the back fences!)
- What is the council zoning for the block? (that will impact what can and can't be done to the land and the property)

Be careful not to fall in love with the property just because it's nicely furnished and feels very welcoming. Look at the overall features of the house and its location. It's a good idea to take along a friend or family member, as they may be able to spot problems that you do not see.

When you have found a property you are really interested in, visit it at *different times* of the day/night and week so you can gauge traffic and noise levels, natural light and the amount of sun on the property.

### Found a Property you Like

CONGRATULATIONS! After all your hard work and perseverance you finally found your dream home. There are still a few very important steps to follow before you can actually make it yours!

### Second Inspection

It's best to have several inspections of the property before making an offer. Go and measure the rooms to make sure your furniture fits, look in cupboards, etc. When you are happy that the property will meet your needs, you can start thinking about making an offer, but before you do....





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## Step 7 – Find a Conveyancer/Solicitor

Before you make an offer, it is a good idea to appoint a solicitor or conveyancer to help you with the conveyancing process. Conveyancing is the process where a property is transferred from one party to another and is generally done by a solicitor or conveyancer, although some people do it themselves (DIY).

### Solicitor

Solicitors can provide you with a wide range of legal advice in addition to your conveyancing needs and are generally the most qualified people to give you advice. However they do tend to cost more and you can expect to pay anything from \$400 to upwards of \$1,500, depending on the circumstances of your particular property transaction.

### Conveyancers

Conveyancers are licensed to provide the same conveyancing services as solicitors, but can only give legal advice relating to property. They are usually cheaper than solicitors, with their charges ranging from \$600 to \$1,000 (although their costs will vary depending on the circumstances of your particular property transaction).

### Do-It-Yourself

For those who like to be 'hands on' there are DIY conveyancing kits on the market that are suitable for both buying and selling a home, and for auction and private treaty sales. These kits provide a step-by-step guide to conveyancing, and some offer a telephone support service to assist you. You can save money by doing it this way, but if you need legal advice it won't be available (unless you appoint a solicitor or conveyancer). DIY conveyancing kits range from about \$90 to \$150.

### Check Contract of Sale

Once you have selected your conveyancer or solicitor, ask your real estate agent for a copy of the contract of sale and have them review the document.

A contract of sale is a legal contract that usually includes:

- Details of the property for sale and its inclusions
- A copy of the certificate of title to the property
- A zoning certificate from the local council
- A sewerage diagram
- Copies of documents relating to other registered interests over the property settlement details




The contract of sale involves the exchange of a property from the vendor to the purchaser for an agreed upon value in money.

Your solicitor/conveyancer will explain the contract to you and may recommend some changes that need to be made to the contract. They will also highlight the risks associated with signing the contract.





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## Step 8 – Negotiating and Making an Offer

You will need to submit an offer to your agent who will then pass your offer onto the vendor (the person selling the home). The vendor may choose to accept the offer or negotiate with you by way of a counter offer. An offer is not legally binding on both parties until the buyer and seller have agreed on a price and then signed the contract of sale.

It is important to be aware of the following:

- The real estate agent will submit all offers to the vendor
- The property remains on the market while the vendor considers all offers (just because your offer is the first one submitted, does not necessarily mean that it will be accepted)
- Your offer may include a date by which it will lapse if not accepted
- An offer can be made subject to meeting certain conditions. For example - subject to finance or the sale of an existing property or another consideration such as a builder's inspection
- You can make your offer conditional on certain items being included or excluded from the contract such as an extended settlement period or lower deposit amount. Any special conditions such as these must be written into the contract

Use the negotiation process to discuss and include changes you may want to make to the contract. Ensure that you advise your solicitor so that the contract can be altered to reflect the agreed changes.

### Paying the Initial Deposit

Once the vendor has agreed to your offer, you will often be asked to pay an initial deposit (usually \$500) as a 'good will' gesture. Deposits vary depending upon which state your home is in.

The real estate agent will advise the vendor's solicitor/conveyancer of the purchase price and your details. They will enter in the all parties details and prepare the contract ready for all parties to sign and exchange.

### Warning:

**Just because you have paid an initial deposit does not mean that you own the home. You can still be gazumped (which is when another buyer comes in and purchases the property for a higher price than what you have offered). You own the property only when you have signed, exchanged contracts and have paid the minimum deposit required under the contract.**





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## Step 9 – Conduct Building Inspection

Whilst the contracts are being prepared, you may want to have several property inspectors check the property you intend to buy to provide you with a detailed report of the property. Your solicitor or real estate agent will be able to refer you to professionals who can do these property inspections.

They will likely cost you from \$200 to \$600. **Don't** skip the inspections because you're worried about the cost. In the long run, the inspections may save you a lot of money. Ensure that the companies you choose are fully licensed and insured.

If you discover problems with the property (e.g. rising damp, white ants, sinking foundations) and you are still interested in buying the property you can ask for a reduced price, or ask that the problems be rectified. Alternatively, you may decide not to purchase the property because of the extra cost of fixing the problems.

### Building Inspection

A qualified building inspector will check the interior and exterior of the building, including the roof, sub-floor (if accessible), fences and garages. Some of the things he/she will be looking for are:

- Cracks in interior and exterior walls
- Structural defects
- Presence of asbestos
- Electrical or plumbing faults
- Ventilation, damp
- Drainage problems
- Conditions of windows, carpets, walls, fittings etc.

But remember that a building inspector, no matter how good they are, won't find all the potential faults with a property – especially if they cannot access certain areas.

### Pest Inspection

A pest inspector will check the property for signs of damage by borers and termites, and assess the extent of the damage. There may be evidence of live termites/borers or past damage. The inspector may be able to give you advice on how to get rid of the pests and the cost, as well as any other ongoing problems that it may present.

### Strata Title Inspection (if buying a unit or townhouse)

A strata report will provide you with the following information:

- Whether or not the strata scheme is adequately insured
- What the regular or special levies are
- What renovations and maintenance has been done
- Whether or not there is any evidence of building/structural problems that may be expensive to fix
- Whether or not the strata scheme has an adequate reserve of funds
- Evidence of how well the owners work together to maintain the property
- What the strata regulations are regarding items such as renovation, refurbishment or pet ownership

The strata titles are either managed by a professional independent strata services organisation, or by someone who lives on site in one of the other units/townhouses. You can ask your solicitor or conveyancer to do the strata inspection, or you could do it yourself if you feel comfortable doing this.





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## Step 10 – Buying at Auction

An auction is when prospective buyers come together and bid on a property, with the highest bidder being successful, subject to the bid exceeding the seller's reserve price (the lowest price at which a vendor is prepared to sell a property). Auctions can be very emotional, and it is important not to get swept away by the exciting atmosphere and offer more than you can afford.

### Before the auction

1. Speak to your mortgage provider to get a clear indication of your *maximum* limit
2. Get your conveyancer/solicitor to have a look at the contract you will sign if you are successful
3. Ask the real estate agent what form of deposit you need on the day and how much is required
4. Do your building and pest inspections on the property
5. Understand the terms and conditions of the auction

### Auction registration

Auction regulations vary from state to state, but generally you will be required to register with the agent selling the property and obtain a bidder's number. You will also need to show some form of identification (eg; driver's license). When the auction begins, you must display your bidder number each time you make a bid.

### How the auction starts

The auction will begin at the allocated time with the auctioneer welcoming people, and announcing that he or she will start the auction. Some details about the property will be read out such as the address and some of the key features of the property. The auctioneer will then ask for an opening bid. The vendor may make an opening bid to get the ball rolling.

### How to bid at auction

Once the auction is in progress you can make a bid at any time, either verbally or non-verbally, by raising your hand or nodding your head or displaying your bidder number.

The auctioneer normally informs people of the increments that you can bid on. At the beginning, it's not unusual for bidding to be made in \$10,000, or sometimes \$20,000 increments. When you feel like slowing the increments down, you can offer an increase of \$5,000 or less (e.g. \$1,000). However, the auctioneer can ask that bids be kept to a minimum increment. However, when bidding stalls, they will generally accept smaller increments.

### What happens when bidding stalls?

When bidding stalls, the auctioneer will consult the vendor to ask if the reserve price has been reached.

If the **reserve has been met**, the auctioneer will announce it is 'on the market' and bidding continues until it stalls. The auctioneer will then solicit final bids, repeating the highest bid. If there are no further bids he or she will say "Going once, going twice, going three times, sold!" and bring down his or her hammer on the word "sold". The property is then sold to the highest bidder.





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## Step 10 – Buying at Auction (Continued....)

When the **reserve is not met**, the crowd has one last opportunity to bid. If bidding stalls and there are no more bids then the house is considered to be passed in (not sold). If the house is passed in, the highest bidder usually has first opportunity to negotiate with the seller and the agent.

### What happens if your bid is successful?

As the successful bidder, you will be required to sign the contract and pay a deposit on the spot, usually 10% of the purchase price (however, you can negotiate with the seller to put down a smaller deposit prior to the auction).

Auctions automatically waive any cooling-off period. So be aware that once you sign the contract, if you do not continue with the purchase, you will lose your deposit. You may also be liable to the vendor for any costs they may incur as a result of you breaching this contract.

## Step 11 – Sign and Exchange Contracts

The process to exchange contracts is when you and the vendor both sign a copy of the contract of sale, and then physically swap contracts. It is at this point that the contract becomes legally binding. This process is completed by your agent, solicitor or conveyancer. Upon exchanging contracts, you will be required to pay a deposit.

Deposits vary depending upon which state your home is in. At this stage you are generally required to pay 10% of the purchase price. However, this is open to negotiation and can sometimes be reduced.

The deposit should be held in a trust account by the agent or solicitor for the mutual benefit of the buyer and seller. It is common for the interest earned on the deposit to be equally split between the buyer and seller.

### Cooling Off Period

In most states, there is a cooling-off period after the contracts have been exchanged. This means that the purchaser can change their mind and decide not to go ahead with the purchase. If you decide to withdraw for whatever reason, you must inform the vendor in writing, and the deposit will be returned.




However, the vendor may be entitled to retain up to 0.25% of the purchaser's deposit. This may vary depending on the type of purchase, the contract and the state/territory you are in. Cooling off periods can also be waived, reduced or extended by negotiation.

**There is no cooling off period when purchasing at auction in Tasmania and Western Australia.**





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## Step 12 – Get Ready to Move

After you have exchanged contracts and paid a deposit the property is about to become your home. You now have about 4-6 weeks before your house settles unless you agreed otherwise. So let's get organised and ready to move...

### Moving Checklist

For a guide on what to do a month before, week before, day before and thereafter...see page 21 for a 'Planning Your Move Checklist'.

### Removalists

The best way of finding a good removalist is to get a referral. Failing that, you can find a removalist via the internet or the Yellow Pages. Using the internet is a very quick and efficient way to research the range of services offered by each company.

Most removalists have a free online quote service, where all you have to do is enter all your details, and a quote will be emailed to you within 24 to 48 hours. You might want to get between 3 or 4 quotes before choosing a removalist.

### Day Prior To Settlement - Final Property Inspection

It is wise to visit the property for a final property inspection to make sure that it is clean and that all fixtures and fittings that were sold as part of the sale are still there e.g. dishwasher, TV antenna etc. If it's not in the contract of sale, don't assume it will be there when you move in! If there are any issues with the state of the house on final inspection, your solicitor/conveyancer may be able to help you resolve these issues. Make sure you resolve all issues prior to settlement.

## Step 13 – Settlement (Property Sold)

Settlement is when you pay the balance of the purchase price and you become the legal owner of the property. Make sure all your finances are in place and the banks are on track to meet your settlement date.

Once settlement is completed, your solicitor will contact the sellers agent to advise them to give you the keys to your new home! Relevant authorities will be notified about the change in ownership by your solicitor/conveyancer.

### Move In

Congratulations and welcome to your new home!!





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## Step 14 - Attachments, Documents & Checklists

| Income Checklist       |                       |                        |                       |
|------------------------|-----------------------|------------------------|-----------------------|
|                        | Gross Monthly Income* |                        | Gross Monthly Income* |
| <b>Applicant One</b>   |                       | <b>Applicant Two</b>   |                       |
| Base Income            | \$                    | Base Income            | \$                    |
| Regular Overtime       | \$                    | Regular Overtime       | \$                    |
| Second Job Income      | \$                    | Second Job Income      | \$                    |
| Investment Income      | \$                    | Investment Income      | \$                    |
| Existing Rental Income | \$                    | Existing Rental Income | \$                    |
| Proposed Rental Income | \$                    | Proposed Rental Income | \$                    |
| Other Income           | \$                    | Other Income           | \$                    |
| Car Allowance          | \$                    | Car Allowance          | \$                    |
| <b>TOTAL INCOME</b>    | <b>\$</b>             | <b>TOTAL INCOME</b>    | <b>\$</b>             |

\* How to convert to gross monthly amounts (before tax):  
**Yearly** – divide by 12 to get gross monthly income  
**Weekly** – multiply by 52 then divide by 12 to get gross monthly income  
**Fortnightly** – multiply by 26 then divide by 12 to get gross monthly income

| Expenses Checklist        |                       |                          |                       |
|---------------------------|-----------------------|--------------------------|-----------------------|
|                           | Gross Monthly Income* |                          | Gross Monthly Income* |
| <b>Household Expenses</b> |                       | <b>Personal Expenses</b> |                       |
| Electricity Rates         | \$                    | Clothing                 | \$                    |
| Council Rates             | \$                    | Insurance (Health, Life) | \$                    |
| Water Rates               | \$                    | Food Shopping            | \$                    |
| Gas Rates                 | \$                    | Entertainment            | \$                    |
| Insurance (Car, House)    | \$                    | Gifts                    | \$                    |
| Internet Connection       | \$                    | Holidays                 | \$                    |
| Maintenance / Repairs     | \$                    | Health (Dr, Dentist)     | \$                    |
| Mobile Phone              | \$                    | Memberships (Gym)        | \$                    |
| Car (Petrol, Rego)        | \$                    | Investments              | \$                    |
| Child Care                | \$                    | Credit Cards             | \$                    |
| School Fees               | \$                    | Personal Loans           | \$                    |
| Telephone Bills           | \$                    |                          |                       |
| <b>TOTAL EXPENSES</b>     | <b>\$</b>             | <b>TOTAL EXPENSES</b>    | <b>\$</b>             |

\* How to convert to gross monthly amounts (before tax):  
**Yearly** – divide by 12 to get gross monthly income  
**Weekly** – multiply by 52 then divide by 12 to get gross monthly income  
**Fortnightly** – multiply by 26 then divide by 12 to get gross monthly income

### Next Step

What you should do now is:

Total Income : \_\_\_\_\_ minus

Total Expenses: \_\_\_\_\_

**Equals:** \_\_\_\_\_ (This amount is the what income you have available to put towards repaying a mortgage)





# howmuch can you borrow?

## Assets and Liabilities Checklist

| Your Estimated Assets   | Suburb         | Value | Monthly Investment Income |
|---|----------------|-------|---------------------------|
| Existing Property Address   |                | \$    |                           |
| Investment Property 1   |                | \$    | \$                        |
| Investment Property 2   |                | \$    | \$                        |
| Motor Vehicle 1   |                | \$    |                           |
| Motor Vehicle 2   |                | \$    |                           |
| Other Assets eg, furniture, personal effects, collectables, boat, etc |                | \$    |                           |
| Savings with Bank   | Name:          | \$    | \$                        |
|   | Name:          | \$    | \$                        |
| Deposit already paid on new home or investment property               |                | \$    |                           |
| Investments:  | Superannuation | \$    | \$                        |
|   | Shares         | \$    | \$                        |
| <b>TOTAL ESTIMATED ASSETS</b>   |                | \$    | \$                        |

\* How to convert to gross monthly amounts (before tax):  
**Yearly** – divide by 12 to get gross monthly income  
**Weekly** – multiply by 52 then divide by 12 to get gross monthly income  
**Fortnightly** – multiply by 26 then divide by 12 to get gross monthly income

| Your Estimated Liabilities         | Amount Owning | Facility limit/ Redraw | Monthly Payment | Financier |
|------------------------------------|---------------|------------------------|-----------------|-----------|
| Existing Mortgage (home)           | \$            | \$                     | \$              |           |
| Existing Mortgage (Investment 1)   | \$            | \$                     | \$              |           |
| Existing Mortgage (Investment 2)   | \$            | \$                     | \$              |           |
| Personal loans or hire purchase    | \$            | \$                     | \$              |           |
| Car Lease                          | \$            | \$                     | \$              |           |
| Other Debts                        | \$            | \$                     | \$              |           |
| Current Rent / Board paid          |               |                        | \$              |           |
| Child Care / Maintenance           |               |                        | \$              |           |
| Credit Card Limits                 | \$            | \$                     | \$              |           |
| <b>TOTAL ESTIMATED LIABILITIES</b> | \$            | \$                     | \$              |           |

\* How to convert to gross monthly amounts (before tax):  
**Yearly** – divide by 12 to get gross monthly income  
**Weekly** – multiply by 52 then divide by 12 to get gross monthly income  
**Fortnightly** – multiply by 26 then divide by 12 to get gross monthly income





# howmuch can you borrow?

## Application Checklist

### All Applications

Applicants/guarantors Identification 100 Point Check (include copies of photographic identification)

- Any applicable up-front fee (e.g. valuation, fixed rate lock-in, application fee)
- Rates Notice for all properties owned
- Last 3 months for credit/store cards if repaid in full each month

### PAYG applications

- Latest pay slip, PLUS
- Latest Group Certificate or Taxation Return (Last 2 yrs Group Certificate or Tax Returns required if less than 12 mths in current job)

### Self-employed applications

- Last two years full business/company Taxation Returns and financials, PLUS
- Last two years full personal Taxation Returns

### New purchase applications

- Front page of the Contract for Sale/Contract Note
- Statutory Declaration stating that funds being gifted are non-repayable (if applicable)
- Last 3 months statements confirming genuine savings pattern (loans involving Lenders Mortgage Insurance)
- Completed application for First Home Owners Grant (if applicable)

### Refinance applications

- Last 6 months statements of loans being refinanced
- Last 3 months statements for credit/store cards being refinanced

### Investment property applications

- Letter/statement from Real Estate Agent confirming proposed/existing rental income or lease agreement
- Description of property e.g. warehouse, office, factory, studio apartment (if not residential house/unit)

### Trusts

- Trust Deed, PLUS
- Last two years full Taxation Returns of the Trustee

### Lo Doc loan applications

- Customer Declaration, PLUS
- Last 6 months statements of any existing loans being refinanced, PLUS
- Latest one month business working account bank statements (self-employed only) – except in refinance cases where latest three months are required

### Construction loan applications

- Fixed price building contract/quote/tender, PLUS
- Proposed building plans and specifications





# howmuch can you borrow?

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## Property Buyers Checklist

### Property Address

Address: \_\_\_\_\_

Date of inspection: \_\_\_\_\_ Time of inspection: \_\_\_\_\_

Overall score out of 10 (1 being don't bother and 10 being move in today!) \_\_\_/10

### Real Estate Agent Details

Company: \_\_\_\_\_

Agent's name: \_\_\_\_\_

Agent's phone number: \_\_\_\_\_

### Property Details

Property type – (eg. house, unit, duplex): \_\_\_\_\_

Land Size: \_\_\_\_\_

Overall exterior condition: \_\_\_\_\_

Rendered / Brick / Fibro / Other \_\_\_\_\_

Overall interior condition: \_\_\_\_\_

Single Story / Double Story

### Bathrooms

#### Bathroom 1

#### Bathroom 2

#### Bathroom 3

|             |                          |                          |                          |
|-------------|--------------------------|--------------------------|--------------------------|
| Bath        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Shower      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Vanity      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Cupboards   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Exhaust fan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### Floors

|             |                          |                          |                          |
|-------------|--------------------------|--------------------------|--------------------------|
| Floorboards | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Tiles       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### Other

|            |                          |                          |                          |
|------------|--------------------------|--------------------------|--------------------------|
| Flyscreens | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Heated     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### Bedrooms

#### One

#### Two

#### Three

#### Four

#### Other

### Floors

|                 |                          |                          |                          |                          |                          |
|-----------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| * Cooling only  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| * Heating only  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| * Reverse Cycle | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| * Ducted System | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| * Split System  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### Floors

|               |                          |                          |                          |                          |                          |
|---------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| * Carpets     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| * Floorboards | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| * Tiles       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### TV connection

|                  |                          |                          |                          |                          |                          |
|------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| * Cable TV       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| * Free to air TV | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

|                   |                          |                          |                          |                          |                          |
|-------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Balcony           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Built in wardrobe | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Ceiling fan       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Flyscreens        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Phone connection  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Smoke detectors   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |





# howmuch can you borrow?

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## Property Buyers Checklist

### Location

#### Medical

- Dentist
- Doctor
- Hospital
- Medical centre
- Parking for Visitors

#### Public Transport

- Buses
- Trains

#### Recreation

- Gym
- Library
- Parks
- Pool
- Sports Club

#### Food and Entertainment

- Cafes
- Cinemas

#### Traffic Noise

- Low
- Medium
- High

#### Shopping Centers

- Shopping Centers
- Restaurants

#### Schools

- Child care centre
- Primary
- Secondary
- TAFE
- University

### Gardens and Courtyards

#### Barbeque

- Electric
- Gas

#### Driveway

- Sealed
- Unsealed

#### Fences

- Timber
- Metal

#### Garage

- Single
- Double
- Carport

#### Garden

- In-ground Sprinkler System
- Landscaped – Front
- Landscaped – Rear
- Lighting

#### Patio/Deck/Verandah

- Covered
- Exposed

#### Shed

- Swimming Pool

### Notes:

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# howmuch can you borrow?

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## Planning Your Move Checklist

### One month before the move

- Plan your moving budget
- Gather moving supplies - e.g. newspapers, bubble wrap, boxes, tape, scissors, rope/string
- Start packing items that will not be used before the move – label boxes with their contents and the room to which it will be delivered. Write 'fragile' on the boxes needing extra care
- Place legal, medical, and insurance records in a safe and accessible place
- Collect items you no longer want to keep and give them to the local charity, or have a garage sale, or take them to the dump

*Notify people/companies of your new address:*

- All your friends and family
- Banks, insurance companies, and other financial institutions
- Inform doctors, dentists, schools and other service providers
- Newspaper and magazine subscriptions, credit cards
- Inform your insurance company of the settlement date, ask if moving is covered and arrange insurance for your new home
- Fill out Australia Posts redirection of mail form
- Find new homes for any plants that are not being relocated
- Start using any frozen food and perishable goods
- Organise child care for the day of the move if necessary
- Moving can be very traumatic for pets – arrange to have someone look after them the day before and day after move

### The week of the move

- Pack all essential items and have all boxes clearly labeled
  - Drain fuel from lawn mower, empty gas cylinders/bottles
  - Collect any dry cleaning, and return any library books or videos/DVDs
  - Use or dispose of any food you will not be taking with you
  - Notify electricity, gas, water and phone companies of the date of disconnection
- Change your address on your Drivers Licence at the RTA

### The day before the move

- Defrost your freezer, empty and clean out your refrigerator
- Do the laundry
- Pack your last couple of boxes
- Pack a small moving bag to keep with you containing the following: snacks, water, mobile phone, wallet, first aid items, wet weather gear, tape, keys, change for road tolls if required, and emergency phone numbers
- Make sure that sheets and pillowcases are easily accessible to make beds for your first night in your new home
- Advise gas, water, electricity and phone of your new residence and supply a connection date

### On the day

It's good to have a box of essentials to hand:

- Scissors and knives
- Masking tape
- Bubble wrap, old newspapers and rags, for packing
- Address book and contact numbers
- Toilet paper and toiletries, nappies
- Garbage bags and cleaning products
- Refreshments

### At your New Home

In your new home, make sure to:

- Check the locks, burglar and smoke alarms in your new home as soon as possible
- Ensure your house and garden are child-safe. If there is a pool, check that it is properly fenced. Is the yard safe? What about the medicine cabinet? Are there household chemicals that children would have access to?
- You may wish to have new locks fitted
- Register to vote in your new electorate

*This checklist is a guide only and not should not be relied upon as a comprehensive checklist*

