

Buying & Selling Guide

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Homeloans



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WHERE TO START



Get the experts to help....

Buying or Selling?

Let a Loanseeker Broker Help.

From the basics of buying and selling, to tips on the bigger complexities. With a expert Loanseeker Broker by your side, buying or selling will be as simple and stress less as possible.

Your Personal Loanseeker Broker will take the time to understand your situation and plans, before making recommendations and negotiating the right deal for you. With thousands of home loans, from up to 40 lenders we're sure we can find a home loan that's right for you.

And remember, we get paid commission by the lenders,, which means our expertise is at no cost to you ever.

Whether it's your very first step or one of the many steps in the process of buying or selling a home, here at Loanseeker we understand and we're here to help

First Home Buyers?

Check out our First Home Buyer Guide. It will step you through the entire process, answer the questions you mightn't think to ask and help you avoid potential pitfalls. Ask your Loanseeker Broker or download a copy at Loanseeker.com.au

SELLING YOU HOME?

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Home Loans

The tough choice is to buy before
you sell or sell before you buy.
Let us give you a hand deciding.

To buy or sell first?

In an ideal world, selling your current
home would synchronise perfectly
with buying your next one. But it
rarely does so it's worth considering
these questions



*Call Your Personal Loanseeker
Broker today to find out how we
can help*

Looking to Sell to Buy Your Next Home?

Talk to your LoanSeeker Broker Today.

Selling first:


- Where will you live while you search for your new home?
- Can you extend settlement until you find your next home?
- If the market is rising, could your next home be less affordable?
- Will you feel pressured to get back in the market and buy somewhere that's not quite right?

Buying first:

- Can you afford to own two properties at the same time?
- Will you need bridging finance?
- You won't have certainty over when your property will sell and for what price.
- If the market is rising, you may be able to hold out for a better price on your current property

BRIDGING LOANS



 **loanseeker**
Home Loans

Bridging Loans make it easier

If you choose to buy first, you may need to take out a bridging loan to cover the period you own both homes.

Bridging loans work much the same way as regular loans, such as fixed or variable rates and interest-only repayments, however they tend to differ from regular loans in two key ways:

- Loan terms are shorter, usually 6 to 12 months
- You can expect to pay a higher rate and fees

The rate you pay depends on the lender's assessment of your situation. Remember that until your property is actually sold, there is no guarantee you will sell for the price the agent has quoted you. If you're borrowing more than 80% of the new property's value, you'll need to pay Lender's Mortgage Insurance.

Ask your local Loanseeker Mortgage Broker about bridging finance options Today.



CHOOSING AN AGENT TO SELL YOUR HOME

Although you can now sell privately online, there are advantages to using a real estate agent. For a start, you won't have to manage inspections and negotiations, take calls from prospective buyers or ensure that legal processes and contracts are dealt with correctly

Choosing the Right Agent for You.

Just like mortgage brokers, not all real estate agents are created equal so choose a partner who'll work hard for you. Read reviews online and ask around before making a decision

Don't Choose an Agent just because of a higher Valuation

Avoid choosing an agent simply because they offer the highest valuation or lowest commission (which may mean less incentive to work hard for you). Talk with a few different agents to get an idea about average prices.

Ask for References from past clients.

Agents should be happy to talk you through their approach and what they've achieved for others. A good agent will be proud to put you in touch with previous clients, so you can ask them about valuations vs. selling price, the agent's local knowledge as well as communication and services provided.

AGENT CHECKLIST



What Price is my home likely to get and why?



What lead me to reaching a decision on price?
Comparable sales etc.



What will be the best method of sale for my property? Auction or private treaty?



How much will I need to spend on marketing and what deals do my agents have?



What open house times does the agent recommend and why?



What is the commission the agent charges and is it negotiable?



What features of the property are most attractive to buyers?

Tip:

Here are some Questions to help you decide on an agent



....AGENT CHECKLIST CONTINUED



How will the agent get the best price for me?
And what marketing strategy are they going to use?



Does the agent have any suggestions for presentation or improvements?



What tips and tricks does the agent have for open homes?



What techniques have you used in the past to get a better price for your clients?



What other properties have you sold in the area?



Ask any other questions that you think are relevant to your situation. Its very important to make informed decisions don't shy away from asking a lot of questions

Tip:

Don't Sign With an agent
Unless you have done
Your research first





Signing With An Agent

Once you've found an agent you're happy with, the next step is signing an agreement. It's a legally binding contract (it is a good idea to get your solicitor to look over it) and it should cover:

- The commission you'll pay – usually a negotiated percentage of the sale price
- Any conditions under which commission is payable – for example, even if you find a buyer yourself, you may still be obliged to pay the agent's commission
- Agreed marketing costs – and what you're getting for your money
- The selling price or reserve price of your home.

Once you've signed a contract with your listing agent, they will normally be responsible for:

- Creating and managing the marketing campaign
- Managing inspections and making follow up calls
- Negotiating the selling price
- Facilitating the actual sale
- Managing the auction process
- Arranging a trust account for the deposit when contracts are exchanged.

Private treaty or auction?

Your agent will recommend how to sell your property. Be sure to ask the reason behind their recommendation:

Private treaty - set the price and wait for offers. Your agent will negotiate on your behalf

Auction – set your reserve and enquire about extra costs. A sale on auction day is not guaranteed.

Setting the price.

Your agent will set a price considering many factors:

- Supply and demand for similar properties in your area
- Recent sales for similar properties in the area
- The current economic climate and interest rates.

You may want to consider an independent valuation by a local professional valuer and do your own research.

Negotiating an offer.

If you're selling by private treaty, be prepared for the negotiations ahead. If you have an agent they will be the mediator between you and interested buyers, and will advise you of any offers. It's your choice to accept, decline or negotiate a price where you and the buyer are happy.

If you're selling at auction, interested buyers may make early offers, so consider if you're willing to accept a particular price before auction

CHOOSING A PROPERTY

How do I choose my Property?

Use your head not your heart.

If you were considering a share market investment, you would have a vast array of choices. And all very different. Mining or banking, manufacturing or technology? When it comes to property investing, you also have many choices – house or unit, town or country, off the plan or a character classic?

Best areas for capital growth?

Markets can be hard to pick and even regional pockets can deliver rewarding results. As a general rule, however, if you're looking for capital growth, it's worth aiming for properties close to busy CBDs. As population and demand grow, values can be pushed up.

Best areas for rental income?

On the other hand, if you're looking for steady cash flow and good rental returns, consider investing in suburbs and regional centres. Look for areas popular with young families or regional centres with universities where the demand for rentals is strong. You may also be able to invest for less as prices in

these areas tend to be cheaper.

Keep in mind that you are investing as a moneymaking venture and that's what should be informing and inspiring your property choice.

Choosing an investment property is different from finding a home of your own. Staying close to Gran isn't a priority. And an easy commute to your work doesn't need to be a part of the equation. Nor does your passion for art deco or your need for an acre of lawn.

The point is, with an investment property you can take a more pragmatic approach. Sure, you want the location and the property to be appealing to the rental market, but that's where your emotional connection can end. The investment strategy that you've decided will work best for you — either capital growth or rental income — will also play an essential part in your decision



Call Your Personal Loanseeker
Broker today to find out how we
can help



GET YOUR PROPERTY READY FOR SALE

An agent who is any good will have a good idea of what you need to do to get your property ready for sale.

Small changes can make a big difference

First Impressions

- What the buyer first sees when they walk in is very important and can be the deciding factor between buying and not buying

Get Rid of The Mess

- Buyers don't want to see all your personal stuff. They want to be able to imagine their own stuff in the room. Get rid of the clutter or get in a professional organiser.

Natural Light Sells

- Let the natural light come in as much as possible. Replace dark curtains with lighter colors and paint overly dark rooms white.

STYLING YOUR PROPERTY.

Make Space

- Consider rearranging your furniture. Every extra bit of exposed floor space gives a greater sense of space

Get a Stylist

- You can have your home professionally dressed or styled while it's listed.

Artwork

- Artwork and carefully chosen accessories, such as fresh flowers or bright cushions can really improve the look of your home

Can't justify spending the money on a professional stylist?
There is an endless amount of advice on YouTube and other popular websites

Knowing How Much You Can Borrow

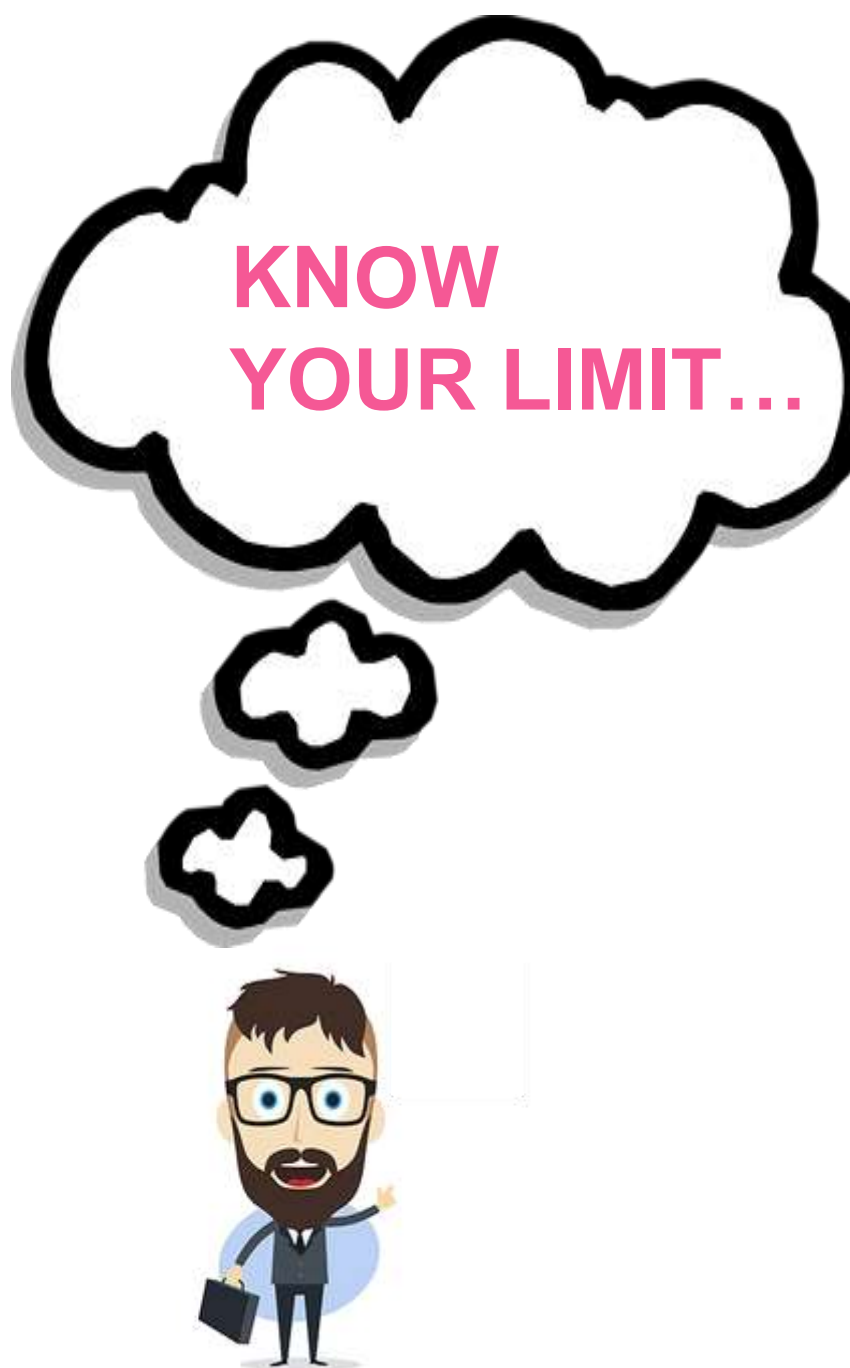
The most important thing to consider is how much you can afford to repay each month. Be realistic and plan for future interest rate rises and any future expenses you might encounter

When deciding how much you can borrow, lenders will consider:

- Income – must be enough to cover all living expenses plus repayments
- Repayment record – how well have you repaid your debts in the past
- Other financial commitments – including loans and store or credit cards
- Living costs – which can include household bills, council rates, strata fees, transport and petrol, school fees, mobile phone, entertainment, insurance – they all add up!

When these expenses are deducted from your take-home pay, the figure should comfortably cover repayments as well as unexpected costs down the track, including interest rate rises.

Get a rough estimate of a loan amount and repayments with our Borrowing and Loan Repayment calculators at Loanseeker.com.au





A BIT ABOUT DEPOSITS

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At Loanseeker, we get that saving a deposit can be one of the hardest steps. But it's also the key to how much you could borrow, and the type of property you can afford

Some Reasons why a bigger deposit is better



More loans to choose from

Most lenders expect a deposit of at least 5% of the purchase price, and can be more. A larger deposit could mean more loan options, or a better deal upfront.



Lender's Mortgage Insurance

Lender's Mortgage Insurance provides protection to the lender if you default on your mortgage and usually needs to be paid if your deposit is less than 20% – chat to your local Loanseeker Broker for more information



A bigger deposit could mean lower interest rate

A larger deposit means less risk for the lender and can let you negotiate a better interest rate – your Loanseeker Broker would be happy to do this for you.



Pay Less in the Long Run

A larger deposit means borrowing less, lower repayments and less interest paid over the life of your loan. Check out our Loan Repayment Calculator at Loanseeker.com.au to see how your deposit affects your loan and repayments. .

BUYERS AGENTS



Do I need a Buyers Agent?

A buyer's agent can do a lot of the hard work looking for properties that meet your requirements. Buyers agents know the market well and will have a good idea of what the property is worth. Buyers agents can often help you secure a property for a good price and are worth their fee.

Some potential benefits of using a buyer's agent:

- Agents have a vast network of contacts and often can find properties that meet your criteria that aren't even on the market yet.
- Agents have excellent market knowledge and are working for you
- Agents are excellent negotiators and have many techniques to get you a lower price at auctions
- Save time by only viewing suitable properties that meet your criteria
- Don't waste every weekend viewing homes that aren't what you want. Let your buyers agent do it for you

Find a local buyer's agent and get an idea of fees from the Property Buyer's Agents Association of Australia

Tip: Your Loanseeker Broker can put you in touch with a excellent buyers agent in your area.

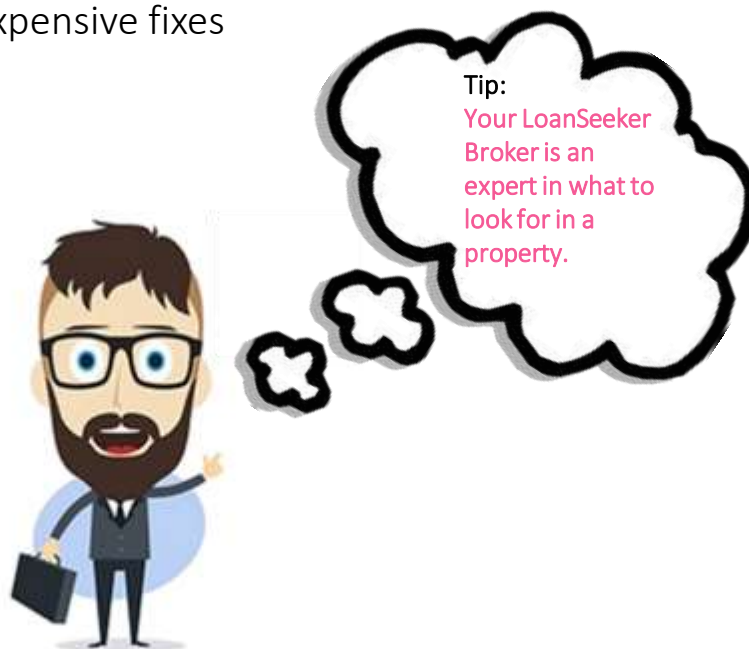


A FEW BUYING TIPS

What to Look Out For...

There are a few key common mistakes that people often make to keep in mind during your property search. But be aware and don't be scared

- Low or no growth areas – look at the area's long term growth and appreciation potential. A lot of areas are likely to be at their peak.
- In an ever expanding community we live in proximity to public transport is essential– too far away and you may end up spending more on fuel and it may limit re-sale options
- Units in large developments – Scarcity drives long term price growth. It may be difficult to sell if there is a flooded market
- Renovators delights – Make sure you do your research and inspect the property thoroughly before buying a renovator as unforeseen problems can lead to expensive fixes





BUYING OFF THE PLAN

**Talk to you your LoanSeeker
Mortgage Broker**

Is Buying off the plan a good idea?

Let a Loanseeker Broker Help

Benefits

- Get started with less – deposits for off the plan purchases are typically smaller – around 10%, and settlement occurs somewhere between 1-2 months after the contracted completion date
- Potential stamp duty savings – as government stamp duty is assessed on the unimproved land value as the building doesn't yet exist you don't have to pay as much as you would if the property was complete
- Save with early-bird sweeteners – often developers have to pre-sell a certain number of properties before they get their finance approved. This means that there is often room for negotiating a better deal or having sweeteners added in for free.

Not Negatives but a few things to be aware of.

- Not all lenders provide off the plan finance – chat to your Loanseeker Broker soon to find out more
- You'll need to use you imagination– developers do try hard to give you a detailed feel for what the property will be like when its done but..., but you can't physically experience the property. You can never truly know certain things for example. How big will the rooms feel? Will there be any noise? Don't be shy in asking a lot of questions
- Later developments could impact views and light – new developments often have multiple buildings planned in close proximity. Do your homework and check out what the potential for loosing a view or overcrowding might be.
- Legal advice is a must – sales contracts can be complex. Take particular care if there are any 'sunrise' or 'sunset' clauses and 'withdrawal penalties' in the contract. Look out for any clauses that might allow the developer to change the plans during development.
- If the builder goes out of business before construction begins or after construction has started, you want to make sure you will be likely to get your deposit back. Ensure that the deposit will be held in a trust account managed by a reputable third party
- What if the market falls – There isn't much that can protect you from a falling market during construction. You could be left paying more than the property is worth which can make it hard to secure finance.
- Research the developer. Make sure they are trust worthy and haven't had any bad reviews.



SOME OF THE COSTS TO CONSIDER

Talk to your LoanSeeker Mortgage Broker

Costs of Buying a Property...

Make sure you don't forget to budget for:

- Stamp duty
- Pre-purchase pest and building reports
- A strata search if you're buying an apartment
- Conveyancing costs (legal fees)
- A loan application fee
- Insurance, which may be required as a condition of your loan.

If you're refinancing, you may also need to consider exit fees, break costs (if you're refinancing while a fixed rate period is still current on your loan) and mortgage registration fees, which are another government stamp duty. Your Loanseeker Broker can give you more info.

Lenders Mortgage Insurance

If your home loan is worth more than 80% of the purchase price, your lender will require you to have LMI. How much this will be depends on the size of your loan, your property and your lender. It's typically charged as a one-off premium, which you may be able to capitalise in the mortgage.

Stamp duty.

All purchases attract this tax, which is charged by the state and territory governments on the purchase value of your home. Work out how much you might have to pay using the Stamp Duty Calculator at loanseeker.com.au or visit the website of the revenue office in your state or territory to find out more. Some first home buyers qualify for concessions on stamp duty, so be sure to ask your Loanseeker Broker for details

The Buying Process

You've got your finances sorted and you are ready to go. You've found a property that ticks all your boxes.

What happens next?

Negotiation

- Understanding why a property is on the market helps understand the price. There's no harm asking, directly or indirectly, as they may be looking for a quick sale as the vendor's already bought elsewhere

Pre-Purchase Checks

- Pre-purchase inspections could prevent surprise expenses down the track: Pest and building inspections, Strata report, Professional property valuation.

Conveyancing

- Conveyancing is the legal process of buying a property and transferring ownership of the property to you (and your lender).

Making the Offer

- Buying via private treaty or at auction work quite differently.
- **Private treaty** - When the vendor sets the asking price, several offers and counter offers can be made until everyone is comfortable with the price
- **Buying at an auction.** – People bid on a property in a live format and once the property reaches a predetermined figure the property is on the market and will be sold to the highest bidder.

Exchange of Contracts

- Unless you've bought at auction, the next legally binding step to confirm your purchase is the exchange of contracts and payment of your agreed deposit
- The cooling-off period - If you've made your purchase through private treaty, you may have a cooling-off period after the contract is exchange

Settlement Preparation

- Settlement is the day you get the keys and is usually around six weeks from the time you exchanged contracts (but can be longer). While your solicitor or conveyancer will be busy organising the transfer of ownership of the property into your name, your Loanseeker Broker will be dealing with your lender to ensure that the balance of funds will be paid to the vendor on the settlement date specified

Tip:

Ensure your funds are ready

For stamp duty and you

Have your insurance sorted.

Loanseeker does insurance as well



The background of the advertisement is a photograph of two people sitting on colorful beach chairs on a sandy beach. They are facing away from the camera, looking out at the ocean during a sunset or sunrise. The sky is a mix of orange, yellow, and light blue, and the water reflects the warm light. The people's arms are raised in the air, suggesting a relaxed and happy atmosphere.

Feel Ready?

Get In Touch
With Your Personal
LoanSeeker Broker.

