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## Ten 10 Tips for First Home Owners

So you have reached an exciting phase in your life where you've decided to buy your very first home! We go in to this with the best intentions, but for some the journey becomes a nightmare instead of an experience to savour. To help along the way, here are our 'Ten Top Tips':

### **1. Do your homework**

Don't buy the first place that takes your fancy without spending time getting to know whether your intended purchase will meet your needs and is fairly priced. Do the open home rounds and get a feel for 'value' in the area you want to purchase in. That is, see how much 'bang you can get for your buck' and what you'll have to pay for a home that meets your requirements.

### **2. Location, location, location**

Any real estate sales person worth their salt will remind you of the old adage: location, location, location. Whilst this needs to be balanced against affordability, you won't appreciate the value of your efforts until it comes time to sell. It maybe as simple as buying the worst house in the best street but nonetheless consider, 'who will want to buy this property when my time to move on comes around?'

### **3. How much can you borrow?**

It's no good finding the home of your dreams only to find out you can't get the money. Speak to one of our Accredited Mortgage Consultants to confirm your ability to borrow prior to visiting those open homes.

### **4. Don't sign what you don't understand**

Remember, real estate agents work for the vendor (seller) of the property and it's their job to do the best they can for them, not you! Before you sign an offer to purchase or a contract, have your solicitor review the document so that you can be certain of your obligations. You don't want unforeseen surprises at this stage!

### **5. Should you have a building inspection?**

Many fatal flaws have been covered up by the judicious use of filler or a splash of cheap paint! Use your eyes and ears when viewing a home: do all the doors open and close freely? Is there a dank odour or mould apparent? Are there cracks in foundations or do additions and renovations look like they've been completed by the brother of a local handyman? In essence, if it looks and smells like a lemon, it probably is a lemon. But don't make this decision on your own if you're unsure; get a professional to look over the property and provide a report as a few hundred dollars now may save thousands in the future.



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#### **6. Can you afford to do this?**

You may be able to borrow more than you expected, but don't let that determine the property you buy. Take the time to sit down and create a thorough budget that also includes scope for unforeseen expenses. It's pointless over-extending yourself now if, for example, you intend to have children in the short term and will only have one income to meet your living expenses.

#### **7. Will the property meet your requirements?**

Make a list of the things that are important to you now and in the future. As it's reasonable to expect that you'll be in the home for some time to come, things like proximity to schools or the potential to add-on rooms need to be considered. While you can't cover every potential outcome, planning now leaves you less likely to get caught short and frustrated by a poor decision.

#### **8. Insure the risk?**

Most people don't hesitate to insure their cars, homes, boats, furniture and anything else of value that's important to them. However, they often fail to see the worth of income protection, mortgage repayment insurance and life or trauma insurance until it's too late. Our recommendation is that in line with any major financial or personal event, e.g. home purchase, marriage or child birth, you should take the time to have a professional review your needs and commit to effective. Don't be someone who lives to regret, or worse still, doesn't live but leaves a partner in financial ruin. As horrible as these thoughts are, it makes sound financial sense to put insurance protection in place.

#### **9. What type of loan?**

Variable rates, fixed rates, basic loans, mortgage off-set, lines of credit, equity loans, reverse mortgages, share equity loans, redraw, loan to value ratios, professional packs, non-bank lenders, mortgage insurance, torrens titles, company titles, AAPR, establishment fees, break costs, early repayment penalties ... the list goes on! Choosing a loan is a difficult task and not something to be taken lightly. The Home Loan Shop will take you through a process that allows you to make an educated selection that's linked to *your* personal preferences and circumstances, now and into the future. With so much to consider, it pays not to leave it until you've found a property. In fact, you maybe entitled to 'pre-approval'. So call us today to arrange a time to see one of our Accredited Mortgage Consultants.

#### **10. Be ruled by your head and not your heart**

In reality, the above 'Top Ten Tips' revolve around commonsense. But why is it that we often fail to act with commonsense guiding us? Like anything in life, if it looks too good to be true, it probably is! Purchasing a home requires a pragmatic approach in every sense of the word. Yes, aesthetics come in to it, but should 'form outweigh function'?