

— R.S. —



Property Growth Network

INVESTOR WITH A LAPTOP BACKPACK

— BEGINNER'S GUIDE TO BUYING
THE FIRST HOME



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Chapter 1 – Easy step by step process to buy your first home*

***The steps stated below are for NSW and it may differ for other states**

- The first step is to find a mortgage broker and get your pre-approval. Get your borrowing power calculations done
- Getting a pre-approval for a mortgage may involve a lot of paperwork and may take up to 2 weeks or more to complete it
- After this step, you may know your borrowing limit and may also have a 'pre-approval' letter from the bank. You may need this pre-approval letter while bidding for properties at auctions
- Services of a mortgage broker are usually free of cost to you as they may get commissions from the bank. This is covered in detail in another chapter of this book
- The next step is to shortlist a suburb based on the commute, schools, apartment/house, new/old property etc. Most of the times, one does not get everything in a single property, hence prepare a list of 'must-have' and 'nice to have' for yourself
- Get a competent solicitor/conveyancer on your side
- Once you view a property, if it looks good to you and you are serious about it, ask for the property contract from the real estate agent and request your solicitor/conveyancer to review the contract
- Once the solicitor/conveyancer gives a go-ahead, ask your mortgage broker to provide you with the 'desktop' valuation of the property. The report may mention the price range of the property and may give you an idea on the price point that you may utilise to start the negotiations on the property
- Once you offer the price and it gets accepted, the real estate agent may ask you for a 0.25% deposit on the property. This is usually non-refundable, hence proceed with caution
- After this point, the property is said to be 'under offer' and it enters the 'cooling-off' time. This is usually 5 to 10 days of the time period, (auctions do not have a cooling-off period)
- In the 'cooling-off' time, you may get the 'building and pest inspection' done
- Your mortgage broker may get unconditional approval from the bank. This is usually faster (usually within 10 days) as you have already got pre-approval
- If anything happens in the 'cooling-off' time or if you change your mind, you may generally lose the 0.25% deposit
- After the 5 or 10 days 'cooling-off' period, the contract becomes unconditional and the property is marked as 'under contract'. The three parties (bank, seller, and buyer) and their solicitors wait for 32 days (total

42 days from start) for the settlement to happen. Depending upon the loan to value (LVR) ratio, you may be required to pay 5% or 10% or more at this stage.

- The solicitor may do a lot of calculations to sort out the council/water/electricity/strata bills. This way, bills are paid by the seller, up to the day of the settlement.
- On the 42nd day, the settlement happens and the cheques are exchanged. Depending upon the loan to value (LVR) ratio of the bank, you are usually required to pay the balance of the deposit and the rest (generally 80%) is taken as the mortgage (loan) from the bank. The property is finally marked as 'sold' and your real estate agent gets an email or fax that they should release the keys to the new buyer
- Collect the keys from the real estate agent

How to find a competent mortgage broker, conveyancer/solicitor, building and pest inspection professional?

You may find by:

- ✓ Searching online
- ✓ Via our website or by filling the 'Contact Us' form or via the chatbot on our website <https://propertybuyersaustraliagroup.com.au>

Note: Most of the steps above state the processes involved in finding the professional upfront and not when you are already 'in' the contract. A good team of competent professionals such as a mortgage broker, accountant, solicitor, conveyancer and inspection company personnel may go a long way in serving your cause.

Chapter 2 – Easy step by step process to buy a home and land package*

***The steps stated below are for NSW and it may differ for other states and may change without notice**

- The first step is to find a mortgage broker and get your pre-approval. Get your borrowing power calculations done
- Getting a pre-approval for a mortgage may involve a lot of paperwork and may take up to 2 weeks or more to complete it.
- You may ask your mortgage broker to get pre-approval for 'land' and 'construction'.
- After this step, you may know your borrowing limit and may also have a 'pre-approval' letter from the bank. You may need this letter while bidding for properties (land) at auctions.
- Please keep your banker/mortgage broker informed and check with them whether you qualify for the mortgage throughout the time period of the process.
- Services of a mortgage broker are usually free of cost to you as they may get commissions from the bank. This is covered in detail in another chapter of this book(Chapter 4).
- The next step is to shortlist a suburb based on the commute, schools, apartment/house, new/old property etc. One generally does not get everything in a single property, hence prepare a list of 'must-have' and 'nice to have' for yourself.
- Land comes in many shapes and sizes and this is covered in detail in another chapter of this book(Chapter 12).
- Get a competent solicitor/conveyancer on your side.
- Once you view the land, if it looks good to you and you are serious about it, ask for the land contract from the real estate agent/sales office and request your solicitor/conveyancer to review the contract.
- Solicitor/conveyancer review and explain the terms/conditions/restrictions/sunset clause that is mentioned in the contract.
- Once the solicitor/conveyancer gives a go-ahead, ask your mortgage broker to provide you with the 'desktop' valuation of the land. The report may mention the price range of the land. This may give you an idea on the price point that you may utilise to start the negotiations on the property.
- Once you give the price and it gets accepted, the real estate agent/sales office may ask you for a 0.25% deposit on the property. This is usually non-refundable, hence proceed with caution.
- After this point, the land is said to be 'under offer' and it enters the cooling-off time. This is usually 5 to 10 days of the time period (auctions do not have a cooling-off period)

- Your mortgage broker may get unconditional approval from the bank. This is usually faster (mostly within 10 days) as you have already got the pre-approval
- If anything happens in the 'cooling-off' time period or if you change your mind, you usually lose the 0.25% deposit
- After the 5 or 10 days 'cooling-off' period, the contract becomes unconditional and the property is marked as 'under contract'. The three parties (bank, seller, and buyer) and their solicitors wait for a certain amount of days/months for the settlement to happen. You may have to pay 5%(or 10% or more) for land and/or 5%(or 10% or more) for the build contract at this stage. Please check with your banker/mortgage broker.
- The amount of days/months may last from 32 days to 2 years depending upon the 'stage' of the 'land release'
- When the land finally settles in the certain amount of days/months, then the mortgage on the land usually starts
- Your solicitor may do a lot of calculations to sort out the council/water/electricity/strata/land tax bills. This way, bills are paid by the seller up to the day of the settlement
- Finally the settlement happens, and the cheques are exchanged, and the land is marked as 'sold'. Depending on the loan to value(LVR) ratio, you take up the loan(usually 80%) and pay the balance(usually 20% minus whatever you have already paid). Please check with your banker/mortgage broker.
- Stamp duty is usually due to be payable after this period. Depending upon whether you are a first home buyer, you may get some rebates.
- Once the land settles or closer to settlement, you may look for a competent builder
- Floorplans are then made by the architect and the plan goes for approval to the council/cdc
- Constructing a house mainly takes from 4 months to 2 years or more. The mortgage (loan) is generally 'construction linked' and is usually disbursed on the different stages (slab/framing/roof/handover, etc) depending upon the loan to value ratio(LVR) taken from the bank. Construction is covered in detail in another chapter of this book(Chapter 13)
- After a few months, the construction of the house finishes. Collect the keys from the real estate agent/builder.

How to find a competent mortgage broker, conveyancer/solicitor, land, builder?

You may find by:

- ✓ Searching online
- ✓ Via our website or by filling the 'Contact Us' form or via the chatbot on our website <https://propertybuyersaustraliagroup.com.au>

Chapter 3 – Different types of dwellings

Unit vs Apartment vs Villa vs Townhouse vs Duplex vs Community titled vs Battle-axe vs House

Unit

Older types of apartments are called units. They are usually low rise and 5 to 10 in a complex only. Units come with strata that you may pay every quarter.

Pros:

- ✓ Older units generally come with double brick construction. As such, they have a solid construction that stands the test of time
- ✓ Purchase cost may be lower than new apartments

Cons:

- ✓ Since they are old units, they may require more maintenance costs via strata to maintain them.
- ✓ They may not have a posh new look.
- ✓ Strata payments go up or down depending upon the work required to be done.

Apartments

These are newer types of units. They are usually high rise and 100's of them can be in a complex.

They normally come with underground parking, swimming pool, common area, lifts, security access, cameras etc.

Pros:

- ✓ The brick veneer construction gives them a newer look and feel
- ✓ They consist of modern facilities like swimming pools and gyms. and have better access to security via cards. Apartments pave the way for high rise living and are generally closer to the city

Cons:

Due to the provision of amenities like lift, pool and gym, there may be higher quarterly payment for strata to maintain these amenities

Villa

Villas are single-level dwellings that are also strata titled. There are usually 5 to 10 in a complex and have common walls. Villas are very popular in the suburbs which are closer to the city.

Pros:

- Generally closer to the city. Fewer strata as there are fewer common parameters to maintain

Cons:

- Less area and therefore, less spacious

Townhouse

Townhouses are double-storey dwellings that are also strata titled. They are usually 5 to 10 in a complex and have common walls. Townhouses are very popular in the suburbs which are closer to the city.

Pros:

A good balance between a villa and a house. They are generally cheaper than a house.

Cons:

Strata payments every quarter along with the mortgage

Freestanding house(New construction)

This house looks like a townhouse but may not have a common wall. Usually, an old house is demolished and depending upon frontage and council approval, two independent houses without a common wall are constructed out of it.

Pros:

- ✓ Newer construction, no strata

- ✓ Purchase cost may be high since it is newer construction

Cons:

- ✓ Less area than a house (traditionally they are around 300 sqm but can be less)

Duplex

This is one house divided into two houses. They usually do not have strata and are torrens titled (sometimes they are strata-titled as well). A common roof and wall is shared between the two. Sometimes they are detached freestanding as well. Builders usually buy an old house and construct two joined houses on it, normally always being a double-storey.

Pros:

A good balance between a townhouse and house. They are closer to the city and usually bear no strata

Cons:

Sometimes they are significantly higher in price. This is due to new construction and being closer to the city, thereby leading to the requirement of more money to buy land and build.

Community titled

These are like normal houses but may form the part of an estate. They may have a common road, BBQ place and a park to maintain. For that, residents may collect a community fee for maintenance of common facilities

Pros:

Have common/shared facilities like parks and BBQ places.

Cons:

Extra money needs to be shelled out for things that you may not use

Battle-axe

This is a house which does not face the street but is behind another main house. It has a long driveway which goes from the side of the main house to the house behind it

Pros:

- ✓ Since it does not have street access, it may give a private setup feeling.
- ✓ Some people like the long driveway as they can put a barrier at the entrance and may use it for building a play area for children

Cons:

- ✓ A lot of house area is wasted in the long driveway
- ✓ No direct street access as there is a long driveway to go to the garage
- ✓ Additional service cost to put gas, water, electricity, stormwater drainage etc

House

These are normal single-storey or double-storey houses.

Pros:

- ✓ For independent houses, you may add value according to your wish (STCA), such as a granny flat, knockdown rebuild (STCA).
- ✓ Significantly higher in price as you own the land.

How to find different types of dwellings to buy?

You may find by:

- ✓ Searching online
- ✓ Via our website or by filling the 'Contact Us' form or via the chatbot on our website <https://propertybuyersaustraliagroup.com.au>

Chapter 4 – Role of a mortgage broker

Who is a mortgage broker?

A mortgage broker's role is to help you obtain a home loan or mortgage. The broker acts as an intermediary, negotiating between you and the lenders such as banks, building societies, credit unions or other credit providers including online-only lenders.

Why utilise a mortgage broker?

- ✓ Mortgage brokers guide you throughout the home buying process, from the applications and all the way to the settlement process. They fill out all the documents, interact with the solicitor and guide you through the process so that you do not stress yourself out
- ✓ They can compare a range of lenders and products. This may save you time and money, avoid confusion and improve the chances of receiving an approval
- ✓ Statistics show that 60% of Australians see a mortgage broker when it is time to take a mortgage
- ✓ Services of a mortgage broker are usually free of cost to you as they may get commissions from the bank
- ✓ For a mortgage broker, it is their everyday job to apply and settle mortgage loans. Hence they have built up the historic knowledge and experience over a period of time.
- ✓ Good mortgage brokers have good relationships with lenders. Accordingly, application turnaround times may be faster than going directly to a bank
- ✓ They may help you to navigate through property loans, commercial loans, low doc loans, bad credit loans, lenders mortgage insurance, low deposit loans, etc
- ✓ You may be short sighted on just considering the 'interest rate' as the only criteria. A mortgage broker may help you look at the other features such as the redraw facility, offset, borrowing power, lending power, etc which may work out in long term

What are the other options?

You may go directly to a bank and it may work out for you.

How to find a good mortgage broker?

You may find an expert mortgage broker by:

- ✓ Searching online
- ✓ Via our website or by filling the 'Contact Us' form or via the chatbot on our website <https://propertybuyersaustraliagroup.com.au>

Chapter 5 – Role of a solicitor/conveyancer

When you purchase any type of property, the seller or agent may ask you for the solicitor/conveyancer details. Following is the role of this professional: -

- ✓ Checking the residency status of the purchaser
- ✓ Discuss the contract with the purchaser
- ✓ Requesting vendor's solicitor for amendments to the contract and request extension of the cooling-off period, if required
- ✓ House - Obtain pest & building report and strata report for a unit
- ✓ Liaising with banker/mortgage broker and purchaser regarding the unconditional approval of the loan
- ✓ Advising the purchaser about stamp duty amount/exemption which may apply subject to the purchase price
- ✓ Extend the cooling-off period if required
- ✓ 'Notice of Rescission' within the cooling-off period
- ✓ No cooling-off period - Section 66W Certificate
- ✓ 'Joint tenants' or 'tenants in common' type of contract.

How to find a competent conveyancer/solicitor?

You may find by:

- ✓ Searching online
- ✓ Via our website or by filling the 'Contact Us' form or via the chatbot on our website <https://propertybuyersaustraliagroup.com.au>

Chapter 6 – How to select a suburb to buy your first home

Buying a first home often has the following constraints:

- Budget - Not enough deposit to buy a dream home.
 - ✓ Majority of the people spend a lot of time on this aspect. They would like to buy in a suburb where they normally cannot afford and they consider their first home as a dream home
 - ✓ The reality may be that the first home is seldom a dream home. A family may spend a few years in a home before selling it, moving or upgrading.
 - ✓ In Sydney, the buyer is usually chasing a moving target as the prices generally increase more than a buyer can save for a deposit
 - ✓ There may not be harm in looking to buy an apartment, villa, townhouse, small house. Live in it for a few years and may utilise it to buy your dream home after some years.
- Schools - Importance of schools
 - ✓ Schools play a major role in the decision to buy a property. Online research may show that properties in the vicinity of good schools are valued by the buyers
 - ✓ Properties near the top schools may already be out of budget. Schools take time to jump up in rankings as families move into the area. This may be especially true for new areas
 - ✓ Sometimes your child is too young or there are a few years for them to go to school. As such, it is beneficial to read government plans for the new areas and check what all primary and secondary schools are planned for the area, the dates of completion, when does the child start the school and if there are chances that it may all add up. Once the area is established, schools may become good at ranking with time while the area might become unaffordable
 - ✓ Sometimes there are good private schools in the area and it is suggested to research them as well. More often than not, the primary school is rated more while the secondary is not. In that case, consider the age of the child to adjourn how many years are left for them to reach the primary/secondary school. Also, research other schools and see if they are taking out-of-area admissions
- Commute to work - Time spent on daily travel to work

- ✓ Small families are concerned about the time it takes to reach from office to home and manage school pick-ups. With both parents working, it becomes even more important
 - ✓ Consider having flexible work arrangements with your employer
 - ✓ Consider the age of the kid and how important is this factor to your family
 - ✓ Consider buying an apartment or a smaller property closer to work rather than buying a bigger property with a longer commute to work
 - ✓ With Covid-19 there may even be more flexible work arrangements available in your employment
- Community, safety etc - Other important factors
 - ✓ Consider other factors for example community and safety and write them down

Decision point

- ✓ Write down your 'must-haves' and 'nice to have' factors
- ✓ It is very rare to have everything you wish for in your 'first' house.
- ✓ Write down what is more important and what you are ready to sacrifice on
- ✓ Which factor has more priority over another factor?
- ✓ If you want everything, then you may be spending a few years chasing a moving target

Chapter 7 – Single storey vs double storey

Single-storey homes

Pros: -

- ✓ Less time is required to build a single storey (around 6 months)
- ✓ Approx. 100k cheaper than a double-storey home
- ✓ For young children and elderly family members, stairs can be dangerous and may eventually become a burden for the residents
- ✓ Smaller spaces may also encourage families to spend more time together

Cons:

- ✓ Single-storey homes do not have nearly as much space as double-storeys have to offer, which is most likely to impact growing families who may be after a larger home

Double-storey homes

Pros:

- ✓ More space
- ✓ Might attract more tenants in future(for rental properties)
- ✓ Can provide enough space enough bedrooms, living areas, outdoor rooms, studies and storage for a family
- ✓ By building double-storey you are maximising your investments rather than chewing off space from the outskirts of your land. This gives room for larger front gardens and/or backyards
- ✓ It is easier to create privacy in a double-storey home rather than a single as you can have all bedrooms located on one level and the living areas located on the other, or alternatively have the bedrooms be more spread out across the home
- ✓ In the case of investment property, you have the advantage of being able to charge significantly more rent, increasing your weekly and monthly yield

Cons:

- ✓ With all the space which a double-storey home provides, you are left with more areas to clean, both internally and externally
- ✓ A lot of time and energy is spent in maintaining the home, particularly for hard-to-reach areas such as top-storey gutters and windows

- ✓ More time required by a builder to build a double-storey home. (around 12 months)
- ✓ If you are investing and building a two-storey home, you are narrowing down your future target market to groups and families. Often single people, couples without children and elderly people do not require two-storey homes and as such, are unlikely to show interest in renting your property
- ✓ It is around 100k more expensive to build a double-storey home compared to a single storey home

Chapter 8 – Checklist for open home (Properties for sale on the market)

Check the

- ✓ walls for cracks, patches, wetness, mould or anything unusual
- ✓ floors for similar issues and ensure that you walk stiffly to ascertain the quality of the flooring
- ✓ ceilings for similar issues, paying close attention to the walls.
- ✓ bathroom thoroughly. Carefully inspect everything in the bathroom including taps, leaks, wetness, patches, cracks, toilet, working of the flush and also check for any mould
- ✓ kitchen, check various appliances, taps, leaks, patches, mould etc.
- ✓ backyard, the pergola and look for the presence of rubbish near the property
- ✓ external walls for cracks, patches, wetness etc
- ✓ drainage is working fine. Check for any water logging near the property or in the block
- ✓ feeling, you should get a feeling on just how good the property is for you and whether it has been well-maintained or not
- ✓ property has been rented previously
- ✓ guttering and roofing, if it is single-storey, then check the roof and roof gutters
- ✓ signs of leakage in the ceiling. During a storm, roof tiles may get broken and this may result in water leaking through the ceiling of rooms and garage.
- ✓ garages and laundry
- ✓ wardrobes and cupboard as well
- ✓ subdivision potential, If you want to subdivide in future, call the council to check whether it is currently allowed or any indication that it may be allowed in the future.
- ✓ call the local council for granny flat potential.
- ✓ fence for possible requirements of repairs or replacement. Talk to the neighbours and see whether they are willing to pay half of the expenditure.
- ✓ get a professional building and pest inspection done in the subsequent cooling-off stage at \$500(approximately) or more . Please check whether the holding deposit of 0.25% is refundable or not for the case wherein the building and pest report is not satisfactory
- ✓ trees in the backyard. There have been stories of people allegedly spending heaps of dollars in getting trees removed. Do note that some trees are prohibited to be removed, so you may have to check the council for the same. It may be illegal and may attract fines if you get trees removed without approval
- ✓ kitchen revocation, if the kitchen renovation is required, the estimated figure to get the kitchen renovated is \$25,000 or more while a bathroom renovation amounts to \$10,000 or more. So, make sure that you consider that in your purchase

- ✓ driveway for cracks. It may cost around \$6,000 or more to get a new driveway
- ✓ grass, whether it needs replacement. It may cost around \$5,000 or more to get it replaced
- ✓ alarm system, get the alarm codes and the associated working manual
- ✓ mostly in 90% of the cases, keys of the house have to be replaced when you plan to buy and move in. Consider \$1,000 or more towards locksmith cost to replace all door and windows locks.
- ✓ swimming pool, If the house has a swimming pool, then it may have an additional cost to maintain the pool.
- ✓ shower tiles need regrouting and silicone. Consider approximately \$1,000 or more for such costs
- ✓ inspections, the building and pest inspection company may be able to connect you to tradies who may give you approximately a quote to fix any reported issues in the property.
- ✓ vanities of the bathroom, put \$1,000 or more to replace them
- ✓ hot water system, please check exactly how old the existing system is and take a decision on whether it needs replacement
- ✓ gas or electric , you may want to find out whether the kitchen has electric or gas facilities. If electric, you may want gas in it and therefore, please check whether the street has a gas pipeline. To get gas from the pipeline into your kitchen, the costs may approximately be \$4,000 or more
- ✓ flooring, the estimated figure to replace flooring is \$5,000 or more per floor. You may get laminate flooring done which may work out to be slightly cheaper.
- ✓ shower screen, most of the houses are more than 10 years old. As such, you may need a shower screen replacement. Put \$1,000 or more aside for each screen
- ✓ the presence of an outdoor kitchen. If yes, look for any repair or enhancement required
- ✓ garage floor, inspect whether the garage floor is made of concrete. If yes, you may want to do epoxy flooring on it which may cost around \$1,000 or more
- ✓ solar panels, for solar panels, put \$5,000 or more aside for it. Do note that this may be without a battery. For battery installation, add another \$10,000 or more
- ✓ window locks and keys, check the window locks and confirm that the windows can be closed.
- ✓ It is generally best to get the quotes from the licensed professionals on the repairs that may be required before signing any property contract.

Chapter 9 – What should be your offer price?

Let us say you want to buy a property (existing house, apartment, etc).

You go to open homes every Saturday and do not know what to offer as a price. And when you come back from the open home, you see that the property goes 'under offer' the very next day

You are left wondering about why you did not receive a call from the agent, telling you that the property has received an offer. Additionally, you know that you could have offered a bit more and bought the home.

But here's the thing: any real estate agent may tell you that they are not trained to be **mind-readers** or face readers, and predict what is going on in your mind. They give every buyer an equal opportunity to purchase the property.

The problem is, you don't know what price you need to 'offer' and you also don't have a single focus on any particular suburb. Each week you go to open homes in different suburbs only to see your efforts go in vain.

A **slightly better approach** could simply be sitting down with your partner, having a thorough discussion and then having a word with a bank or a broker. Make an excel sheet and write down the absolute, 'must-haves' and 'nice to have' pointers. You should sort out your budget and deposit accordingly. This may help you go to the market with a focussed approach.

It should be understood that it's okay to not have your first house as your dream home...

It's okay to not overcommit, to not impress your friends with a mansion and to cater to your immediate needs for the next 5 years. Make it a point to give importance to commute time to work, consider a good school for your kids and save for the next, say 2 years, for the initial deposit.

So it is generally wise to work on aspects that are in the best interest of your family. So, do your homework, create a priority excel sheet, budget it, talk to the bank or broker and bring the focus back to life!

After the initial lookout in a few suburbs, focus on a single suburb and few pockets of that single suburb. Find out the ongoing selling rate of properties in that area. Naturally, you may put 'offer' on a few and may miss out on a few properties. However, with laser-sharp focus, you may come to the relevant price of the properties, thereby getting better prospects at your offer price.

Chapter 10 – Tips for buying at auction

I attended several auctions in the past few years and have collected a few tips for anyone who is preparing to buy at an auction.

- ✓ Once you have made up your mind to buy in a particular location, do not hop around much. For instance, there is no need to go for one week to Hornsby and another week to Schofields. Just focus on one suburb
- ✓ Get your finances and pre-approvals for a mortgage. Ensure that you know your maximum borrowing power
- ✓ Get a cheque book issued in your name. It is a very handy tool to pay in case you win at the auction
- ✓ Go to the auctions in your targeted area and see the atmosphere there. Check whether you may be able to face the competition and the perspiration that goes with the auction day
- ✓ Learn the style of the auctioneer, how they say, what they say and how they motivate people
- ✓ Write down the price of the property that is being advertised and note down what it sells for at auction. See the difference; there may be a difference of a few dollars to a few thousand dollars.
- ✓ Be prepared to get the building and pest inspection done for your targeted property
- ✓ Talk to your solicitor and get the contract reviewed of the targeted property. Ask the solicitor to add all the required clauses. For example, 5% deposit instead of 10% etc before the auction
- ✓ Do not give too much financial information to the real estate agents (basically, don't show all your cards)
- ✓ Be informed that there is a reserved price for each property. If that is not met, usually the property is not sold at auction.
- ✓ Be informed that you may have to take building and contents insurance on the auction day in order to get rid of any issue that may happen between auction day and the settlement day.
- ✓ On the auction day, wear confident clothing and keep any distractions at bay.
- ✓ Discuss the 'walk-away price' with your partner. Do keep in mind that this is the maximum price which you may bid and if you do not get it, you may walk away from the property
- ✓ Arrive early and check any last-minute things that you may have missed out on. Make a reminder note, if necessary
- ✓ Stand in clear visibility of the auctioneer and everybody else in the room
- ✓ Do not open the bid, let others play first

- ✓ In the middle or towards the end, jump in and announce your bid in the whole number. For example, quote \$850,000 instead of saying another \$5000
- ✓ Show confidence with your eyes, your smile and your clothes
- ✓ It should reflect that you are not going to stop now. No matter what happens, you may buy it. After all, you have done most of your due diligence such as talking to your mortgage broker, review session with your solicitor, got building and pest control done and you now know your 'walk-away' price
- ✓ Make sure if it looks like that the property may be passed-in, then you are the highest bidder to negotiate in the closed room
- ✓ Be prepared to 'miss out' under reasonable circumstances. It is just a property and not the end of the world
- ✓ Even if you do not get the property, you would still get a good experience which you can use in the next auction.

Chapter 11 – Different types of inspections

Apartment/Townhouse/Villa/Strata titled/Individual houses/Torrens titled properties

- **Strata report (Usually applicable to strata-titled properties)**

This report is prepared by an external licensed company and it usually contains the details of any maintenance required for the strata-titled property. It also has the details of the various financials of the building and any decisions taken in the annual meetings among hundreds of other things.

- **Building inspection**

A building inspection is done by a licensed company that checks the condition of the building and confirms many maintenances required for the property among hundreds of other things

- **Pest inspection**

Pest report is prepared by a licensed company and it gives a report on any pest/termite issues in the property among hundreds of other things

- **Other inspections as suggested by your solicitor**

Your solicitor may suggest a few more reports, for which you may have to pay to purchase them.

Chapter 12 – Things to consider while buying land

Many people buy land and then construct a house. But for such a monumental occasion, there needs to be a few pointers to be kept in mind

Following are the things to consider when buying land:

- ✓ **Shapes**

Land comes in many different shapes. While rectangular is the most popular shape, other shapes are also possible. These include triangular and other irregular shapes.

- ✓ **Slopes**

Generally, 0.5m sloping is considered fine. However, more slope means more digging and filling and this results in a considerable increase in the site cost.

- ✓ **Covenants and easements**

Both easements and covenants can be affirmative or negative. However, easements are typically affirmative, giving the holder the right to use the land, whereas covenants are typically negative, limiting what the burdened party can do on her own land.

- ✓ **Electrical substation on land**

Sometimes there is an electrical substation near the land. This type of land is generally cheaper than the adjoining land. However, some people consider it a health hazard to be close to an electrical or telephonic substation/ tower. At the same time, some people are fine with it.

- ✓ **The frontage of the land**

Generally, 12.5 is considered as the standard frontage to build a property. Some lots have narrow frontage, which means that you may save it on land. However, you may have to build a double-storey on it due to the narrowness of the land. For instance, say your front has a double garage and formal lounge for a single-storey. In that case, the double garage is 5.5m and the formal lounge is 5m. You are generally required to leave 1m on each side (some estates have different guidelines). Therefore, the total may be $5.5 + 5 + 1 + 1 = 12.5$. If the lot is narrow then you can't build a single-storey on it or you have to compromise by having a single garage on it. You may do the rest of the math yourself.

✓ **Zero lot**

You may leave mandatory 1m on each side from your neighbour(s). For some lots, leaving 0m is allowed from one or both sides. These are generally called zero lots

✓ **Subdivision potentials**

There are council guidelines as to what frontage and land area(sqm) are required to build a duplex, free-standing houses or other types of development potential

✓ **Facing**

East/north/south/west facing orientations may be considered for sunlight and other purposes

✓ **BAL rating**

You may want to check the BAL rating, bushfire and flood zone rating.

✓ **Additional guidelines and set back requirements**

Please check the estate guidelines, sometimes there are additional setback requirements on the lot, sometimes only single or double is allowed, there may be additional landscaping requirements or guidelines from the estate.

- ✓ Sometimes the garage is not allowed in the front as the land faces the main road. As such, the garage may be from the back

- ✓ Irregular shapes are sometimes cheaper than rectangular ones

- ✓ Sometimes the shape is so strange or unusual that you cannot get a project builder to build on it. In such cases, you may have to get a custom builder for it

- ✓ Sometimes the developer guide is such that you build a double-storey. In other instances, a single-storey is more convenient(if allowed by developer, council and other offices)

- ✓ Sometimes you may be building a single, but your adjacent neighbours are building double storeys.

- ✓ Generally it is good practice to ask everything rather than to assume a few things.

How to find land to buy?

You may find by:

- ✓ Searching online
- ✓ Via our website or by filling the 'Contact Us' form or via the chatbot on our website <https://propertybuyersaustraliagroup.com.au>

Chapter 13 – Checklist for the construction of a house

Many people buy land and get a house built by a builder. Below is the checklist to consider while going through the process of building a house. In the end it is the buyer's taste and preferences, the below checklist is a general checklist and serves as a starting point so that you may not miss any point.

Rooms

At least 3m by 3m

0.6m is reserved for the wardrobe.

Fan with lights

Highlight windows may make the rooms appear bigger

Proper wiring to the home theatre room may be done(optional)

Bathrooms

Fully tiled

Tile strip

Soap recess

Stand alone bathtub

Hanging vanities

Frameless shower screens

Caesarstone in bathroom

Cabinets in laundry

Non-white cabinets(optional)

Kitchen

Splash screen

Shiny cabinets or matte finish

40mm Caesarstone

Shelves in pantry

Sometimes people go with non-white Colour cabinets

What type of appliances needs 900 mm?

Microwave space

Fridge provision of a bigger fridge

Consider the height of cabinets

3 hanging lights point

General

High ceiling; 2.4 m is a normal ceiling height

65mm wide skirting

Alarm system

Antenna

Video intercom
Downlights throughout
How many downlights are included?
How much money to install each extra downlight?
Power of ducted AC – Sometimes 14kw may not be enough, some people go with at least 20 kW or more
Some people prefer to have separate AC units for down and up
How many ducted zones?
Which façade is included?
Rendering in façade
Wide entry door in front
Flyscreens particularly doors
No carpets
600mm tiled floors
Designer cornice
Feature walls
3 coating paint to see which stains can be wiped
Tiled alfresco flooring
BBQ gas point outdoor
Sensor lights
What type of hot water system is included?
Fan and lights to alfresco
Stacked door to alfresco
Double power points in the rooms.
Junction box in the front façade
Glass railing to the staircase
Any decking requirement
Floor lights in alfresco

Garage

Timber garage door
Matched with entrance door
Wide internal access door from garage to house
Tube light in the garage
Window in garage
Tiles on the step of the garage

Outside

Landscaping
Which grass is included?
Side concreting
Plants
Letterbox
A rail for drying clothes

Blinds

Fencing

Patio tiles

Tiles on steps to the front house

What type of driveway-stencil is there?

External lights to front and sides

Best to have downlights in the front wall of the house

What type of fencing?

Is a retaining wall required?

Rainwater tank slimline

Pebble stones and garden bed

Which roof- Colourbond or tiles?

Which brick is included or upgraded?

How to find a competent builder?

You may find by

- ✓ Searching online
- ✓ Via our website or by filling the 'Contact Us' form or via the chatbot on our website <https://propertybuyersaustraliagroup.com.au>

Chapter 14 – Things to consider after the handover of the newly constructed house

Most people buy house and land packages, or buy land and get a house built on it. The expectation is that the house is ready to live after handover. However, that is not always the case.

Below is the checklist to consider for the work required after handover:

- ✓ **Driveway:** It is not always included in the contract, hence you may have to get it done after the handover.
It can be a brick driveway, concrete coloured driveway or stencil concrete driveway
- ✓ **Landscaping:** It is not always included in the contract. This is due to the fact that different people have different expectations from landscaping work. So, it is best left to be done by the customer themselves. Going for landscaping makes the land reasonable enough for topsoil to be put on it. Additionally, the grass comes at various prices and also goes on top of it. Letterbox, house number sign, few white pebbles and bark mulch and few plants are perfect for the grass.
Furthermore, pavers can also be used in some places
- ✓ **Sideways:** When constructing a house, consider the two sides of the house and speculate on whether you may get concrete done on them (which should be done along with a driveway to save cost) or if you want pebbles or pavers there.
The cost may come out to be pretty much the same
- ✓ **Steps to the porch:** Steps to the outside of the laundry and steps from the garage to inside the house. Find a tradie to set up the desired steps
- ✓ **Tiles to steps of the porch:** Tiles on steps of the outside of laundry and tiles on the garage to inside the house. Where may you buy tiles from and which trade may do it?
- ✓ **Retaining wall from the front to the back of the house:** If the house is below or above ground level, there is a risk of water going inside or water coming outside of the house when it rains.
So you may have to consider putting retaining walls. Where may you buy the materials from and which trade may do it?
- ✓ **Clothesline:** You may have to measure and find a handyman to put the clothesline.
- ✓ **Downlights:** Some people get downlights on their own after the handover. These downlights are usually for the areas which have access to the roof. For example, a single-storey house or the first floor of a double-storey house
- ✓ TV Antenna
- ✓ Fancy lights outside the house
- ✓ Sensor lights to the sides and back of the house
- ✓ Doorbell or video intercom

- ✓ Shelves in the cupboard
- ✓ Making a fixed study table in the study area
- ✓ Blinds to the house
- ✓ Fencing-whether timber or Colourbond. Also, you may want to make good relations with your 3 neighbours as they are required to pay half of the cost!
- ✓ Flyscreens to windows and doors
- ✓ Any irrigation requirements in the backside so that rainwater can flow smoothly from the backyard to the stormwater connection at the front
- ✓ Security door to the front
- ✓ Alarm or security camera systems
- ✓ Epoxy flooring to the garage
- ✓ Outside the kitchen: The outside gas point may be required to make it possible
- ✓ Additional TV points
- ✓ Light coverings to all inside batten light holders
- ✓ Tiles to the outside alfresco area
- ✓ Please note that some of the above points are optional as well.

How to find a competent building and pest inspection professional or a building inspector?

You may find by:

- ✓ Searching online
- ✓ Via our website or by filling the 'Contact Us' form or via the chatbot on our website <https://propertybuyersaustraliagroup.com.au>

Chapter 15 – Final inspection on the settlement day

Checklist to do a final inspection of the property before the settlement:

Check the:

- ✓ the keys are in order: Most people forget that the keys are the most important part of the handover. Check the window keys, main door key, key to the shedding and the key to common property. You may also consider getting the entry door lock replaced after the handover as you never know who all have the keys to your house
- ✓ remote control: Check that you get the remote control to the garage.
- ✓ remotes to appliances such as the air-conditioner
- ✓ appliances are working. This should be part of the building and pest inspection. Additionally, also check that the appliances are in the working order (oven, cooktop, AC etc)
- ✓ the hot water system is still working
- ✓ there is no breakage in terms of window glass breakage.
- ✓ there is no rubbish on the site or on any of the properties. For instance, I once had an owner leaving old carpets in the garage which cost me a lot of money to remove
- ✓ the garage door is still working
- ✓ things attached to the house are still there. For example, you should always get these things that you want after settlement added to the contract itself in order to ensure that the previous owner cannot take it with them. This may include projector, curtains, pool table, TV hanging system etc.
- ✓ If you have a swimming pool, check that you have it in a working situation.
- ✓ how to operate the alarm system and note the passwords for it
- ✓ if any regular maintenance personnel come to the property. For example, the previous owner may have had a good lawn mowing person, pool maintenance staff, pest exterminator etc. and you may leverage the existing relationship. It depends upon your personality whether you value relationships or not
- ✓ if any blue-tongued lizards (skinks) are present in the garden
- ✓ the termite protection, the last time it was done and if there is any regular termite protection treatment being put every year
- ✓ whether any maintenance was done and try to get the invoices for it. For example, look for warranties on any new appliances.

We impart a lot of property buying and investing knowledge via online/offline seminars and knowledge sharing sessions via an independent set of licensed professionals.

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