

# WHAT HAPPENS WHEN YOU BUY A PROPERTY

## PART 1: PLANNING

Check whether you are eligible for the first home owners grant (FHOG). Your home loan consultant should be able to assist with applications.

Check what other stamp duty concessions apply in your state or territory.

Research the property market and work out your expenses eg, legal costs, stamp duty, pest and building inspections, lender's mortgage insurance and application fees.

Assess your finances and establish a monthly budget to see if you can afford the monthly mortgage repayments, and that you have enough funds to cover any transaction costs.

Make an appointment with your home loan consultant to obtain pre-approval so you have a clear indication of how much you can borrow and what type of home loan is right for you.

Choose a solicitor or conveyancer.

## PART 2: BUYING

Once you have your pre-approval and found the property you want, make an offer. If it is accepted, a contract of sale will be organised. You may be required to pay a non-refundable holding deposit (it is a good idea to get your unconditional finance approval first).

Meet your home loan consultant and complete a home loan application form (and a FHOG application form if applicable). You'll need to provide all documents required and a copy of the contract of sale. If your application is approved, conditional approval (subject to valuation) will usually be issued.

The value of the property is usually assessed by an independent valuer appointed by your lender. You should arrange pest and building inspections.

If the valuation is satisfactory and there are no other outstanding requirements, your loan is unconditionally approved.

Arrange with your solicitor to review and sign the contract. You'll also need to arrange for the deposit (usually 10 per cent of the property value) to be provided to the vendor. If your vendor agrees, you can contact your home loan consultant to apply for a deposit bond.

## PART 3: SETTLEMENT

Contracts are exchanged and you usually have between 28 and 90 days until settlement (the time of settlement will vary depending on your state/territory and your contract).

The loan documents are sent to you or your solicitor. Make an appointment with your solicitor to receive advice upon and to sign the documentation.

Sign the documents and return them (the contact details will be provided with the documents). Settlement is then booked.

Don't forget to arrange insurance for your new home. Proof of insurance is usually required by your lender before settlement.

Settlement occurs and you can move in. Congratulations!