



**HAYDEN &
HAYDEN**
REAL ESTATE



Buyers

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Welcome



Buying your first home is exciting and daunting in equal measure, particularly if you are not exactly sure how to get started. To help you confidently navigate the process of buying your first home, we have compiled a comprehensive guide that outlines the key milestones of the property buying journey.

With years of experience we have built up a lot of knowledge on the buying process and we wanted to share it with you - so you can better understand each step and find the right property for you sooner.

This guide is here to help you whether it's your second, third or tenth purchase and to give you a detailed description of each step. From understanding the process and the costs involved, to advice on how to do your research, what to look for in a property and what questions you should ask.

Read on to find out how different buying methods work, what should be in your contract of sale and other considerations to make your next transaction run smoothly.

The Area



You can change everything about a house except its location. The two key questions to ask yourself when considering a new home are ‘where’ and ‘what’. Where do you want to live and what type of property do you want to live in? The old real estate adage – ‘location, location, location’ – is as important a concept today as it has ever been. It is not only more enjoyable to live in a good area, but it will enhance your property’s value and appeal when the time comes to sell.

So what makes a good location?

- Consider growth areas with good access to local facilities and avoid environmental problems such as areas with busy roads or noisy factories nearby.
- The combination of good urban planning and natural beauty also result in desirable locations.

- Once you have decided on your location the next question is what to buy. Make a list of what is important to you – number of bedrooms, car access, size of land.
- Consider if you are prepared to renovate; if so, the worst house in the best street could be a good buy.
- Look for at least one special feature; maybe it is a view, a large backyard, a designer interior or original historical features.

Your community should support your ideal lifestyle. How we want to spend our days, drives our choice of where to live. With your budget front of mind, do your research online for the communities you’re considering.

Choosing a Suburb

1

WHAT KIND OF HOME DO YOU WANT?

What kind of property do you want to buy? House, apartment, townhouse, unit - there are quite a few options all with their own benefits and restrictions.



2

CONSIDER YOUR COMMUTE

How will you be travelling to work?
Q=What are the available transport options and is the property within close proximity?



3

OLD OR NEW?

Older neighbourhoods are great for established infrastructure and charming homes, but often older homes require more repairs. Newer developments have modern finishes and less repairs are needed.



4

COMMUNITY

What would you like to see more of in your new neighbourhood? Is it more cafes? Shops? Location is everything when buying a property so make sure your must haves stay front of mind.



5

MUST NOT HAVES

Everyone has wants but have you considered the things you don't want? when it comes to buying a new home, be realistic, take your time, don't act on impulse, and, ultimately, make a home-purchase decision that's good for both your feelings and your finances.

6

DEMOGRAPHICS

The lifestyle of a suburb is often influenced by who lives there. Generally speaking, areas with higher populations are good spots for buying investment property. Tracking demographic changes and trends can help property investors make better choices.



Buy or Sell First

So you're going to buy a new home. Now comes the age old question: Should you buy or sell first? Your decision may be affected by a number of factors, such as market conditions, personal preference and your financial situation.

BUY FIRST

PROS

- You will have a home already secured as a safety net if your old house sells quickly.
- You can access equity in your loan to pay for the deposit for a new home.
- You can spend as much time as you like shopping around for a new home for sale.

CONS

- You might have to organise bridging finance between the two properties, giving you a time limit.
- You might feel pressured by time and accept a lower offer.
- If your old home sells at a less-than-desirable price, you may have to fund the difference in costs.

SELL FIRST

PROS

- The proceeds from the sale of your home can be used for your next purchase.
- You will know exactly how much to spend on your next home.
- You might have more time to find a new home while your old property is on the market.

CONS

- If your home sells quickly, you could be left to make a rushed purchase.
- Local property prices could rise in the time between selling and buying a new home.
- You might have to spend more money to rent accommodation while between homes.

The Numbers



Buying a new home means you will need to plan ahead for all the costs associated with the purchase.



Refinancing Your Loan

As you will likely have equity built up in your home loan, you might be able to access this to cover the deposit for your new home. This is done through a simple refinance with your mortgage lender.



Borrowing More

If you've got your eye on a home that is more expensive than your current one, it's likely you'll need to borrow more to fund the difference.

This means you'll need to reassess your borrowing capacity with a lender and discuss how changes in your financial circumstances may affect the amount you can borrow.



Home Loans

Getting your first home loan – Three key concepts. LVR (Loan to Value Ratio), Genuine savings, LMI (Lenders Mortgage Insurance).



The Steps

Buying a house might feel daunting, but it doesn't need to be. We take you through the process step by step and provide you with helpful tips along the way.



Step 1

Organise your finance

Before you start searching around for your dream home, it would be wise to get in touch with a range of banks and lending institutes to ascertain how much you are eligible to borrow. The Department of Fair Trading has an excellent article which explains the range of finance options available to you.



Step 2

Search for and inspect properties

It's really crucial before buying a house in NSW, that you inspect it. This allows you to rule out any serious issues, ensure the property meets your requirements and that you love it! Another option available to you is to organise for a building inspection report which is a building inspection completed by a professional who is trained to assess the condition of the property.



Step 4

Organise legalities

Once your offer is accepted, engage a conveyancer or solicitor and they should perform the following key tasks:

- Review and assess the sales contract
- Exchange the sale contract with the seller's legal representative
- Arrange payments such as deposit and stamp duties
- Prepare the mortgage agreement
- Review any payments owing on the property
- Arrange change of title
- Represent you during settlement



Step 3

Submitting an offer

When you place an offer on a property, you must ask the agent to give you a copy of the sale contract. This contract is a legal document which formally identifies the property being sold and will include a number of important documents pertaining to the property. You should pass this contract on to your conveyancer or solicitor for them to review and make sure there are no serious issues or important items missing which would prevent you from purchasing the property.

Once your conveyancer or solicitor advises you that the contract of sale is in order, it's time to 'make the offer'. Many agents will also request a deposit to be placed at this time. This deposit does not guarantee that the property will be sold to you, and you are also not under obligation to buy the property at this stage. If the contract does not go ahead you will be refunded the deposit. If your offer is accepted it's time to exchange contracts with the Vendor.



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Experience makes the difference