

# HOME BUYER'S GUIDE





**Turning the home of your dreams into a reality is easier if you're prepared.**

**IMPORTANT NOTICE:** The information contained within this book has been provided in good faith to assist you with some of the questions you may have about the purchase of a property. It is by no means meant to be definitive solution to all possible queries as the actual answers may vary with individual situations. If you have any doubts about any matter you should speak to your legal representative about your specific query. Due to the variations in individual circumstances, we cannot accept any responsibility for any misunderstanding that may result from the information provided herewith. However, please do not hesitate to contact our office for any specific queries or assistance you may require and we will do everything possible to provide the information you seek or else recommend who you should speak to for an answer.

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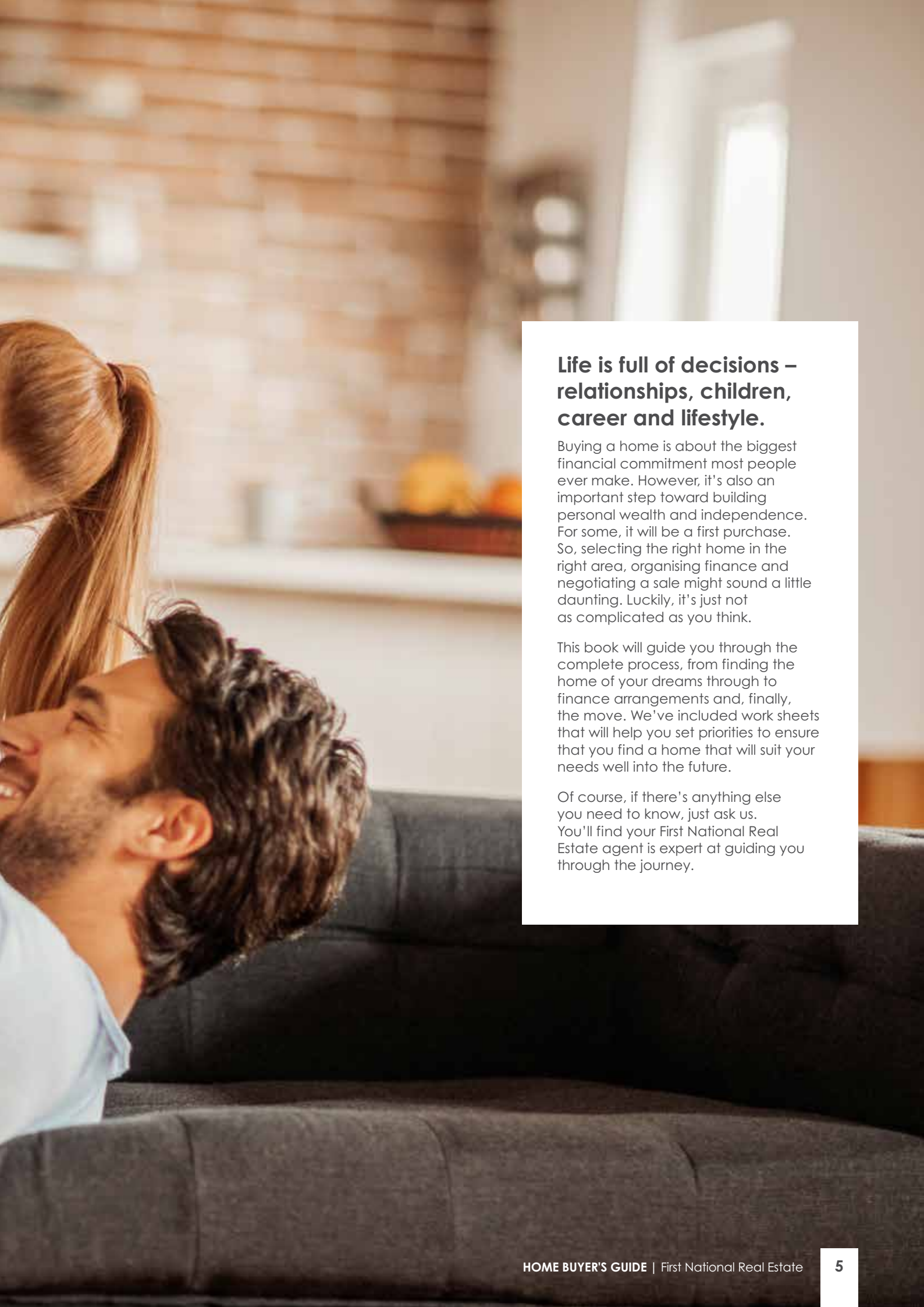


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Glossary of terms

# Introduction





## **Life is full of decisions – relationships, children, career and lifestyle.**

Buying a home is about the biggest financial commitment most people ever make. However, it's also an important step toward building personal wealth and independence. For some, it will be a first purchase. So, selecting the right home in the right area, organising finance and negotiating a sale might sound a little daunting. Luckily, it's just not as complicated as you think.

This book will guide you through the complete process, from finding the home of your dreams through to finance arrangements and, finally, the move. We've included work sheets that will help you set priorities to ensure that you find a home that will suit your needs well into the future.

Of course, if there's anything else you need to know, just ask us. You'll find your First National Real Estate agent is expert at guiding you through the journey.

# Do your research

With a little research, buying a property needn't be an intimidating exercise.



While this book will increase your confidence and reduce the chance of making any mistakes, you should also visit [firstnational.com.au](http://firstnational.com.au) where you will find all our answers to the most common questions about life's real estate journey. Don't be shy though; if you don't see the answer to your specific question, feel free to contact us online via our website or give us a call.

Most people start their search with an image of the property they would like to buy in their mind. Frequently they have a short list of suburbs they're interested in as well.

However, if you're not sure about that, establish where you can afford to buy by looking at the prices being asked for properties available for sale in different suburbs.

All major property websites allow you to insert a price range and basic property description. This will quickly and efficiently provide you with a target list of suburbs to begin focusing on. Plus, you'll find lots of other valuable information to help you with your search.

First National Real Estate agents are trained to help you set your priorities so you find a property that best suits your needs and budget. Ask your nearest First National Real Estate office to add you to their buyer database. That way we can send you notifications as suitable properties are listed for sale. First National is Australasia's largest independent real estate network and has the most satisfied customers.

**At First National Real Estate, we put you first.**

Call your nearest First National Real Estate office for help on **1800 032 332**.

# What is your borrowing power?

Your borrowing power is determined by your current income and financial commitments as well as your savings and credit history. You should carefully consider your current and future living expenses so you'll be assured you can repay your loan and maintain the quality of lifestyle you'll require.

A budget and purchase worksheet is provided at the back of this booklet.

One of the biggest initial outlays you'll face is your deposit. This is usually 10 per cent of the purchase price but don't forget that the deposit, like many elements of a property purchase, can be negotiated.

It's not uncommon for a property owner to consider a 5 per cent deposit in some circumstances, so don't be afraid to ask your agent if your funds are stretched.

In addition to the purchase price of your property, you will need to pay for things like Stamp Duty (on the purchase price and the loan amount borrowed), conveyancing fees and possibly mortgage insurance (if your deposit is less than 20 per cent).

If you're buying your first home, you may be entitled to valuable grants or bonuses from Federal and State Governments.

Visit [firstnational.com.au](http://firstnational.com.au) to find more information on first home buyer's financial grants under Resources.

**'Borrowing power' is a term used to describe the amount you can comfortably afford to finance your purchase.**

## Tips

### 1.

Your first step to home ownership is saving a deposit but it's important to know about the extra costs, which include mortgage insurance, taxes, removalists and legal costs. Start saving now and calculate the additional expenses so you'll know you're on track.

### 2.

Get professional advice. Sit down with a mortgage broker or a range of lending institutions to learn about all your options. Even if you don't act right now, you will fully understand where you are at and what you need to do next.

### 3.

Be flexible with your expectations. Units and townhouses are less expensive than houses in many areas and could provide a feasible market entry point. The key is to get into the market, pay down your mortgage, and establish equity in your home as a basis for future financial options and flexibility. Once you have gained some equity, you'll be able to think about moving to a suburb you would prefer to live in.

# Financing

A photograph of two men in a professional setting. The man on the right, with a beard and wearing a blue button-down shirt over a grey t-shirt, is smiling and looking towards the man on the left. The man on the left is wearing a dark suit jacket and glasses, and is partially visible in profile. They appear to be in a meeting or consultation, with a laptop visible in the foreground.

**Choosing the right home loan from the many products available can be daunting. It's important to understand the alternatives before making your choice.**

Talking to several mortgage brokers as well as a financial adviser will help you sort the wheat from the chaff. There are two options available to you when arranging a home loan.

You can apply directly to a finance institution or you can use a mortgage broker to help you through the process. There are two fundamental types of home loans available, each offering you a range of repayment options.





### **Variable Rate Home Loans**

With a Variable Rate Home Loan the interest rate is described as variable because it may change during the term of the loan, depending on economic conditions.

- Repayments can usually be made monthly, fortnightly or weekly
- The maximum term is 30 years, with many lenders
- Interest is calculated on the daily outstanding balance of your loan and charged to your account monthly, so any additional or increased repayments will benefit you immediately

Unless the loan is paid out in the first five years, there are rarely additional costs for early repayment of the loan, other than government/bank discharge fees.

### **Fixed Rate Home Loans**

As the name implies, this home loan product has a fixed rate of interest. The term for which the interest is fixed may vary from one to five years.

After that, the loan may need to be renegotiated for another fixed rate period or it may simply revert to a variable rate home loan

- You may be able to make the choice to repay interest only or principal and interest
- There may be additional costs if you opt for early repayment of the loan

Mortgage brokers are available at your convenience and will always be happy to meet with you at a time and location that suits you.

Consumers don't normally pay for a broker's service directly; the lender pays the broker. Brokers can place business with any of the major lenders, so they have an incentive to find you the best, most suitable product, taking the hassle out of arranging finance as well as saving you money and time by finding the best deal available.

# How much can you comfortably afford?



**Before you begin actively looking for a property, you should determine what you can comfortably afford in repayments. The budget worksheet on page 24 and 25 will help you to establish a price range.**

A lending institution will apply a 'Qualifying Ratio', which is the percentage of a home buyer's gross income that can be prudently allocated for debt, based on personal income.

As a general guide, lenders limit the total sum of monthly mortgage principal, interest, tax and insurance payments to 28 per cent of the borrower's gross monthly income. Furthermore, they may limit the total of all long-term debt payments to 36 per cent of the borrower's gross monthly income.

# Let's go property hunting

Shopping for a property is an exciting adventure, once you have a clear picture of what you want and how much you can afford.

Aside from basics, such as the suburb and number of bedrooms, there are other important things to consider depending on your circumstances. For example, is the property within walking distance of schools? How far is it to the train station or bus stop? Is there off-street parking? Does it have a sunny, northern aspect? Is it under a flight path, on a truck route or 'rat run'? How close are the nearest shopping facilities?

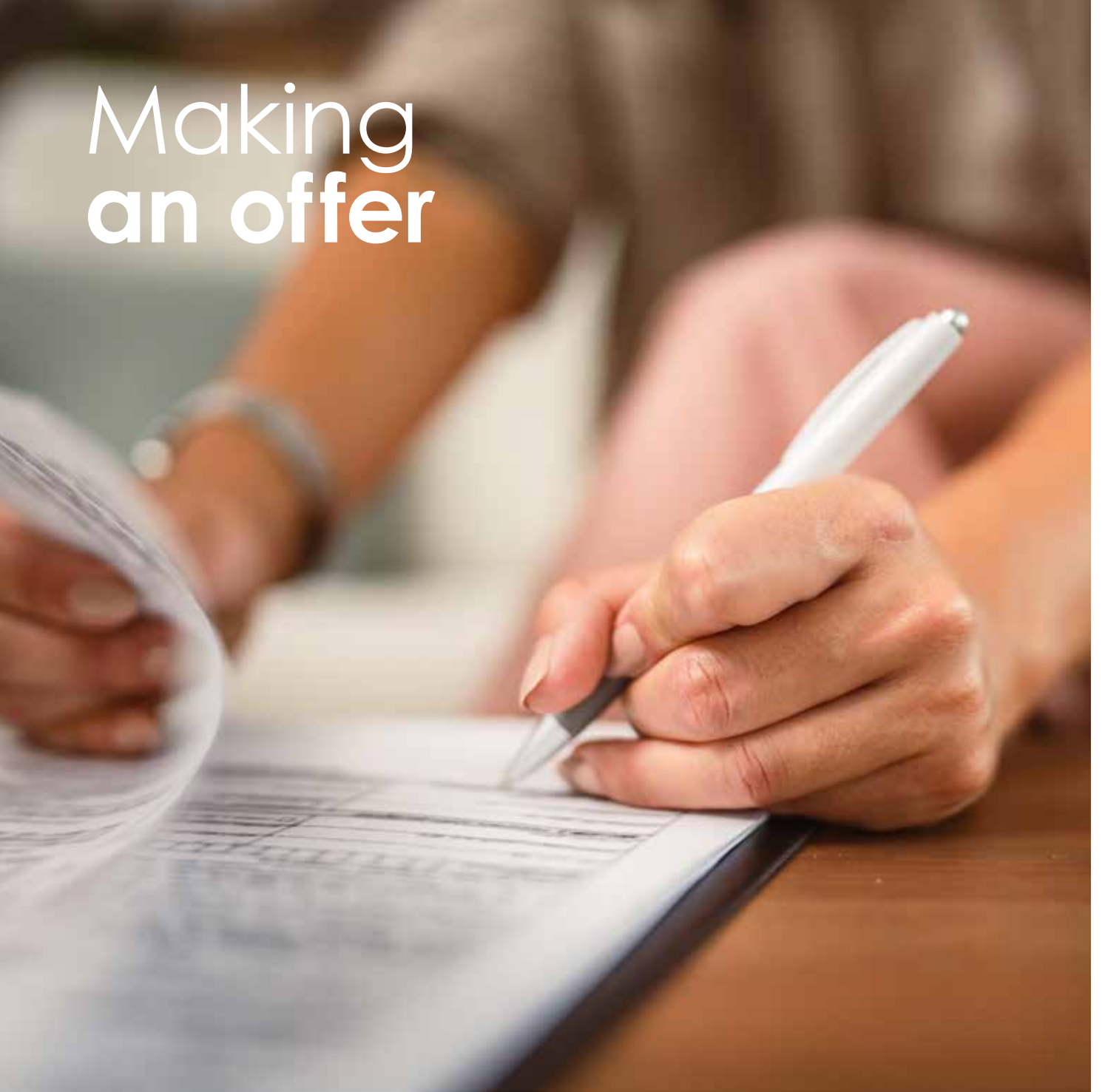
The internet provides the most popular means of finding real estate for sale. Use the search feature on the First National Real Estate website to find all the properties we have listed. You'll be asked to provide a price range and your ideal property location. Providing this information helps narrow your search, ensuring you only view properties matching your criteria.

Visit [firstnational.com.au](http://firstnational.com.au)

## Other sources for details on properties for sale are:

- Property finder Apps
- Newspapers
- Real estate magazines
- Real estate agents' windows
- For Sale signboards
- Friends and neighbours

# Making an offer



## There are two ways to do this:

### Unconditional offer:

An unconditional offer is when you offer an amount to buy the house as listed (with or without drapes, fixtures, etc.) without adding or negotiating any other conditions.

### Conditional offer:

A conditional offer is when you offer to buy the property only if the vendor accepts certain conditions.

These must be listed on the Offer to Purchase. For example, your offer may be conditional on arranging finance.

If finance cannot be arranged within a certain period of time, the offer becomes void.

For your own protection, you should nominate a specific lender as your source of finance. Leaving out a nominated lender or having open-ended finance conditions on your Offer to Purchase may force you to take up finance at substantially higher rates, perhaps shorter terms, and from a lender you would not prefer to deal with. Another condition might be an extension of the settlement period. If the seller does not accept the conditions, further negotiation may take place or the offer may simply be declined.

**Found a place you'd love to call home? Once you've considered other comparable nearby properties, take a deep breath and make an offer!**

# Tips

## 1.

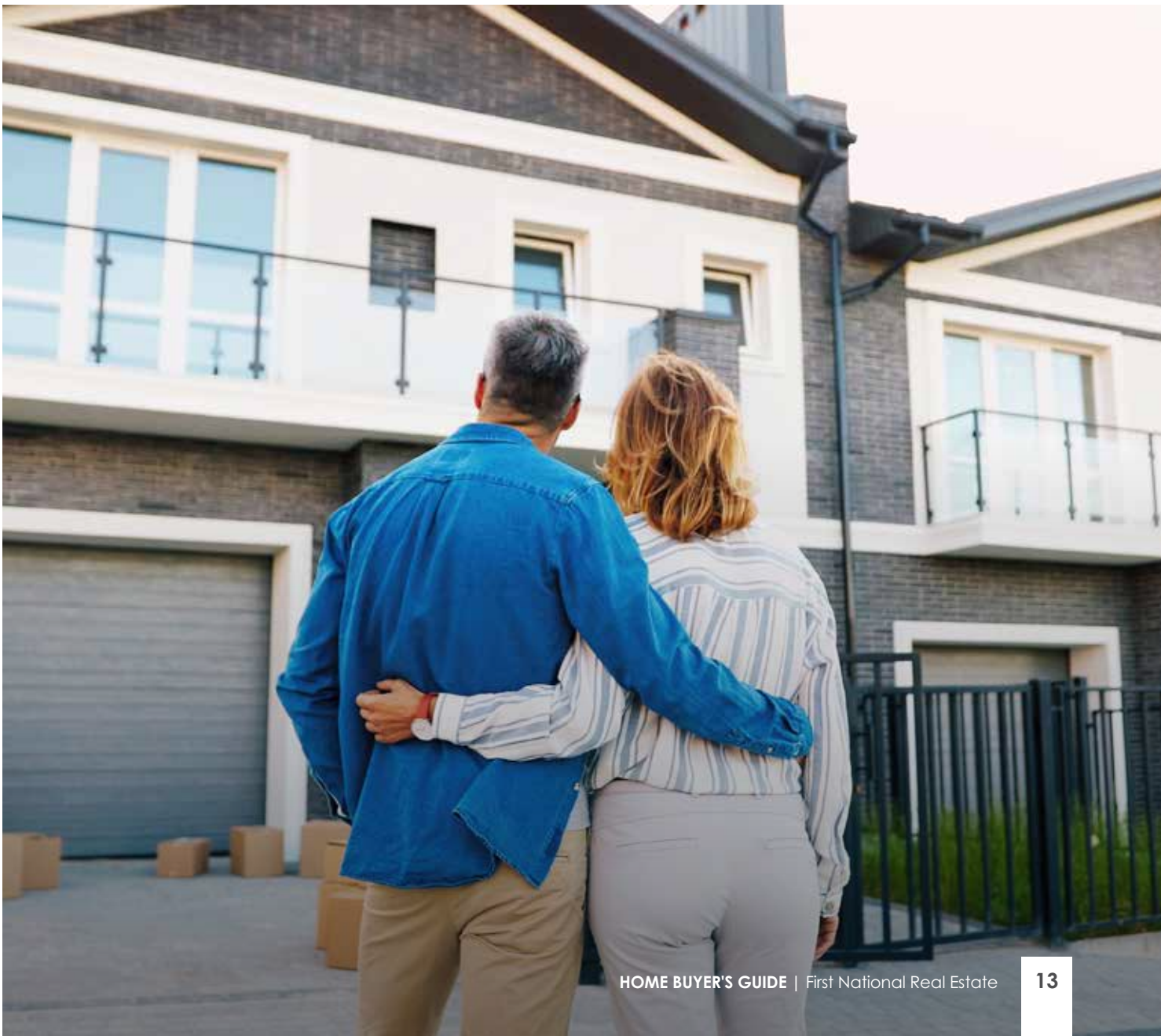
Avoid the temptation to make an offer before your finances are arranged and approved. Even though you may wish to secure the property, it's safer to talk to your lending institution about the type of property and its location before making the first move.

## 2.

Next, make sure a legal advisor has reviewed the contract of sale and that you are satisfied that the terms and conditions of the sale are reasonable, and that you are in a position to meet those terms.

## 3.

Finally, before the expiration of any applicable cooling off period, conduct a building and pest inspection so you know if there are any problems with the property and what they might cost to fix. Now you're ready to make an offer and, when negotiations are completed, move quickly to complete the necessary legal requirements to make the property yours.



# Auction



If you plan to bid at auction, it is wise to complete any building or strata inspections you desire beforehand. It's also important to have received your loan approval in writing.

Immediately following the fall of the hammer at auction, if successful, you will be required to sign the contract and make sure you've updated the maximum amount you can transfer money online for a deposit. It is crucial that any changes or conditions you would wish to make to the contract have been negotiated through the real estate agent, and agreed to by the owner in writing, prior to auction. The owner is under no obligation to agree to changes to terms stipulated in the contract, post-auction, and the auctioneer is legally entitled to sign the contract on the buyer's behalf in the event of a dispute.

Whether the auction is being held in a real estate agent's auction rooms, on-site or online, the process is identical.

The auctioneer starts proceedings with a short explanation of the contract and terms of the auction. Buyers are entitled to ask questions at this stage. The auctioneer will then call for an opening bid. If an opening bid is not forthcoming, the vendor is entitled to make a "vendor bid" but must disclose when the bid is from the vendor in some States/Territories. Ask your agent if uncertain.

It is legally legitimate for the vendor to bid for their own property. Likewise, the auctioneer can bid on behalf of the vendor as can an agent on behalf of a buyer. The auctioneer is likely to announce the vendor bid if no other bid has been received.

The 'reserve price' is the minimum price that the vendor will sell the property for. This private figure is set by the vendor prior to auction and can be changed by the vendor during the auction if desired.

**If buying at auction, ask your agent about the process. A fundamental rule for auctions is to be completely prepared. A successful bid at auction is legally binding and no 'cooling off' period is applicable.**



Once the reserve price is reached, the auctioneer will generally state that "the property is on the market" or words to that effect.

Once the reserve price is met, more competitive bidding will sometimes become evident as buyers realise the property will definitely be sold to the highest bidder at the fall of the hammer (gavel).

If the highest bid falls short of the reserve, the property may be 'passed in' or the auctioneer may pause the auction while the agent discusses the reserve price with the vendor. At this point, the vendor may choose to reduce the reserve to the highest bid and recommence the auction. Alternatively, if the vendor declines to revise the reserve price, the property will be passed in. In these circumstances, the highest bidder has the first opportunity to negotiate, which means the agent won't negotiate with any other interested parties until such time as you have indicated you have no further interest.

If not stated by you, this would generally be deemed to be the point at which you leave the site of the auction or leave the online platform. The agent may then approach other parties. Also, keep in mind that if you purchase a property before midnight on the same day as the auction took place, the property is deemed to have sold under auction conditions so no cooling off period is applicable.

With auctions, keep in mind that the sale price can vary significantly from anyone's reasonable expectation. Auctions effectively allow the market to determine the final price and if two people really want a property, there's no limit to how high they may go.

You can get an idea of the likely price outcome from Private Treaty advertisements in the area, or from a real estate agent's list of recent sales.

Once again, before you bid at auction, make sure you've completed all the necessary inspections and searches as there's no going back once your bid is accepted!

## Tip 1.

When you buy at auction there is no 'cooling off period' so it's wise to have completed all enquiries before raising your hand.

# Auction versus private treaty

## Buying at Auction

- There is no cooling off period
- You must pay the deposit immediately following a successful bid
- All building inspections should be completed before bidding
- You are unaware of the reserve price (i.e. The minimum amount the seller will accept.)
- Competition from bidders could carry the price beyond expectation
- Your bid at auction is assumed to be unconditional, unless agreed otherwise, in writing, prior

## Buying through Private Treaty (For Sale)

- A cooling off period does apply but you may be asked to provide a waiver
- The cooling off period varies from state to state
- You pay the deposit when exchanging contracts
- You can complete building inspections after exchanging contracts, before the end of the cooling off period, and withdraw your offer if anything is not to your satisfaction (read the contract as a small cost applies)
- There is either an asking price or an indicative range in which the owner will consider offers
- Competition can occur if several parties are interested and make offers at the same time
- You may be able to successfully negotiate contract conditions or changes





# Tips

## 1.

Purchasing at auction provides buyers with the opportunity to secure their desired property. Immediately following the fall of the hammer, contracts are exchanged, thereby preventing further competition from other prospective purchasers.

## 2.

The Private Treaty buying process allows more time for negotiation, however, interested parties aren't always aware of the presence of other would-be buyers and are sometimes surprised to find their agreed offer has been beaten or 'gazumped' by another party before contracts are exchanged.

## 3.

When buying by Private Treaty, some buyers move to exchange contracts quickly so they can secure the property. The 'cooling off period' is then used to complete enquiries, safe in the knowledge that only a small portion of the deposit is forfeited if the buyer withdraws from the purchase.

# Exchanging contracts



Have your legal consultant check the documents thoroughly before you sign because, once contracts are exchanged, you are legally bound to complete the purchase by the specified settlement date. With Private Treaty sales, a cooling-off period of several days applies, following the exchange of contracts, but this varies across States and Territories. Check the number of days with the agent or your legal advisor.

With Private Treaty sales, buyers are sometimes willing to exchange contracts before completing legal enquiries and building inspections. This is so they can be sure they have secured the property and protected

themselves from the likelihood of the owner receiving a higher offer from another buyer (which an agent is duty bound to pass on). They use the cooling off period to then complete enquiries as well as building and pest inspections to their satisfaction, safe in the knowledge that the vendor is prevented from considering any other offers.

In the event that the buyer decides not to proceed with the purchase before the expiration of the cooling off period, a small percentage of the deposit is forfeited. Check the contract for the exact details or ask an advisor before exchanging contracts.

Once contracts have been exchanged, your legal advisor or conveyancer will manage the rest of the transaction through until settlement – the day the balance of all monies are paid and ownership of the property is transferred to the buyer.

Conveyancing is an integral part of the buying process. This is the protocol by which legal title (or ownership) of a property is transferred from one party to another. This is usually done in one of three ways; a solicitor, a conveyancer, or by the purchaser using a do-it-yourself (DIY) conveyancing kit.



Solicitors are usually the more expensive option but can provide you with a wide range of legal advice in relation to your property purchase. Expect to pay anything from \$2,000 - \$3,500, depending on the circumstances of your particular property transaction.

Conveyancers are licensed to provide the same conveyancing services as solicitors, but cannot provide comprehensive legal advice should problems with the transaction emerge. In such an event it may become necessary to retain a solicitor, in addition to the conveyancer.

Conveyancers are often less expensive than solicitors, with fees ranging from \$800 to \$2,000 (although their costs will vary depending on the circumstances of your particular property transaction).

**When your offer or bid is accepted, you and the seller will sign and exchange Contracts of Sale. You'll also pay the deposit (usually 10 per cent) to the real estate agent who places it in a trust account.**

# Settlement



## How the Settlement Process Works

1. Your solicitor / conveyancer will prepare all the documentation that will be required to complete the purchase on the day of settlement.
2. Your solicitor / conveyancer will contact the vendor's legal representative to arrange the date, place and time of settlement.
3. Your solicitor / conveyancer will advise you prior to settlement, of the exact date, time of settlement and the amount of funds that you are required to provide prior to settlement (if applicable).
4. After settlement, the vendor's solicitor will contact the real estate agent that sold you the property and instruct them to release the keys to the property to you. This normally occurs within one hour of settlement and the agent cannot legally release keys until an 'Order on the Agent' is received from the vendor's solicitor in writing.
5. Your solicitor will contact you to confirm settlement has taken place. They will also send you a Statement of Adjustment to show you how the funds have been disbursed to all parties involved.
6. At this point, the property is officially yours and you are free to begin moving in. So, send out the invitations for your house warming party!

**You're now on the home straight, with the finish line in sight. It usually takes four to eight weeks from the exchange of contracts for settlement to be completed. Until settlement, the property remains in the possession of the vendor.**



# Getting ready to move

**You're almost there! Next comes packing up and moving in to your new property. Regardless of whether you've bought a mansion or a cosy studio, moving home can be very hectic so it pays to plan well in advance.**

Start organising your move as soon as you've exchanged contracts. Sort and sell things you don't need at a garage sale and put the money towards moving costs. Ask friends to recommend removal companies or Google removalist company reviews. Ask for quotes as prices can vary considerably. At the back of this booklet you'll find a handy moving kit.

## **Eight weeks before the move**

- If you are using a professional mover, get estimates from different moving companies and choose the one that is best suited to your needs. If you are moving yourself, get estimates from truck rental companies. Be sure to make your booking well in advance
- Draw a floor plan of your new house. This will help you decide what furniture stays and what furniture must go
- Use up things that can't be moved – such as the food in your freezer and flammable household aerosol cleaning supplies

## **Six weeks before the move**

- Discuss costs, packing, loading, delivery, insurance and the claims procedure with your mover
- Make inventory of all of your possessions then determine what can be sold and what can be donated to charity
- Get copies of your records from doctors, dentists, lawyers, accountants, etc. Make arrangements to transfer your children's school records
- If you're a traditionalist, go to the post office and obtain a change of address kit and start filling out the cards. Alternatively, Google 'Change My Address' and select the Australian Government portal for advice and tips. Don't forget about changing your address for magazine subscriptions, catalogues, etc.

## **Four weeks before the move**

- If you have contracted to have the mover do all the packing for you, arrange to have this task completed a day or two before loading the truck
- If you need it, arrange for storage
- Clean or repair any furniture, curtains, or carpets that need it
- Hold a garage sale. Use the extra cash to splurge a little on your new place
- If you are moving yourself, work out how many boxes you'll need. (Many truck rental companies can also help you calculate)
- 'Do-it-yourselfers' should take stock of non-boxable items. Add 15 per cent to their combined cubic feet (along with total cubic feet of boxes to be loaded) to determine the size of truck you'll need

## **Three weeks before the move**

- Assemble packing materials
- Furniture pads
- Packing tape
- Bubble wrap
- Styrofoam 'peanuts'
- Nylon packing string and rope
- Crumpled newspapers
- Scissors
- Utility knife
- Large self-stick labels
- Felt-tip markers
- Boxes, boxes, boxes
- Begin packing items that you won't need. Don't pack too much weight in an un-reinforced box
- Arrange to cancel utilities and services at your old home and have them installed at your new home

## **Two weeks before the move**

- Arrange to transfer all of your bank accounts to new branch locations
- Make any special arrangements to move pets
- Consult your veterinarian about how to make moving easier for your pet
- Make arrangements for new telephone service
- Cancel any direct deposit or automatic payment arrangements on bank accounts you are closing
- Cancel delivery services

## **One week before the move**

- Transfer all medical prescriptions to a pharmacy in your new location
- If you will need a babysitter, make a booking one week before moving day
- Return library books

## Two or three days before the move

- Defrost your refrigerator and freezer
- Have the movers pack your belongings
- Confirm with your removalist company how they wish to be paid on delivery day
- Set aside valuables and legal documents to go with you, 'not in the van'
- Pack clothing and toiletries to go with you, take a day or two's extra clothes in case of delay
- Pack your first-day handy items box (see 'Delivery Day') to go with you

## Moving day

- Do-it-yourself movers should pick up the truck early
- Make a list of every item and box loaded onto the truck
- Let the mover know where you can be reached
- Before you sign your agreement with the mover, read the conditions and consider insurance
- Keep the agreement in a safe place until your goods are delivered, charges are paid, and any claims are settled
- Check your old house to make sure you've turned off water, gas, electricity and appliances etc.
- Inspect the basement, garden shed, attic and garage
- Be on hand to answer questions and give directions to the mover

## Delivery day

Upon arrival at your new home, unpack your first-day items box:

- Scissors
- Utility knife
- Coffee cups
- Electric or conventional kettle
- Paper plates
- Toilet paper
- Instant coffee and tea
- Soap
- Pencils and paper
- Masking tape
- Bath towels
- Trash bags
- Toiletries kit
- Shelf liner

- Check off all boxes and items as they come off the truck
- Check the utilities are hooked up
- Unpack kids' toys
- Be on hand to answer questions, pay the driver, give direction and examine your belongings

## Here's a final checklist of contacts to be made:

### Financial / legal (notify in writing)

- Bank (Credit cards and children's accounts)
- Building society (Loan and savings accounts)
- Credit union
- Age / Invalid / Repatriation
- Pensions (Social Security / Repatriation Departments)
- Public library
- Life insurance companies (quote policy no.)
- Property insurance company (contents quote policy no.)
- Car insurances company (quote policy no.)
- Any other insurance (children's accident, pet insurance etc.)
- Hire purchase companies

### Financial / Legal (Notify in Writing)

- Credit cards (Visa, Mastercard, American Express, store accounts, etc.)
- Motor registration Branch
- Car registration
- Driver's license
- Electoral Office (address in telephone directory under Government section)
- Local police (if you have any driving summonses, etc. pending, or if you are to be a witness in a case, etc.)
- Shares & investments, government bonds, etc.

## Personal / Social

- Employers
- Schools
- Kindergarten
- Primary
- Secondary
- Part time, evening and correspondence courses
- Other (when children change school, you may need an official transfer)
- Doctor
- Dentist
- Hospital (if you are an outpatient, etc.)
- Baby health centre
- Health fund
- Social clubs
- Children's activities (Scouts, Ballet, etc.)
- Sporting clubs (whether a player or a member)
- Neighbours
- Relations
- Friends
- Other

## Housekeeping

- Newsagent (with date last paper required if you have delivery)
- Electricity department 'off' at old address 'on' at new address
- Gas company 'off' at old address 'on' at new address
- Telephone (Contact customer service) 'off' at old address 'on' at new address
- Post office (pay a monthly fee for redirected mail)
- Magazine subscriptions (anything received by mail) – save wrappers with reference numbers
- Email all contacts in your address book with your new email address, if you were required to change ISP

**HERE'S A GOOD IDEA!  
MAKE UP A 'MOVING NOTICE' AND EMAIL ALL YOUR CONTACTS.  
HERE'S A SAMPLE:**

### **WE ARE MOVING!!**

John & Mary Brown are leaving 1 Smith Street, Smithtown  
**and will be at 10 Brown Street, BROWNSVILLE STATE 0000**  
From 1st November New Telephone: (00) 0000 0000

# Kids and moving





### The following are a few points to take into consideration.

- Prepare your children for the move by giving them lots of information about the reasons for moving and letting them know what they can expect in their new home.
- Invite children to talk about their feelings with you.
- Listen to what they have to say and assure them that you understand.
- Avoid being over optimistic and insisting everything will be wonderful. Even if the new home is fantastic it may still take time for them to adjust.
- Try not to take it personally if your child is having trouble adjusting to the move and blames you for causing it.
- Try to explain that sometimes big decisions need to be made and some cannot be avoided.
- Provide emotional support and understanding.
- Share the feelings that you may have had during your childhood.
- Don't forget to share your feelings with someone, adults sometimes need support as well.
- Focus on the positive aspects of your new home, neighbourhood and community.

Remember, your local First National Real Estate consultant can provide information and contacts that will assist you to settle into your new area.

### Just ask.

**Moving to a new home can be one of the biggest changes that a family can face, especially for young children, so it is important to take them into consideration. With sensitive planning these changes can be put into a positive framework.**

# Tips

## 1.

Buying a new house and planning a move may be as much stress as you think you can handle - but remember that it is likely to be a particularly trying time for your children as well.

## 2.

Kids need time to get used to the idea of moving, so give them as much advance warning as possible. Provide them with as much information as you can about why the family is moving and what they can expect in their new home and suburb.

## 3.

It's important to be positive and optimistic because your children's attitude will largely mirror yours. But don't insist everything is going to be wonderful. Even if the new house is fantastic, it may still take time to adjust.

# Budget worksheet

How much can you afford to pay each month / fortnight?

Your income		
	YOU (per fortnight / month)	YOUR PARTNER (per fortnight / month)
<b>Net salary / wages</b> (after tax and super is taken out)	\$	\$
<b>Regular overtime</b> (after tax and super is taken out)	\$	\$
<b>Part-time employment</b> (after tax and super is taken out)	\$	\$
<b>Commission</b> (after tax and super is taken out)	\$	\$
<b>Net rent received</b>	\$	\$
<b>Net interest / dividends</b>	\$	\$
<b>Other income</b> (including business income, benefits)	\$	\$
<b>Total</b>	A \$	B \$
<b>Total A + B = TOTAL C</b>	\$	Transfer this total to C

Visit [firstnational.com.au/pages/real-estate/calculators](https://www.firstnational.com.au/pages/real-estate/calculators) for digital calculator options.

## Your expenditure

(per fortnight / month)

Mortgage payments other than this loan		\$
Rent or board (if applicable)		\$
Credit card repayments		\$
Hire purchase payments		\$
Repayment of other loan(s)		\$
Estimated motor vehicle expenses (fuel, maintenance, registration, insurance, etc)		\$
Life assurance and superannuation payments		\$
School and childcare fees / maintenance		\$
Rates		\$
Medical insurance		\$
House and contents insurance		\$
Other household expenses (estimate amount for gas, electricity and water, telephone, maintenance etc)		\$
Food and clothing		\$
Other living expenses (estimate amounts for gifts, travelling, entertainment, holidays, donations, subscriptions, etc)		\$
Other expenses - give details		\$
	<b>Total D</b>	\$
Total fortnightly / monthly income (from above)	<b>Total C</b>	\$
Less total monthly / fortnightly expenses (from above)	<b>Total D</b>	\$
<b>Total monthly / fortnightly uncommitted income</b>		<b>\$</b>

You would use this uncommitted income to make your mortgage repayments, but don't forget to allow yourself a sufficient amount for any unexpected expenses.



# Purchase worksheet

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## Potential deposit

### Savings \$

Shares (approx. Current value)	\$
Other investments	\$
Assets (approx. Current value)	\$
Other sources	\$
<b>Total available for contribution</b>	<b>\$</b>

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## The additional costs of buying a house

Valuer's fee	\$
Solicitor's fee	\$
Loan approval fee	\$
Stamp duty on purchase price of home	\$
Moving costs	\$
New appliances or fittings	\$

## Bonds or establishment fees you may have to pay

Electricity	\$
Gas	\$
Water	\$
Telephone	\$
Internet	\$
Other	\$

## Lump sums you may have to pay when you move in

Insurance	
House	\$
Contents	\$
Mortgage protection	\$
Mortgage insurance	\$
Rates \$	\$
Other \$	\$
Urgent maintenance or repairs	\$

## Other

Real estate agent fees (if you are selling a house and buying another)	\$
<b>Total additional costs</b>	<b>\$</b>

# Glossary of terms

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<b>Adjustment</b>	The apportion between buyer and vendor of expenses like council and water rates.
<b>Allotment</b>	A lot or block subdivided from a larger portion of land.
<b>Amortisation Period</b>	The number of years it will take to repay a home loan completely. Maximum amortisation period is usually 25 years.
<b>Appraised Value</b>	An estimate of the value of the property offered as security for a home loan. This appraisal is done for financial lending purposes and may not reflect the actual market value.
<b>Assets</b>	What you own.
<b>Auction</b>	Sale of a property in public to the highest bidder.
<b>Breach of Contract</b>	Breaking the terms of a contract.
<b>Brick Veneer</b>	A system of building in which a structural timber frame is tied to a single brick external wall.
<b>Bridging Finance</b>	A short-term loan, usually at a higher rate of interest, taken out by people who have bought a house while waiting for theirs to be sold, or when a normal mortgage and their savings fall below the asking price.
<b>Building Regulations</b>	Designed to uphold the standards of public safety, health and construction, these regulations are in place and have been formulated by local councils to control the quality of buildings.
<b>Caveat</b>	Is a document any person with a legal interest in a property can lodge with the Titles Office to ensure the property is not sold without their knowledge.
<b>Caveat Emptor</b>	Latin for 'Let the Buyer Beware.' This puts the burden onto the buyer to be satisfied with the item before purchasing a property.
<b>Certificate of Title</b>	Legal proof of ownership of a property, carrying the owner's name and other information.
<b>Chattels</b>	Chattels are personal property. There are two types. Real chattels are buildings and fixtures. Personal chattels are clothes, furniture, etc.
<b>Cluster housing</b>	Detached group of houses which share open space.
<b>Cluster Title</b>	Each Cluster Title holder has a Certificate of Title which specifies ownership in terms of a particular area for which the owner is responsible and defines the common property. Unlike a Strata Title, it does not subdivide 'airspace.'

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<b>Commission</b>	Fee payable to real estate agent for selling a property, by the person authorising the sale. Usually a percentage of the sale price.
<b>Common Property</b>	Areas in Strata Title properties shared by all owners.
<b>Company Title</b>	This title applies when owners of flats in a block form a company. Each has shares in the company which owns the land and buildings. The owner of the shares is entitled to exclusive occupation of a flat. However, if you want to alter occupancy in any way, you must have the company's approval to do so. See your solicitor before buying.
<b>Contract Note</b>	The first document signed on buying a house is sometimes a Contract Note, instead of a Contract of Sale. When signed by both parties, this document is as legally binding as a Contract of Sale and the buyer and seller should treat it with the same importance. It must be accompanied by a Vendor Statement.
<b>Contract of Sale</b>	Written agreement setting out the terms and conditions of a property sale.
<b>Conveyancing</b>	Legal process of transferring the ownership of a property from one person to another.
<b>Covenant</b>	Conditions affecting the use of land or property written into the title.
<b>Deposit</b>	Usually 10% of the purchase price of a property placed in trust as evidence of intention to buy. Non-refundable after exchange of contract (unless subject to a Cooling Off Period), the deposit goes towards the purchase price when the sale settles.
<b>Easement</b>	A right held by someone to use land belonging to someone else for a specific purpose. Mains, drains and water pipes are usually covered by an easement.
<b>Encroachment</b>	When a building overhangs someone else's property, or a fence is built over the dividing line between two properties.
<b>Encumbrance</b>	An easement, mortgage, or other liability on a property which impedes its use or transfer.
<b>Equity</b>	The difference between the market value of the property and any loans that are outstanding on the property.
<b>Exclusions</b>	Any item that is specifically not included in the sale. e.g. An above ground pool, garden shed, etc.
<b>Flat Interest Rate</b>	Is calculated on the original amount of the mortgage for the whole term of the loan.

## Glossary of terms continued...

<b>Freehold</b>	An owner's interest in land where the property and the land on which it stands both belong to their owner indefinitely.
<b>Gazumping</b>	Agents are duty-bound to inform a homeowner of all offers received. If your offer has been verbally accepted, but you have not formally entered a contract to purchase a property, there is a risk that the vendor may accept a higher offer if another party makes a bid. Such a circumstance is described as 'gazumping'.
<b>General Law Title</b>	Old, complicated form of land ownership in form of chain of documents. Can be more than 100 years old and of historic interest.
<b>Inclusions</b>	Lights, curtains, blinds, ceiling fans, airconditioning units, flyscreens, TV antenna, dishwasher, rangehood, stove, fixed cupboards, clothes hoist or any other removable item that the vendor has agreed will be included in the sale.
<b>Interest-only Loans</b>	Loan on which interest only is paid periodically and the principal paid at the end of the term.
<b>Inventory</b>	List of items included with a property for sale; usually furniture, furnishings and other removable items.
<b>Investment</b>	The purchase of an asset, such as real estate, with the ultimate goal of producing capital gain on the resale of the asset.
<b>Joint Tenants</b>	Joint Tenancy is the equal holding of property by two or more persons. If one person dies, their share passes to the survivor/s.
<b>Land Tax</b>	Value-based levy applied to some property (exemptions include principal place of residence).
<b>Lease</b>	A document granting possession of a property for a given period without conferring ownership. The lease document specifies the terms and conditions of occupancy by the tenant, including period of occupancy, rent payable, etc.
<b>Leasehold</b>	The interest in land of a person who owns a lease granted by a freeholder.
<b>Liabilities</b>	Your outstanding debts or what you owe.
<b>Limited Title</b>	Form or Torrens Title which applies to a property before it has been adequately surveyed.
<b>Maturity Date</b>	The last day of the term of the home loan agreement. The home loan must then be paid in full or the home loan agreement renewed.



<b>Mortgage</b>	Legal agreement on the terms and conditions of a loan for the purpose of buying real estate.
<b>Mortgagee</b>	One who lends the money for the property.
<b>Mortgagor</b>	One who borrows the money to purchase property.
<b>Multiple Listing</b>	System of selling the property through many agents.
<b>Offer to Purchase</b>	A formal legal agreement which offers a specified price for a specified property. The offer may be firm (no conditions attached) or conditional (certain conditions apply).
<b>Old System Title</b>	Another old form of land title and also known as Common Law Title. Automatically converted to Torrens Title on the sale of a property.
<b>Option to Buy</b>	Legal agreement giving the buyer the right to purchase property at an agreed time and price.
<b>Option Fee</b>	Usually one percent of price, is payable and forfeited if buyer does not go through with the transaction.
<b>Party Wall</b>	Wall separating two adjoining buildings and normally straddling the boundary.
<b>Plan</b>	This shows the ground plan design, elevation of house, number and size of rooms, kitchen, bathrooms and laundry layout, position of the house on the land.
<b>Principal</b>	The actual amount of money that has been borrowed to buy a property.
<b>Private Sale</b>	The seller does not engage an estate agent but acts on his own behalf, dealing directly with the buyer.
<b>Private Treaty Sale</b>	Sale of property via an agent through private negotiation and contract.
<b>Qualified Title</b>	Applies to some Old System Titles converted to Torrens Title which may not have been fully investigated.
<b>Real Property</b>	Land, with or without improvements.
<b>Requisition of Title</b>	The process in which the buyer of a property asks for written information about the title to a property from the vendor in addition to that supplied in the Contract of Sale.
<b>Reserve Price</b>	Price below which an owner is not prepared to sell at auction.
<b>Right of Way</b>	Right of access across a property.

## Glossary of terms continued...

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<b>Rise and Fall Clause</b>	This clause would be contained in a building contract. It provides for an upward or downward contract price dependant on movement of prices, wages or other factors specified.
<b>Security</b>	Property offered as backing for a loan. In the case of home loan money usually acts as the security.
<b>Semi-detached</b>	Two buildings joined by a common wall.
<b>Settlement</b>	Completion of sale when balance of contract price is paid to the vendor and the buyer is legally entitled to take possession of the property.
<b>Sole Agency</b>	One agent or agency has the exclusive rights to sell a property.
<b>Stamp Duty</b>	A State Government tax imposed on the sale of real estate. It is determined by the sale value, and it varies between states.
<b>Strata Title</b>	Most commonly used for flats and units, this title gives you ownership of a small piece of a larger property including 'air space'. You have sole right to a particular unit and can lease, sell or legally dispose of your unit as you desire. You also have an undivided share of the common land. You also become a member of the Body Corporate which controls maintenance.
<b>Stratum Title</b>	This title gives you legal ownership over a piece of property and also gives you a share in the company set up to look after the common areas of the flats or units you live in. It does not include 'air space'.
<b>Survey</b>	Confirmation of the property boundaries and improvements.
<b>Tenancy in Common</b>	Tenancy in Common is the holding of property by two or more persons, either equal shares or unequal shares. If one person dies, the property is dealt with in accordance with the law.
<b>Term</b>	The time length of a home loan. Payments made may not fully repay the outstanding principle by the end of the term because the amortisation period is longer. For example, a Fixed Rate Loan might have a five year term, but it will take 20 years to repay the loan completely. When a term expires, the loan is renegotiated.

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<b>Title search</b>	The process of examining the land title to ensure the vendor has the right to sell and therefore transfer ownership. A title search details the names of the owners and other information about the property such as encumbrances or caveats on the title.
<b>Torrens Title</b>	System of recording ownership of property, also known as Certificate of Title. Most common and simplest form of title to property.
<b>Town House</b>	Two storey attached building, usually Strata-Titled.
<b>Transfer</b>	Document registered in the Land Titles Office recording change of ownership of a property.
<b>Unencumbered</b>	Property free of covenants or other restrictions.
<b>Valuation</b>	Assessment of the value of a property given in a written report by a registered valuer.
<b>Variable Rate Loan</b>	A home loan for which the interest rate changes as the money market changes. The payment remains the same, however the amount applied to reduce principal changes according to change in interest rate.
<b>Vendor</b>	Person offering a dwelling for sale.
<b>Vendor Statement</b>	Statement setting out particulars of the property, made by the vendor.
<b>Villa</b>	An attached dwelling usually single storey.
<b>Zoning</b>	Control of the use of land exercised by local authorities or the responsible planning authority.



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