

# Your property buying journey

Buying a home can be an exciting, yet daunting experience with many steps in quick succession. This guide provides an overview of what you need to do, the type of costs to expect, what to watch out for, and who you need to involve at every stage\*



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*Finance that fits.*

Goals and objectives	Affordability	Lender search	Property search	Property found	Formal Approval	Contract & Deposit	Settlement	Manage your loan
<p>Finding the perfect property will be a lot easier if you do your homework and don't rush the process.</p> <p>A 20% deposit of the total value of the property is considered the rule of thumb for savings so you will need an idea of the price of the property you want to buy.</p> <p>If you are anticipating a smaller deposit you may have to pay lenders mortgage insurance on top of your loan or have someone else put down their assets as security.</p> <p>If you don't have the cash for a deposit, you may have to pay for a deposit bond.</p>	<p>You will need more certainty regarding how much you can borrow and the amount of deposit required.</p> <p>Home Loan calculators are available to give you an indication of your borrowing capacity i.e. how much a bank will lend you.</p> <p>However, this will not take everything into account eg ongoing expenses.</p> <p>Discover how much you can borrow from your Equilibria Finance broker, who will take into consideration your personal situation and likely expenses to give you an accurate assessment of your borrowing capacity and calculate the total cost of purchasing a home.</p>	<p>No doubt you have been speaking to friends and family about your banking experiences and researching lenders online.</p> <p>As part of the application process - based on your goals and personal situation your Equilibria Finance broker will find the most suitable provider.</p> <p>Before you start looking for a property, we will obtain for you an approval in principle that is valid for 3 - 6 months depending on the provider.</p>	<p>Your weekdays are spent short listing properties and your weekends spent inspecting them.</p> <p>At this stage you should have an approval in principle based on your income and financial position.</p> <p><b>Have you been looking at properties going to auction?</b></p> <p>To purchase at auction you will need to have an approval in principle and arrange a valuation of the property.</p> <p>Prior to auction you will need to complete all inspections, be prepared to sign and exchange contracts, and hand over the deposit immediately. Don't forget your cheque book, deposit bond or bank cheque!</p>	<p>The buying process involves many steps in quick succession.</p> <ol style="list-style-type: none"> <li><b>1. Pay holding deposit</b> You will usually pay a holding deposit of 0.25% to the vendor via the agent to secure a cooling off period</li> <li><b>2. Cooling off period</b> Usually 5 days where the buyer can stop proceeding with the purchase</li> <li><b>3. Carry out building, pest and strata inspections</b></li> <li><b>4. Engage legal professional</b> A solicitor or conveyancer depending on which state the purchase is in must be engaged for upcoming legal work</li> <li><b>5. Notify lender of intention to buy</b></li> </ol>	<ol style="list-style-type: none"> <li><b>6. Formal application for the home loan</b> Equilibria Finance will coordinate the formal approval. You will be asked to supply a range of documents, prior to the end of the 5 day cooling off period. During this time the lender will: <ul style="list-style-type: none"> <li>Carry out a valuation of the property to ensure the security held in the property corresponds with the loan amount</li> <li>Process the application including a final credit assessment, arrange a deposit bond, mortgage insurance or a First Home Owners Grant if applicable</li> </ul> </li> <li><b>7. Legal</b> A solicitor checks the mortgage contract between the customer and bank</li> <li><b>8. Insurance</b> If building is not strata title, building insurance must be organised</li> <li><b>9. Loan Approval</b> After paying a 5-10% deposit, provide your lender with a signed contract of sale  Notwithstanding any problems, the loan is approved and loan documents are issued for you to sign</li> </ol>	<ol style="list-style-type: none"> <li><b>10. Pay full Deposit</b> You will need to pay a 5-10% deposit, payable within 5 days. If you don't have this amount in cash, we will discuss a Deposit Bond. Once you pay a deposit the agreement is legally binding ie the property can not be sold to another buyer</li> <li><b>11. Negotiation and exchange of contracts</b> Sale contracts are checked by your solicitor to ensure conditions are not onerous. Obligations to proceed with the purchase should be conditional on inspection outcomes and finance approval  Your solicitor/conveyancer conducts a title search and/or strata search</li> </ol>	<ol style="list-style-type: none"> <li><b>12. Settlement</b> A pre-settlement inspection on the property can be carried out to check that the property, its condition and what is included is as agreed. This is typically 1-2 days before the final settlement date  Settlement is attended by the buyer's solicitor, the buyers lender, the sellers solicitor and the sellers discharging lender  During settlement, final costs are calculated to include council, water rates and strata levies if applicable, up to the date of settlement  The Bank pays the vendor, the property is registered in your name and the Bank retains the title deed (until the loan is repaid or discharged)  Stamp duties may be payable on the property  At this point you have finalised the property purchase, the seller's agent is instructed to release the keys, so you can collect them  Congratulations! You are a property owner</li> </ol>	<p>Your Equilibria Finance broker is here to assist you to ensure your mortgage and other products are set up according to your needs</p>

<p><b>HELPFUL HINTS</b></p>	<ul style="list-style-type: none"> <li>Set expectations early and build a list of criteria to help narrow your property search to meet your borrowing capacity</li> <li>Obtain property reports for accurate market figures</li> <li>Online calculators are a good guide however, do not take everything into account, eg; expenses</li> <li>If you are a first home buyer, check your eligibility for a First Home Owners Grant</li> <li>Talk to your Mortgage Broker. Your Mortgage Broker will help you calculate the affordability and loan options and other relevant issues.</li> </ul>	<ul style="list-style-type: none"> <li>Build a list of what you are looking for from a loan eg flexibility, fixed repayments, pay off the loan sooner</li> <li>Consult with your Equilibria Finance broker to understand how the loan features of different loan products translate to real life circumstances</li> <li>To get an approval in principle, you will need to supply a range of documents. Your banker will let you know what documents are required</li> </ul>	<ul style="list-style-type: none"> <li>Use property reports to give you an indication of the house values in the area (Domain, realestate.com and Australian Property Monitors (APM) reports are a good place to start)</li> <li>Set up alerts for properties that meet your criteria</li> <li>Line up your property buying team at this stage eg. a solicitor and building and pest inspectors so they are ready to act when the time comes and update your lender of any changes to your personal situation</li> <li>Now is a good time to familiarise yourself with the next steps in the buying process</li> </ul>	<ul style="list-style-type: none"> <li>A holding deposit paid to the agent is a show of good faith. It does not guarantee that you have secured the property which may still be sold to another party with a higher offer</li> <li>A building inspector reports on the soundness of the property and the pest inspector reports on possible infestations. Knowing about problems upfront helps to decide whether or not to go ahead or may be useful to negotiate down the price if there are substantial repairs required</li> </ul>	<ul style="list-style-type: none"> <li>Some documents eg passport or birth certificate have to be verified by a Justice of the Peace. Others may have to be sighted by the lender</li> <li>Prior to committing to the purchase of your property, estimate the total cost of purchasing 'this' property including an estimate of your surplus income after repayments and ongoing expenses</li> <li>If you are a first home buyer and eligible for the First Home Owners Grant, now is the time to complete the First Home Owners Grant application form with your lender and submit the supporting documentation</li> </ul>	<ul style="list-style-type: none"> <li>Now is a great time for you to start planning your move eg. Notice of end of lease if renting, arranging removalists, packing, any furniture shopping if required, arrange tradespeople</li> <li>Contact Post Office, and utilities such as electricity, gas and water to provide the estimated dates of settlement</li> <li>If you haven't already, now is the time to think about other financial needs you have, now you have taken on this debt; eg protecting your income so you can afford your loan, protecting your home and contents so that your home and belongings are replaced and protecting you, if something unforeseen happens</li> </ul>	<ul style="list-style-type: none"> <li>During the pre-settlement inspection, check that the inclusions listed on the contract are still with the property eg. Light fittings, kitchen fittings</li> </ul>	<ul style="list-style-type: none"> <li>Online banking is one facility that can help you manage and keep track of your finances</li> <li>Make sure that you understand how all of your accounts work to maximise the value you get from any packaged products</li> <li>Check the first repayment date</li> <li>Set up automatic payment transfers</li> <li>Confirm the loan details in your welcome letter with the help of your broker</li> </ul>
<p><b>PARTIES INVOLVED</b></p> <ul style="list-style-type: none"> <li>Real Estate Agent</li> <li>Lender</li> <li>Solicitor / Conveyancer</li> <li>Building &amp; Pest Inspectors</li> <li>Equilibria Finance Broker</li> </ul>								