

YOUR PROPERTY SEARCH CHECKLIST



It's likely you'll be living in your first home for quite a few years and it should be able to meet your immediate as well as future needs both in terms of location as well as the type of home. For instance, you may be keen to live close to your work though if you are planning to start a family further down the track it may pay to consider the availability of childcare or schools in your chosen area or look for a property with adequate bedrooms and family living areas.

It's also worth thinking about the likely capital growth of your home as this can impact your ability to upgrade at a later date. Factors like local population growth, gentrification or plans for improved transport links or employment hubs can underpin rising property values in a particular suburb.

Drafting a checklist of features you need or want can help you narrow down your property search. Here are some things worth including on your checklist:

PROPERTY CHECKLIST - WHAT TO CONSIDER / WHAT TO AVOID	YES	NO
LOCATION		
Do you want to be close to work?		
Is reliable public transport available?		
Are new homes being constructed / old homes being renovated?		
Which local amenities are important to you? <ul style="list-style-type: none">• Low or zero growth suburbs• Shops• Parks, sporting grounds and other outdoor leisure facilities• Hospitals/medical centres• Cafés/restaurants• Cinemas• Childcare/preschools/schools		
Are friends and family close by?		
PROPERTY		
Would you prefer a house?		
Are you interested in an apartment or townhouse?		
Is off-street parking available?		
Are you prepared to renovate?		
Would you consider a two storey home?		
Is a modern kitchen important?		
Do you want an en-suite bathroom?		
Do you want a separate laundry?		
How many bedrooms do you want? <ul style="list-style-type: none">• One / Studio• Two• Three• Four+		
Do you want a large block or garden?		
Would you like a swimming pool?		
Would you prefer views?		

This checklist is a guide only – you can add to it, or create your own list. The important thing is to be quite clear on what you need as well as want from your first home.

It pays to be flexible about the features you want (as opposed to need), though it can pay to bear in mind the well-tested real estate maxim about buying the 'worst house in the best street'. After all, you may be able to renovate and improve your home but the location is something you cannot change.

Homework is essential

Buying your first home is a major step and undertaking some research before you start visiting Open Home inspections is essential. Check out recent home sale prices and auction results in your preferred areas. Look at market trends and suburb statistics that can indicate the recent price appreciation being recorded in your preferred suburb.

What to avoid

Along with desirable characteristics worth aiming for, there are also plenty of pitfalls to avoid in the home buying process. These typically include:

Low or zero growth suburbs

Locations that have achieved limited price appreciation over an extended period may seem very affordable for first home buyers. However when it comes to property, prices are always low for a reason and it can indicate an area with a declining population or poor employment opportunities. You could be better off in the long run spending a little more to buy in a location that has genuine prospects for long term price appreciation.

Locations with poor transport links or limited public transport

Whatever you may save on the price of your home, you could end up spending in fuel. Be mindful too that it could be harder to sell a place that offers limited public transport or difficult road access.

Units in large developments

Scarcity is one of the factors that underpins the long term price growth of any property, and buying in a large unit block where your home may be one of a hundred or more similar apartments can make it much harder to sell the property for a profit later on.

Renovation dreams

It can be tempting to buy a rundown home in need of solid repairs especially as these properties are often far cheaper than homes in better condition. But talk to a seasoned renovator and you'll soon discover that renovating almost always ends up costing more than you anticipate, and older homes in particular can dish up hidden surprises like structural problems once work begins. This can lead to extensive budget blowouts and a considerable amount of stress – all at a time when you should be enjoying your first home. Unless you have extensive building experience, taking on a major renovation project could prove to be more expensive over time than buying a home in good condition.

Using professional help

When most of us buy a home, we deal with a range of real estate agents – the 'listing' agents, who are responsible for acting as an intermediary between you and the property vendor (seller). Some homes are sold privately, in which case you will deal directly with the vendor but in most instances, it's likely you will be in contact with real estate agents.

It pays to bear in mind that real estate agents are salespeople acting for the vendor, and the agent's objective is to sell a property to you for the highest possible price. With this in mind it's worth following our tips to manage your dealings with agents.

Tips for using a real estate agent

Keep your cards close to your chest

The one thing the estate agent wants to know is how much you like a property. It can give them extra bargaining power at negotiation time. So it can be a good idea to downplay how much you like the property, especially if you've got your heart set on it. Act cool and keep your excitement to yourself.

Do your research

Find out how much other properties in the area have sold for recently. Go to auctions and learn as much as you can about local property market trends. This is essential for two reasons: firstly, you'll know what a reasonable market price is for the property you like, and secondly, you won't waste money by going in 'too high'.

Give yourself room to move

When you make an offer, pitch it below the price you're actually prepared to pay. Very few properties sell for the price initially offered, but many sell for a price just above the first offer.

Don't take rival buyers for granted

Sometimes an agent will say there's a higher offer on the table than the one you've just made. Unfortunately they're not obliged to disclose the higher offer and you will need to decide whether to make a counter offer.

Put your offer in writing

Real estate agents are obliged to submit all offers to the seller, so make sure that you submit your offer in writing. This formalises your offer however be aware that the vendor can still accept a higher offer from someone else. The offer and acceptance is only complete once contracts have been exchanged.

Show that you're a serious buyer

If you have loan pre-approval in place don't be afraid to let the agent know this. It shows you are in a position to make a genuine offer and can act quickly to secure the sale.

Costly mistakes to avoid

These are the most common mistakes that first home buyers sometimes make.

1. Avoid changing jobs or making a major purchase at the same time as applying for home loan finance. It's important that you appear as stable (and therefore as low risk) as possible in the eyes of a lender.
2. Failing to have home loan finance pre-approved, and leaving everything 'too late' when the 'right' property is found. It's a competitive market for first home buyers and being able to move quickly once you have found a suitable property can be the key to securing the right place at a good price. If the home you want is for sale by auction, having loan pre-approval means avoiding the very real risk that you may not be able to arrange finance in time if you are the highest bidder – or worse, not being approved for a loan that covers the purchase value.
3. Borrowing right up to the amount the lender is prepared to loan you, and then getting over-stretched financially.
4. Letting emotions take over in the negotiation process, and paying too much for the property – or missing an opportunity to negotiate more favourable purchase conditions.
5. Not checking out things such as council zoning, building approvals and restrictive covenants. Your solicitor or conveyancer can do this on your behalf and it can mean avoiding a costly mistake buying a home that proves to be a disappointing purchase.
6. Buying a 'do-up' and then running out of money. Renovation is not a cast-iron route to riches, and if it turns out to cost more than you bargained for, you could face incomplete renovations or find yourself under serious financial stress. If a property requires major renovation work, take a qualified builder you know and trust to inspect the place, and ask for a quote on the likely cost of work required to be completed.
7. Forgetting to sort out property insurance well before you move in, and neglecting to tell utility companies or other bodies such as your bank, superannuation fund and motor vehicle registration authority about your change of address.



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