

BEFORE YOU BUY

Looking to purchase your new home,
or your first home?

Property purchases are a big
investment and a big life event.

Follow these tips to make an
informed decision.



FORTY FOUR DEGREES
Lawyers and Consultants

Level 50, 120 Collins Street

Melbourne VIC 3000

+61 423 495 217

+61 3 9225 5266

info@fortyfourdegrees.com.au

www.fortyfourdegrees.com.au



OVERVIEW



Obtain loan pre-approval



Know what you want



Research the market



Research the property



Know your position



**Contract review -
contact us**

(1) OBTAIN LOAN PRE- APPROVAL

Loan pre-approvals are an important step to determine your budget. The pre-approval process allows a lender to get to know your financial position and give you preliminary assessment on how much they are willing to lend to you. Mortgage brokers are an important part of this stage of the purchasing process. They can review your options with you and assist with lending applications. Contact us to arrange a mortgage broker that suits your particular needs.

Looking for homes can be an overwhelming process and it is easy to get caught up in real estate listings and advertisements. Draft a list of 'must have' features and 'nice to have' features to help remind you of what your dream home looks like.

(2) KNOW WHAT YOU WANT



(3) RESEARCH THE MARKET

Property markets are constantly in a state of fluctuation. Before you start inspecting properties, research the areas you are looking to purchase in and average price trends for that area. Schools, parks and crime rates will influence the average home price, as well as any major developments being planned. Is there a new train station being built close to your location? Is the school the top in the area? What is the average age of residents? Being informed on the market will help you make an informed decision.

(4) RESEARCH THE PROPERTY

Once you have attended home inspections and narrowed down your list of potential properties, make sure you know the ins and outs of the house. Organise building and best inspections, review the rates and look for any outstanding debts or other major red flags. Vendors are required to provide what is known as a section 32 statement along with a contract of sale. This statement outlines building history and rates statements for the property. Make sure you review this document, and if you need assistance doing so, please feel free to contact us.





**(5)
KNOW
YOUR
POSITION**

Property purchases incur fees additional to the purchase price. You will have to pay for bank lending costs, conveyancing fees, transaction fees and stamp duty. Depending on whether this is your first home or an investment home, you will be eligible for certain concessions or exemptions in relation to stamp duty on the property purchase.

After purchase, you are liable to pay council rates, water rates and sometimes owner's corporations fees. Knowing where you stand and estimating your likely outgoings will help you make a more informed decision when purchasing your home.



LENDERS MORTGAGE INSURANCE

If you borrow more than 80% of the purchase price you will be subject to Lender's Mortgage Insurance (LMI). Some occupations qualify for a waiver on this insurance. Speak with us or your mortgage broker to discuss your particular position in relation to LMI.



NEW HOME?

If you intend to move into the home and live there for at least 12 months, you are eligible for a Principal Place of Residence (PPR) concession. The concession applies for purchases up to \$550,000. PPR concessions also apply to land tax.





FIRST HOME?

First home buyers are eligible for a First Home Owner's Grant (FHOG) if purchasing a new property that they intend to live in for the next 12 months. If you are first home buyer, it may be in your interest to look at brand new properties.

First home buyers purchasing an existing property are also eligible for a stamp duty exemption or concession for purchases up to \$750,000.

Even if this is not your first home purchase, you may still be eligible to receive this concession if you have never lived in any homes you previously purchased. Contact us for more information and whether you are eligible to apply.



INVESTMENT HOME?

Investment homes come with more considerations than your own home. You should speak with a financial adviser regarding your investment strategy as you will need to consider factors such as capital gains tax, negative gearing, rental income and any eligible tax deductions throughout the life of your investment.



(6) CONTRACT REVIEW – CONTACT US

The contract of sale is the most important document in the sale. The contract records the terms of your agreement with the vendor and is a legally binding document.

A statutory right to 'cool-off' or change your mind in relation to the purchase may exist for a very limited time after signing the contract. Please contact us immediately if this is relevant to you.

Purchasers usually pay a 10% deposit at the time the contract is signed and this amount must be held by a stakeholder (agent or solicitor) until settlement.

Breaches of contracts of sale can have potentially devastating legal consequences. As such, we assist you to make sure that you comply with your contractual obligations.

Contact us before signing any documents to ensure a proper and thorough review of your rights and obligations in the contract of sale.

**HERE FOR YOUR
PROPERTY AND
CONVEYANCING NEEDS**



FORTY FOUR DEGREES
Lawyers and Consultants

End to end conveyancing transactions, mortgage drafting and advice, commercial and retail leasing, planning, and more. Whatever challenge you are facing with your real estate assets, we can draft a tailored solution to suit you.

Forty Four Degrees specialises in handling complex property arrangements and advising on property transactions. We pride ourselves in being efficient, approachable and effective. Whether it's your first home or your third investment property, we'll be there with you every step of the way.

