



Your First Home Buyer Guide

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Are you planning to buy your first home sometime soon? Not sure where to start? You've come to the right place.

At conveyancingSA.com.au we help property buyers with the information they need to secure their piece of the great Australian dream. We know that buying a home is one of the biggest and most exciting decisions you will ever make in your life. The journey to becoming a homeowner can bring with it many challenges if you haven't planned strategically.

To help you tick off some of the questions you'll have regarding buying property, we have created this ebook to help guide you through your home buying process, giving you a better understanding and hopefully prepare you to enter the market with confidence.

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KNOW YOUR NUMBERS

Most people know that they need to save money for a deposit, which is correct, but it's sometimes easy to forget that crunching deposit numbers is not the only thing to consider. Buyers need to determine how much they can afford to repay because that's going to be a determining factor in working out the amount they can borrow. Sounds simple enough but it can be overlooked. Different factors like income, daily expenses, current investments, any liabilities, moving interest rates along with current and future commitments need to be considered. We always advise our clients to be as thorough and realistic as possible. Moving ahead, monthly loan repayments will have an impact on your lifestyle so you need to make sure your commitment is realistic and that you can stick with it.



Understanding your borrowing ability early on will help set up achievable aspirations. If you need a starting point there are a number of living expenses calculators available that will help you know realistic repayment levels for you. Take a look at them so that you prepare a really thorough list of your expenses.



Commonwealth Bank have a great Monthly Living Expenses Calculations template

<https://www.commbank.com.au/personal/home-loans/your-home-buying-resources/monthly-living-expenses-calculation-template.pdf>

Maybe your numbers are slightly off from your expectations? It does not mean you can't buy your first home; it just means you might need to make some adjustments to lifestyle expenses or to temper expectations of the value of the property you can afford.



KNOW YOUR BUYING UPFRONT/ONGOING COSTS

When you are budgeting for your new house, we also recommend setting aside a few dollars for the unavoidable upfront costs that arise with any house purchase. There is always something that crops up relatively unexpected so give yourself a bit of buffer. However there are some other costs that we know are to be expected.



Stamp Duty

This is the highest upfront cost you're likely to come across and it does vary from state to state. To get an estimation of the stamp duty you'll need to pay, use the RevenueSA online estimator - Calculate stamp duty.



Bank Fees

Banks generally charge a fee to set up your home loan. It can be upfront or an ongoing expense. Your lender should be able to provide you with more information on it but be sure to ask about any additional fees that you need to pay, not just the deposit and repayment amounts.



Government Fees

Land Services SA charge fees to register and discharge mortgages as well as to register the title transfer. These fees are payable at the time of settlement and will be outlined by your conveyancer in your settlement statement but again, you can calculate these amounts beforehand so you are prepared. SA.GOV.AU - Calculate property transfer fees (www.sa.gov.au)



Conveyancer Fees

In SA, to arrange the legal transfer of a property and to prepare documents to complete settlement, you will need a conveyancer. Most times they'll also assist you to review your Form 1 (vendor disclosure) and Contract of Sale. Some may do this as part of their conveyancing fee while others might ask you for a review fee to look over these documents for you. Ask friends and family for a recommendation and check reviews.



Council Rates

At settlement you might need to reimburse council rates or strata fees that have been paid in advance by the vendor. Remember to factor in these fees on an ongoing basis too as they'll form part of your ongoing financial commitment.

KNOW YOUR BUYING UPFRONT/ONGOING COSTS

Continued...



Electronic lodgement Fees

PEXA is the electronic conveyancing platform used for most conveyancing transactions in Australia. The FY23 PEXA fee for a single transfer is \$123.97. If a new mortgage is required, the FY23 PEXA fee for Registration of a Mortgage will be \$58.41.



Building & Pest inspections

Some real estate agents might provide you with a pre-auction report detailing the building and pest inspection on the property. However, it is always recommended to arrange for your own independent inspection if you're serious about a particular property. It's too late once the hammer falls or your cooling off period has expired. No time? Most pest and building inspectors are used to working within tight timeframes so don't let that put you off.



Home insurance

Before getting the keys, you need to cover yourself financially from a range of events that might happen to the property you own. We always recommend you take out a policy to protect your interest in your new property as soon as you sign a contract. Most insurance companies will offer you a cover note or allow sufficient time for you to cool off on the policy, as long as you do that within a stated timeframe.



Repairs & Renovations

If your property was well presented for sale, there may not be too much that needs doing immediately but repairs and maintenance needs seem to crop up when you least expect them. Keep a little in reserve to cover you in case something arises early on. It's amazing how issues you fail to see during open inspections have a tendency to drive you crazy from the moment you move in!

ARE THERE ANY INCENTIVES OR BENEFITS AVAILABLE FOR FIRST HOME BUYERS?

Who does not like incentives? There are usually some government grants to help ease the costs associated with buying your first house but they do change from time to time so it's important to check availability and eligibility. Keep in mind that different states have different criteria, rules, guidelines, and amounts and make sure you check out both Federal and State offerings.



CHECK OUT

First Home Owners Grant
First Home Super Saver Scheme
First Home Loan Deposit Scheme



Once you have the numbers game sorted, it is time to do the initial groundwork to find the right house and neighbourhood. This is generally where you need to start trading something off in order to find the right property for you. That might be considering a more affordable neighbourhood, compromising on convenience to work or the city, accepting a smaller property footprint or considering a place that requires renovations.

RESEARCH THE MARKET

You'll need to study the property market to determine if it is the right time for you to buy. For example, suppose you buy a house in what we call a seller's market - when the conditions of the market are more favourable for sellers rather than buyers. In that case, you'll likely be looking at paying a higher end price as inevitably there will be other buyers keen to win out on the property you are considering. Remember, it's best to go away a little disheartened than to overcommit yourself. Numerous tools and sites like [CoreLogic](#), [domain.com.au](#), [Australian Property Monitors](#), [realestate.com.au](#) can give you comprehensive insights into supply and demand, pricing, rental yields, trends, forecasts, etc., to help inform your decision.

RESEARCH THE NEIGHBOURHOOD

The property market is generally split into metropolitan and regional areas, local government areas and then suburbs. It's a good idea to read detailed reports and trends within your highest-ranked areas of consideration. You should factor in things like demographics - if you're planning a young family you might prefer to be among other young families. Check out any developments that are planned for the area. Chances are that if there's a 25-storey development planned to happen in the next street, you will want to take that into consideration.

Traffic and public transport, proximity to schools, parks, and even shopping centres within or adjacent to your suburb will impact both your enjoyment and the price of your property. We also recommend studying some historical sales data and profile reports to see how the area is changing and the trends that you can expect to see.



RESEARCHING THE PROPERTY

Having considered the items you are willing to trade off your wish list as well as your must-haves, you will probably have narrowed down the areas that are affordable for you. Then it is time to start with the house search and do some comparison work. Check out the kinds of properties in demand and shortlist homes that match your criteria. Meet different agents so that you can get a diversity of opinion remembering that the job of the agent is to act in the best interests of their vendor. You'll also find agents helpful in providing general market information about their area. You can list your interest with real estate agencies and they'll make contact if a suitable property becomes available. You can also check out online platforms like realestate.com.au, allhomes.com.au and domain.com.au. Most platforms will allow you to set up alerts so that when new properties meeting your search criteria become available, the platform will notify you right away.



YOUR DREAM TEAM

For a successful home buying experience, assemble a team of subject matter experts to help you out.



Lender/Mortgage Broker

If you need to borrow to buy your property, once you have sorted out your numbers, you will need pre-approval of your loan in order to bid confidently or to sign a private treaty contract. Even with pre-approval, if buying by private treaty you might want to consider making finance approval a condition of the contract.

You will need someone you can lean on throughout the finance application and approval process, whether it is to explain the various types of loans and interest rates, or to provide tools, tips, and resources to help you get started on your home buying journey.

Real Estate Agent

A real estate agent has access to many resources and connections. They're usually the first to hear about new properties becoming available in their area and they have their ears close to the ground. As we mentioned, most are keen to put you on their marketing list once they know your requirements. By doing this, they'll be able to contact you if they come across something of interest. Remember not all sellers are keen to go through weeks of inspections having to open their tidy home to the public. They may simply ask their sales agent to find them a buyer with a minimum of fuss.

Be sure that agents understand your budget and property preferences. The more information they have, the more likely they are to be able to assist. Be frank about your budget – there's no value in trying to impress the real estate agent!

YOUR DREAM TEAM

Buyer's Agent

Sometimes, finding a house is not easy and that's especially the case in a seller's market. You might also be pressed for time. Sometimes Buyer's agents are a better option for home buyers. These advocates act in your best interests (remember, as we mentioned earlier, it is the job of the real estate salesperson to act in the best interests of the vendor or seller). Buyer's agents can save you a lot of time by screening available properties, creating a short list, evaluating and negotiating on the price, often removing considerable stress from the buying process.

Conveyancer

You will need a conveyancer to legally transfer the property into your name in SA. Your conveyancer can review the Form 1 and Contract of Sale to highlight any details or concerns. In addition, your conveyancer will attend to the settlement of your property, arrange to adjust prepaid council and water rates, and liaise with your bank and/or mortgage broker to make sure that money ends up in the right place.

Building & Pest Inspector

In addition to other searches, you should get your property inspected for any termite, water damage or structural issues. It is crucial to get this done before you buy because once the property is yours, the problems and costs related to fixing it are also yours.

WHAT ELSE DO I NEED TO KNOW? LET'S LEARN ABOUT....

It looks like you are now ready to buy a home, so here's some more of the technical detail you need to be across.

Cooling off period

Buyers have the statutory right or opportunity to exercise 'cooling off' to the seller and terminate a private treaty sale contract. Every State has different time constraints and conditions, So please, always check. Once you have signed the contract, in SA you will get two clear business days following receipt of the Form 1 document to exercise this right. Your conveyancer should review the contract and Form 1 for you. Make sure you ask if there is an additional charge for the review. Remember we mentioned building and pest inspectors? Use this time to get them to inspect the property for you. If there is anything raised this may allow some room for negotiating on price if you do not wish to terminate the deal.

The right to cool off does not exist if:

- You bid at auction and were the successful bidder,
- You have waived your rights to cooling off, or
- The buyer is a company.

Conditional/ pre- approval of finance

Your lender has assessed and agreed to lend you money towards purchasing your property. You should seek formal pre-approval for your home loan to indicate that you have the money to buy the property to be viewed as a serious buyer in the eyes of agents and vendors. Even so, it is prudent if you are buying by private treaty to list finance approval as a condition of the sale for added protection.



Types of Sale

There are two methods of sale of property – auction or private treaty. Both have pros and cons and need slightly different due diligence.

AUCTION

This is an event where the property is offered to potential buyers, competitive bids are taken and then sold at the fall of the hammer to the highest bidder. With the introduction of virtual formats of the auction, purchasers can bid online, by telephone, or by proxy if appropriate arrangements have been made.



Before auction

- Set a firm top end number for the amount you are willing to spend on your property. You should be clear on your upper limit and stick to it.
- Do your homework and conduct your research on property sales in the area to ensure your expectations are realistic,
- Carry out pest and building inspections before auction day.
- Inform the sales agent of your interest and ask to be informed about any offers made by other parties prior to the auction date.
- Have finance approval so that you have access to deposit funds if you are successful or make alternative arrangement to access deposit monies. Sometimes it is possible to negotiate a lower deposit (e.g. 5% rather than the usual 10% but you must agree this before you bid).
- Engage a conveyancer to review the Contract of Sale and Form 1, which must be displayed at the agent's office three clear business days before as well as 30 minutes at the property before auction.
- Make sure to register for the auction. This generally happens at the property immediately before the start of the auction.

During the auction

- Keep in mind that the auctioneer is not your competition. They will always try to raise the bid to meet the seller's requirements and that means eliciting whatever they can from you and other bidders.
- If you need someone else to bid on your behalf, make those arrangements well in advance so that your proxy bidder is known and is briefed.
- If you are the highest bidder and the reserve price has not been met, you will usually be invited to negotiate the purchase of the property.

After the auction:

- If you are the winning bidder at the fall of the hammer, you will be required to pay a deposit (usually 10% of the purchase price) on the spot or when reasonably practicable.

Types of Sale

PRIVATE TREATY

A sale by Private Treaty, is when the seller sets a price from the start of their campaign and considers offers from prospective purchasers. As a prospective buyer, you can submit an offer to the owner through the sales agent and potentially negotiate over the price.

It's essential to understand the vendor may not accept your first offer, and you may need to make several offers before reaching a final agreement.

Once the owner accepts the offer, and you have signed the Contract and been served the Form 1, the cooling off period begins. If you have specified certain conditions must be met for sale to be completed, such as obtaining finance or a sound home inspection and the owner has agreed to these conditions, these must be satisfied before the Contract is considered unconditional.



SETTLEMENT

You and the seller will have agreed on a settlement date in the Contract of Sale. This usually ranges somewhere between 30 days and 90 days. On the day of the settlement, at an agreed time, the representatives will exchange documentation, finances and once complete, the handover of keys for your property.

In most parts of Australia, you do not need to meet in person to do this anymore. It can all be done electronically. So, wait around for your phone call or email on the settlement date to hear **it's all done; the property is officially yours!** Unfortunately, we haven't worked out a way to give you keys digitally.

Why choose conveyancingSA.com.au and what exactly will you do for me?

At conveyancingSA.com.au, we're absolutely transparent and upfront about our fee, so you aren't left with any surprises at settlement.



Simple & convenient

Forget 9-5. You conduct your business when it's convenient for you.



Stress-free

We take the worry out of your transaction. Sit back and we'll make it happen.

No more paper forms

We're serious about this. Complete our 4-step online form. No paper! Saving the planet and your sanity.



Flat Fee of \$990 (inc. GST)

That's right. Our professional fee is a simple flat one. No add-ons, no nasty surprises.



The professional fee that you are quoted after entering your transaction details on our website includes the full conveyancingSA.com.au fee that you'll be charged at settlement for your property purchase or sale.

Our price of \$990 includes GST, and covers completely the extensive list of tasks we do to get your transaction through to settlement. Stuff like:

- We'll prepare a settlement statement for you, so you'll know in advance what the final picture will look like on settlement day
- We'll coordinate with all of the teams involved, including the conveyancer on the 'other side' and the financial institutions or mortgage brokers if finance is involved
- We take care of making the right adjustments where there are any prepaid rates like council rates or water rates, and we'll also send change of ownership notifications to these folks, so the bills go to the right place next time around
- Then, once we've finalized your settlement on our electronic-conveyancing platform, we'll let you and the Agent know the deal is done!



- Checking the Contract and making sure that all details are correct
- Checking of the Form 1 document
- Communicating with the Real Estate Agent and obtaining all of the completed documents once everyone has signed
- Arranging and completing the Transfer documentation - which legally "transfers" ownership from the seller to the buyer
- We'll conduct an online verification of identity for up to two people - this is a legal requirement for the transfer of property - we need to know you are who you say you are!

So, we're kind of like a conductor - making sure that everyone does what they need to at exactly the right time so that there are no holdups!

We do need you to know that our price includes ALL conveyancingSA.com.au fees but not the other third-party fees that can apply – things like Stamp Duty, Land Services SA fees, government charges, bank fees and search costs. Unfortunately, we can't do anything about them! And if any of these apply, they'll be itemized clearly on your settlement statement and deducted at settlement.

These third-party fees will apply regardless of who is doing your conveyancing but be assured, they are only ever passed on to you by conveyancingSA.com.au at cost – definitely no markups.

We hope you have found this information useful. To engage conveyancingSA.com.au to complete your property transaction, register with us online and get the process started. Even if you haven't yet found a property, you can still register and get us to help you out with a free review of your Contract of Sale and Form 1. Should you require multiple reviews, we will charge just \$110 inc. GST for the subsequent reviews.

Good Luck!

Have any questions?

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