

Purchasing Steps

Purchasing residential real estate can be a very exciting process. However, it can also be a confusing time for prospective purchasers.

Property owners receive all types of interest; some genuine, some not. Potential buyers may submit offers to test the possibility of a sale but do not actually stay true with their offer. This can lead to frustration and concern for the owners as they try to assess who is actually a genuine buyer.

The best way to present a strong offer on any property is to follow the six steps below. All offers must be presented to the owner in writing along with correct purchase details required for completing the contract of sale in readiness of signing.

Step One

Provide agent with your full details

1. The actual purchase price you will be paying
2. The method by which you choose to pay the deposit
Example: cheque/bond/other
3. The settlement period you require or the vendor stipulated
4. The name of your chosen Solicitor or Conveyancer
5. The name of your bank or financial lending institution
6. Any special conditions or requests so that we can inform the vendor

Step Two

Confirm your time frame for inspections

Find out if the property has a deadline, such as auction or if there are offers from other interested parties.

Step Three

Decide if you are going to obtain a pest and building report

We advise you obtain a copy of a building and pest report from a qualified inspector prior to bidding at an auction or during the cooling off period. Please note that these reports usually contain a complete list of the property's defects. Due to the often negative nature of the report people can sometimes misinterpret its contents. The property's age is often reflected in its condition and it's the inspector's job to point out any defects. A good inspector will not mind you calling him/her and asking questions if you are at all unsure or concerned about a particular aspect of the report.

Step Four

Notify your bank of the purchase address and details

A pre-approval from your bank or lending institution needs to be in place before safely proceeding with your property purchase. Many banks will approve you in principle but will require a valuation which are normally conservative. This helps protect the bank from any market fluctuations so that your loan is adequately secured.

If you are bidding at an auction, you will need to ensure you have your formal loan approval prior to the auction day. If you purchase with a cooling off period, formal approval can be organised during this time.

Remember once you purchase at auction, you cannot change your mind. Your solicitor or conveyancer can assist you with this process and will let you know if you have formal loan approval and are in a position to bid at an auction. If you are the successful bidder at auction there is NO cooling off period. This means that both parties are committed to an instant, legally binding relationship.

Step Five

Don't forget stamp duty funds in your final numbers

Step Six

Meet with the agent and provide all details for sign off with the owner

Once agreement on price, special conditions and settlement has been reached with the vendor, the sale can proceed. An exchange of contract is the only way to actually buy or sell real estate. This is achieved by signing the contract of sale which is then processed by the agent and all legal parties.

