

# How to: Buy your first home

Buying your first home is likely to be one of the biggest decisions you will ever make and research is essential. To help get you safely onto the property ladder, CUA has developed a 10-step buying checklist.

## 1. Location, location

Selecting an area is one of the most important decisions to make from the outset. Consider transport links, proximity to shops, schools and other amenities and don't forget to research the area's property values. Picking the next 'up and coming' area could mean your first home turns into a great long-term investment.

## 2. What property type?

Choosing between a house and apartment will typically come down to lifestyle requirements, although it's important to think about the implications involved with each. An apartment may be easier to look after, but often comes as part of a strata agreement that involves the regular payment of strata fees and various body corporate restrictions. Similarly, buying a home means you may have fewer land and renovation restrictions, but the cost to purchase is typically much higher.

## 3. Loan pre-approval

This isn't a complete loan approval, but it will give you a good idea of how much you can borrow and what your purchase limit will be. Loan pre-approvals are valid for 90 days, so speak to CUA once you're ready to get out into the market and find that perfect home.

## 4. Plan a detailed budget

When working out how much you can afford to spend, don't forget to factor in the additional costs that come with buying a house, such as stamp duty, settlement fees and water rates. These can mount up – so don't send yourself over budget by failing to plan ahead.

## 5. First Home Buyer Grant

A national scheme funded by all Australian states and territories offers a one-off grant of up to \$7,000 to first home owners who satisfy a set of eligibility criteria. Some states also run additional schemes or bonuses for first home buyers, so make sure you research your entitlements and work this into your budget. Check out [www.firsthome.gov.au](http://www.firsthome.gov.au) for more information.

## 6. Choose the right mortgage

There are various mortgages available to suit a range of lifestyles and requirements. Consider what is going to work best for your budget: fixed, variable, or even a combination of both. Also, keep an eye out for offers to package up your loan with other products to gain discounts and benefits. For example, this could include bundling your home loan with products such as home and contents insurance or a savings account with no transaction or account keeping fees.

## 7. Bidding style

There are two ways to buy a property: settling your offer privately or going to auction. Auctions can be daunting, so make sure you're familiar with the process before attending an auction for a property you really want. Play the game right and you may be able to influence the overall purchase price when the hammer falls.

## 8. Ask the right questions

When you're viewing a property, knowing what to ask the agent or auctioneer can help you negotiate the right price. For example, how long has the property been on the market? How many offers have already been made? What have similar properties in the area sold for?

## 9. Pre-purchase inspection

Once you've found a property you're really keen on, getting a professional surveyor to inspect it could help save you money in the long-term. They will help to uncover any potential issues such as damp, subsidence or pest problems.

## 10. Finally, you've found the right place to buy...

Don't sign on the dotted line until you have read all the terms and conditions and are happy with what's included in the contract.

### Get in touch!

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