

Buying a home or investment property?



Not sure about which home or investment loan to choose?

Interest rates are not the only factor to consider – speak to your lending adviser who can help structure a loan which meets your objectives and time frame.

Buying a home or property can be one of the biggest investments you make over a lifetime. Grand decisions require grand plans! Read on to ensure you take necessary precautions before entering the market...



Plan first, buy later

Plan, plan, plan! Look at your entire financial situation and lifestyle to decide your borrowing capacity. Keep in mind your long-term investment goals, how long you plan to keep the property, how much rent you will charge (if an investment property) and any future renovations. Before going ahead with any home or investment loan, get professional advice and prepare a forecast of your finances for when you have to make repayments.

Know your market

The only way you will be able to spot a good deal is by researching the property market in the area you are buying. Take photos and notes of properties you have looked at to compare and remember weeks or months later. Go to auctions in the area to get a feel for prices and negotiation. If you don't have the time and resources to do this yourself, you may want to consider a buyers' agent who will do the research and negotiation for you.

Calculate the added costs

It is common for borrowers to underestimate their initial outlay. A few examples of the costs you may incur include: lender application and valuation fees, stamp duty, strata fees, council rates, building and pest inspections, legal fees and insurance.

If you are a first home buyer, you may also be eligible for certain grants or stamp duty deductions. The Office of Revenue in your state can help you determine this.

Visit the local council

Ask to see the zoning map and town plan to find out whether there are any major development proposals in the area which might impact your property. Also look for any zoning restrictions (eg heritage listings) and ask about the council rates.

Take the time and money for professional building inspections

Saving a few hundred dollars now may end up costing you thousands later if the building or site is unfit, so make sure to get all recommended inspections prior to going ahead with the deal. These may include pest, structural or developmental inspections.

Learn negotiation

Most aspects of a property contract can be negotiated including the price, settlement period and deposit. Don't let an auction put you off - properties often sell before auction because a suitable offer has been made to the vendor.



Get professional advice on your home or investment loan

With so many products on the market, selecting the right home or investment loan can be daunting. A professional lending adviser can help you narrow down the field and get a competitive deal to own your home or investment property faster. An adviser will review your situation, recommend suitable loans and repayment structures and will manage the entire application process.

Have a pre-approval ready

Before you go shopping, get finance pre-approval. Until you have supplied supporting documentation and received an approval in writing, funding cannot be guaranteed for your purchase.

Take out appropriate insurance

Having a mortgage is a big responsibility – and becomes even more so if you lose your job or a regular income. Income Protection Insurance can cover you for up to 75% of your regular income in the event of accident or illness. You may also require building insurance, contents insurance and tenants insurance (for investment properties).

Don't get emotionally attached

Stay true to your original plan and price limit. If you are unable to negotiate the price you want, walk away and don't overextend yourself financially. There will always be another suitable home or investment property just around the corner...

Speak to your lending adviser today, who can recommend from a range of competitive home and investment loans.