

MAKE IT HAPPEN™

FIRST HOME BUYER BOOKLET





OUWENS CASSERLY
REAL ESTATE

A home can be many things. A new beginning, a place to grow, a reflection of all we've achieved.

While each home is as distinct as the people living in it, there's one thing we all have in common. When our needs and wants change, it's time to make a move.

Whether you're looking for a lifestyle change, more space or just something new, you don't want to spend your life dreaming about it.

At Ouwens Casserly, we'll work with you to make it happen.

MAKE IT HAPPEN™



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THE 12 STEP GUIDE FOR ADELAIDE FIRST HOME BUYERS



The process of buying your first home is an exciting time, but it can be a little overwhelming too. There are many elements that need to be considered and covered and it can be difficult to know where to begin, what steps follow and what to look out for.

To help you navigate the market like a pro, we've created a guide for first time buyers in Adelaide and South Australia.

I. BUDGETING



Before you even start thinking of SA suburbs to buy in and looking at properties, you should begin by establishing a reasonable figure that you can afford to borrow whilst still living comfortably. And also establish what living ‘comfortably’ means to you.

Ideally, you should have your deposit saved or be well on track to growing a 20% deposit fund, in addition to having a stable monthly expenses budget. You may also want to think about setting aside some money to go towards any potential renovations or home necessities you’ll need to furnish your future home.

2. THE SOUTH AUSTRALIA FIRST HOME OWNER GRANT



During your budgeting stage, we recommend that you check your eligibility for the SA First Home Owner Grant. All over Australia, there are grants available to encourage and benefit first time buyers, and South Australian have grants available no matter where you're looking to buy in the state.

The SA First Home Owner Grant is available when you apply for your first home. There are conditions to the grant such as the property value has to be under \$575K and the buyer must live in the home for a minimum of 6 consecutive months in the first year of ownership. To find out more about your eligibility for the South Australia First Home Owner Grant and discover how much your grant could be worth, check the Revenue SA website. To apply for the grant, your application must be processed through an approved agent or bank - you can check here for a list of approved vendors.

Once you've settled your finances, it's time to start thinking about the next step in purchasing your first home in Adelaide... home loans.

3. HOME LOANS



What is the best home loan in Adelaide? This step can be very daunting for first time buyers. There are lots of options on the market in SA, and the best way to start is by comparing home loans online to see who's offering the best rates and features for you. If you're unsure how to negotiate your home loan, you can always lean on the expertise of a mortgage broker.

Once you've found the right lender for you, getting loan pre-approval is essential. We suggest applying for pre-approval because it allows you to look at the market and your options with more confidence, and if the opportunity strikes and the perfect house is listed for sale, you can be quick to put in an offer.

Based on your income and other details provided, the lender will suggest a pre-approval home loan amount up to a certain limit. All pre-approval's are also subject to a time limit, which varies between banks and applications. You need to establish this time limit with your lender, as you may have to start this process again if you exceed without finding a property.

4. LEGAL COUNCIL



Buying your first home is the biggest and most important investment you make in your lifetime, so it's essential that you understand every component and clause of the paperwork and legal documents.

There are plenty of options when it comes to solicitors for first time buyers, and we'd always suggest choosing someone through personal recommendations - through family and friends or your real estate agent. Having the right solicitor on board will make the legal work behind buying a new home as pain-free as possible. They will draw up the legal documents, help with negotiations, protect your rights and interests and ensure that your new home is legally transferred into your ownership.

5. START THE SEARCH FOR YOUR NEW HOME



If you've managed to resist looking at the house market in Adelaide before making a start on all the above steps, now is the time to start your search.

First things first - establish the SA suburbs that you'd like to call home. You can search for properties through real estate agents, listings in the local newspapers or online. Looking online is a great way to research listings in your suburbs of interest and gain insight into the state of the current market - how quickly properties sell, how often new properties are listed and so on.

We would also recommend going to open houses, and attending a handful of auctions to get a feel for the process and selling prices in this environment.

6. MAKING AN OFFER



Once you find the right suburb for you and the property of your dreams becomes available, you're ready to make an offer.

Two of the most common ways properties are sold in Australia are via auction and private treaty, and each have different processes to follow.

Whether the property is sold by auction or private treaty, both methods will require you to negotiate with the seller's real estate agent. This real estate agent will provide you with the contract which outlines the property details and sale terms, which your solicitor will examine before you make an offer.

7. AUCTION & PRIVATE TREATY



AUCTION

The competitive environment of an auction can be very exciting and daunting, especially for first time buyers - which is why we suggest you visit some auctions at an earlier stage to familiarise yourself with the process. It's possible to make an offer before the property goes to auction. The seller does not have to accept these bids and the house can remain on the market for others to see while your offer is considered.

Live auctions require you to be ready to go on the day, which is why it's essential to complete all the above steps first. You should have already inspected the home, your solicitor should have already reviewed the contract and your deposit needs to be ready to go, as auction's require a portion of the deposit on the day.

When the hammer drops at the auction and you've submitted the highest bid, the property is yours to purchase.

PRIVATE TREATY

This selling method is when the property is introduced to the market by a real estate agent with a specific price, and negotiation goes from there. As a rule, you'll provide a written offer and the real estate agent will negotiate for the seller until you reach an agreement and your offer is either rejected or accepted.

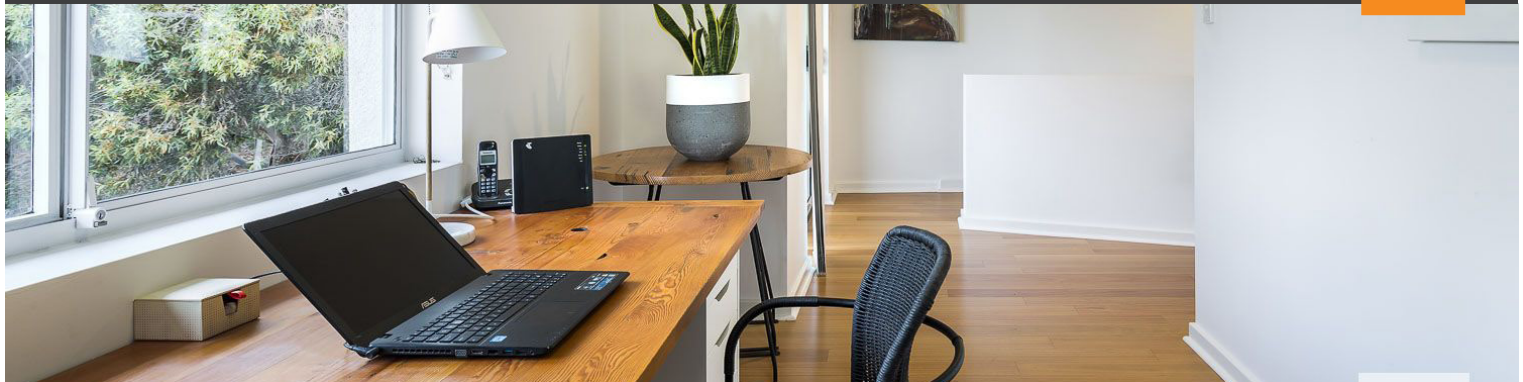
8. CONTRACTS



Congratulations! The seller has accepted your offer, and now you can exchange contracts. To assist you through this stage, your solicitor will examine elements such as the price, zoning restrictions, settlement dates, infrastructure diagrams such as sewers - and any conditions to the contract. Your solicitor may also be able to negotiate the duration of the settlement period and any of your other special conditions.

Once happy with the contract, two copies will be provided for both the buyer and seller to sign so you can each keep a copy.

9. PAYING THE DEPOSIT



Deposits vary across properties, but the standard is around 10%. We recommend having more than 10% set aside at the beginning of the process so you're prepared either way. If you bought your house at auction, you will have paid the deposit on the day, which will sit with the seller's real estate agent until contracts are settled. Settlement periods can be negotiated, but generally last 4-6 weeks.

10. INSURANCE



We recommend shopping around for insurance providers during the settlement period, so you can have insurance in place for your move date.

Keep in mind that if you're buying an apartment, you will also need to research the building's insurance to make sure the property is secure and covered.

II. FINALISING THE PAPERWORK



Now is the time to finalise all of the paperwork and tie loose ends. Complete your due diligence as you come to the end of your cooling off period and finalise special conditions - such as conducting a final building inspection to confirm nothing's damaged, or finalising your finance approval.

If you haven't already, now is the time to turn a conditional home loan offer into an unconditional approval, and if you were eligible for the South Australia First Home Owner Grant, your bank can have this organised and ready to go at settlement. Your mortgage lender will need your final application and documents such as bank account statements and recent pay slips. Your loan needs to be approved, signed, certified and ready for settlement.

12. SETTLEMENT



To arrange settlement, your solicitor will liaise with the seller's solicitor and your mortgage lender to organise the transferral of the remaining funds on the agreed day of settlement. Your solicitor will confirm that this has taken place for you, and provide a Statement of Adjustment for written proof of payment.

Your buying journey comes to an end here - congratulations.

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P 08 7070 6488 ▪ **F** 08 7070 6487 ▪ **E** enquiries@ocre.com.au ▪ **W** ocre.com.au ▪ **RLA** 275403
200 East Terrace, Adelaide SA 5000 ▪ 341B Seaview Road, Henley Beach SA 5022
190 Unley Road, Unley SA 5061 ▪ 2/1 Aldinga Road, Willunga SA 5172