



THE AGENCY

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PROPERTY MANAGEMENT

The Agency

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11 Steps for First
Time Investors

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When searching for the ideal investment, there are many choices to make and priorities to weigh up. The process can be a bit overwhelming for first timers. Buying a property is more challenging than most ordinary purchases because the transaction is wrapped up in a web of unfamiliar financial jargon and legal formalities. This guide outlines the 11 chronological stages of the home buying process.

1 Plan and research.

Firstly, you need to consider the 'where', 'what' and 'when' of your investment. Location has an impact on tenant lifestyle. Think about factors such as access to work, schools, transport and the future value of your property. We can't all buy in our dream postcode, so refine your search to two or three locations that meet your needs and budget. Size, price, style and condition are all

important aspects of any potential home. Do you want a big house on sprawling acreage? Or does a compact inner-city apartment suit your investment goals? Do you have the resources to tackle renovation projects? The housing market is ever changing, so monitor interest rates and property prices to avoid buying at the wrong time.





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2 Save a deposit.

Once you have a clear idea of what type of property you want to buy, put a budget plan in place. Most banks and lending institutions offer mortgage calculators on their websites. Calculate how much deposit you will need for your ideal investment property and start saving. Set finite, realistic goals, targets and savings deadlines.

3 Arrange pre-approval finance.

Home loan terms and conditions vary widely from one bank to the next. Don't assume that the financial institution you bank with will automatically be the best source for your home finance. It's a competitive market out there – so shop around for pre-approval finance and compare your options.

4 Start looking.

Once you have an idea of your borrowing power, you should start inspecting properties and attending auctions. Hold off on bidding and making offers until you have seen several properties and started to establish a fair idea of what's available within your price range. At this stage, you should find a solicitor who will be ready and able to assist you with any conveyancing and legal issues once you find your dream investment property.



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5 Choose a property.

Once you've saved up your deposit, you can change gears from window-shopping mode to shopping-mode. Develop a checklist of all the features that you expect from an ideal investment property. How many bathrooms

do you want? Is the outdoor space suitable? What are your parking requirements? Once you've seen and compared several properties, you should find something that meets your needs.

6 Check property condition.

Even if your heart is set on a particular property, don't make an offer until you've done some deeper investigation. Many investors leap on the first prospect that comes close to meeting their 'dream investment' expectations. But it's important not to rush in and make hasty purchasing decisions. Before you become legally and

financially tied to a property, you should know it's flaws and its virtues. Most virtues will be apparent with a simple walk through but a professional building #inspection# will unveil any problems, both major and minor, that aren't immediately obvious, such as structural issues or pest problems.



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7 Loan approval.

Once you're satisfied that you've found the right property, go back to the financial institution that you decided on in Step 3 and apply for your loan. If you have any queries or concerns about the contract, now is also the time to sort out any unresolved issues and negotiate contract conditions.

8 Legal checks.

With the advice from your chosen solicitor, review the contract terms and the legality of the transaction.

9 Exchange of contracts.

Pay the agreed deposit to the real estate agent (usually just 1 percent) to secure the sale.



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10 Prepare to be a landlord.

Once you have signed and exchanged contracts, you need to start addressing some of the practical logistics of being an investor. Are there any urgent repairs or redecoration required?

11 Settlement.

On an agreed settlement day, pay the remaining 90 percent and receive the keys to your new home. Your lending institution and a solicitor should oversee this transaction.



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