



BUYERS GUIDE



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IMPORTANT NOTICE

The information contained within this book has been provided in good faith to assist you with some of the questions you may have about the purchase of a property. It is by no means meant to be a definitive solution to all possible queries as the actual answers may vary with individual situations. If you have any doubts about any matter you should speak to your legal representative about your specific query. Due to the variations in individual circumstances, we cannot accept any responsibility for any misunderstanding that may result from the information provided herewith. However, please do not hesitate to contact our office for any specific queries or assistance you may require and we will do everything possible to provide the information you seek or else recommend who you should speak to for an answer.



WELCOME TO THE FIRST STEP TOWARDS YOUR NEW HOME!

Purchasing a home is one of the biggest commitments a person can ever make, standing as a cornerstone of adulthood and independence.

For most, the world of real estate may seem overwhelming. This is why Bianca Brown Realty is here to guide you through the entire process. Finding your dream home, inspections, finance and tips for the big move will all be overseen and handled with the greatest of professional care.

This buyers guide booklet will help you through the entire process, from start to finish.

Any questions or queries not covered in this guide will be promptly answered by your agent. Just ask!



BIANCA & NEIL BROWN

Principals/ Licenced Real Estate Agents/ Auctioneers



RESEARCH RESEARCH RESEARCH

The internet can be one of your most valuable tools when searching for your dream home (second only to your Bianca Brown Realty Agent of course!).

Your first step should be to work out what is most valuable to you and what are your 'deal breakers'. Whether you want a single or a double storey home. Do you prefer brick or weatherboard, contemporary or federation, what are your preferred suburbs? Maybe you've always wanted a tennis court or an outdoor entertainment area.

If you're not sure, establish what you can comfortably afford to purchase by looking at the prices of properties for sale in some of the suburbs you're considering.

Our listings on biancabrownrealty.com.au can be filtered to meet your requirements, making your research as easy as the click of a button!

TIPS

We can add you to our buyer's database! This means we'll be able to send you notifications when new properties are listed for sale.

Don't miss out on your dream home because you didn't get the email and someone else did!!



FINDING OUT YOUR BORROWING CAPACITY

The sum of your income, spendings, savings and credit make up the capacity you have to borrow.

In order to assure you can maintain both your lifestyle and repayments, careful consideration must be undertaken. In order to help you calculate this, we have included a helpful table for you to work through on pages 18-20.

The first step towards buying your own home is the deposit. On average this is 10%, however the seller may be willing to negotiate to a 5% deposit depending on your circumstance, so make sure to ask your agent if this is more aligned to your funds.

You will need to pay for additional fees such as stamp duty (on the purchase price), conveyancing fees and lenders mortgage insurance (if your deposit is less than 20%).

Remember, if this is your first home you could have a range of government entitlements at your disposal.

“BORROWING CAPACITY’ IS DEFINED AS THE SUM OF MONEY A PERSON CAN BORROW BASED ON THEIR CURRENT FINANCIAL STATE.”

TIPS

While saving for your deposit, it is also a good idea to familiarise yourself with the additional costs you may have to face. This includes but is not limited to; taxes, mortgage insurance, legal costs and general fees for moving. We can help you calculate these extras so you know how close you are to your goal.

Consider discussing your plans with a mortgage broker to find out all your options. This can be a valuable tool in figuring out your next course of action.

Make sure you have a Plan B. If Plan A is out of your reach right now, could you work towards a closer goal? Considering a unit or townhouse over a house could take a large amount off the end price. This can provide an easier entry point into the housing market that can later serve as a future financial asset or avenue for income. Once you've gained a foothold in the market you can expand to a home or location you'd prefer.



FINANCING YOUR HOME

FINDING THE RIGHT HOME LOAN TO SUIT YOUR NEEDS CAN BE STRESSFUL, HOWEVER IT'S IMPORTANT TO WEIGH UP ALL YOUR OPTIONS BEFORE YOU SIGN ON THE DOTTED LINE.

Getting the opinion of more than one mortgage broker can help you gain a clearer picture of your requirements and boundaries.

Whether you employ a mortgage broker to help you negotiate the process of arranging a home loan or take it on yourself, it is important to know that there are two main avenues of obtaining home loans.

FIXED RATE HOME LOANS

This type of home loan has a fixed rate of interest throughout the life of the loan. The interest may be fixed for a pre-determined period of time (eg. 5 years) that can then either be renegotiated after this period has ended or will simply change to a variable rate.

- There could be early exit fees if you pay back the full sum of your loan before the forecasted term.
- You might be given the option to repay just the interest or the principal as well as the interest.
- Repayments can be set up to reflect when you get paid (weekly, monthly or fortnightly).

Mortgage brokers are at your disposal to make the experience of financing as simple as possible for you, and will always strive to find the best option from any major lender to suit your needs.

VARIABLE RATE HOME LOANS

Variable rate loans are just that, variable. This means the rate of interest can fluctuate over the course of the loan to reflect the market trends and economic factors at the time.

- The maximum possible term of a loan is typically 30 years.
- Interest is calculated daily on your loan's current outstanding balance and added to your balance monthly. If you increase the amount of your repayments, this will be reflected in your interest rate almost immediately.

Unless the loan is paid out in the first 5 years, there are rarely additional costs for early repayment of the loan, other than government/bank discharge fees.

SEARCHING FOR “THE ONE”

LOOKING FOR YOUR DREAM HOME CAN BE AN EXCITING PROSPECT BUT DON'T GET CARRIED AWAY! YOU HAVE TO REMEMBER YOUR NEEDS BEFORE YOUR WANTS AS WELL AS YOUR BUDGET

Once you've found a home that fits your primary needs (2 garage spaces, 4 bedrooms, etc.) you should start to look at the secondary factors that may have a larger overall impact on whether you're happy to put in an offer. Secondary factors you should consider outside of the home can include:

- Is it close to public transport / shops / parks / schools / gyms?
- Is it in an area prone to flooding?
- Is it along a main road or highway?
- Is it under a flight path?

BIANCA BROWN REALTY IS HERE FOR YOU, DAY OR NIGHT!

Make sure you sign up for notifications on biancabrownrealty.com.au!

You can browse through all the properties we have listed or sign up for notifications on properties that align to your specifications and price range!





MAKING AN OFFER

YOU GO OUT WITH AN AGENT AND FIND A PROPERTY YOU LIKE. WHAT SHOULD YOU DO NOW?

MAKE AN OFFER

In a process of negotiation with the vendor, through the agent, you come to a mutually agreeable price.

SALES ADVICE

The agent issues a sales advice to both the vendor's and the purchaser's solicitors notifying them of a potential sale. This is not a legally binding contract. Only exchange of contracts secures the property. Our office does not accept holding deposits, as they are not legally binding.

SECURE THE PROPERTY

The purchaser in association with their solicitor must move quickly to secure the property. A property is not off the market until contracts have been signed by both the purchaser and the vendor and then exchanged. An exchange means that two contracts are signed, dated and transferred between solicitors/conveyancers.

At the time of exchange, the purchaser must also have a deposit or deposit bond equalling 10%, which is held in trust.

TIPS

It's always a good idea to make sure you have pre-approved finance before falling in love with a property.

Ask the agent to send a copy of the 'contract for sale' to your solicitor or conveyancer to have a look over.

Ask for a building and pest inspection to be conducted to make sure there aren't any underlying issues that may become your problem to fix.



EXCHANGING CONTRACTS

THERE ARE TWO METHODS OF EXCHANGING CONTRACTS, WHICH THE PURCHASER MUST CONSIDER

EXCHANGE IMMEDIATELY

This secures the purchase of the property at an agreed price, with a 0.25% deposit (or \$250 for every \$100,000) which serves as a Forfeiture Fee for the vendor if the purchaser pulls out. There is a 5 business day cooling off period in which time the purchaser in association with their solicitor needs to organise a Pest & Building Report, Finance and any other contractual requirements. In this agreement, only the purchaser has the right to rescind the agreement. Therefore, if a good price has been negotiated on a “hot property” it secures the property at that price for the purchaser (No higher offer can be accepted).

EXCHANGE THROUGH THE VENDOR'S AND PURCHASER'S SOLICITORS

This can take several weeks, in which time the purchaser, in association with their solicitor, must organise a Pest & Building Report, finances and any other contractual requirements.

In this time, although the vendor has agreed to a negotiated price, the property is still on the market. Any higher offers put to the agent, **MUST** by law, be submitted to the vendor. The purchaser must be aware that particularly on a “hot property” there is the possibility that a higher offer could be made. Should this happen the only option available to the purchaser is to secure the property is to meet or better this offer. It is therefore in the purchaser's best interests to move as quickly as possible to exchange contracts, which legally deems the property **SOLD**.

Whichever method the purchaser chooses to employ to exchange contracts, all advice on matters regarding the contract and the handling of legal matters is conducted by your chosen conveyancer or solicitor.



AUCTION DAY

PURCHASING A PROPERTY IS A BIG DECISION AND CAN OFTEN BE QUITE DAUNTING.

Auctions play a major role in how properties are sold in Australia so it is important to feel comfortable about bidding at auction. Here are some tips that will help you in determining a bidding strategy.

Don't strategise too much

We conduct a lot of property auctions each year and I can tell you that everyone is different. Don't get caught up in worrying about what will happen or how the bidding will unfold. Focus on what you are there to do and that is purchase a property. Be the first person to bid.

Bid with confidence

Many buyers sit back and wait. They want to get a feel for what is about to unfold. More often than not, it is the bidder that bids with confidence and without hesitation that walks away with the keys to their new home. If someone bids, come straight in with another bid. You have nothing to lose and everything to gain. Show your competition that you want the property at any cost.

Set yourself a base limit

If you are going to set yourself a limit, make sure that limit has flexibility. As strange as that may sound, too many times I have seen bidders miss out on their dream home for \$1K or \$10K when the other bidder is at their limit also. In a very short time you will be happy for going that little bit extra.

Don't forget your identification

It is a requirement by law that you register for residential and rural property auctions in NSW. The easiest way to register is with a driver's license. If you don't have ID then you cannot register, so don't forget to bring it with you.

What happens if a property is passed in

In most cases the highest bidder will have the first opportunity to negotiate with the vendor after the auction. Make sure you are the highest bidder so you don't miss out.

What is a vendor bid

In NSW the auctioneer is allowed to make one bid on behalf of the vendor. A vendor bid must be disclosed by the auctioneer. It is not the reserve price and does not indicate a price at which the vendors will accept. It is used in different circumstances to either start the bidding, increase the bid to a level closer to what the vendors will accept or position a property at a price at which the vendor will take bids nothing less than. Don't confuse this with the reserve price.

Why might an agent ask you to increase your own bid

This is a common occurrence in today's market so don't feel uncomfortable about it. At some point in the auction, the estate agent may come up to you and ask you to increase your own bid. This may occur as your current bid may not be at a price at which the vendor will accept. Therefore you may need to increase your own bid if you wish to purchase the property.

What if I want someone to bid for me

If you would like someone to bid on your behalf you can sign a letter that authorises the bidder to bid for you. It is important to think who will sign the contract and how you will pay the deposit if successful. Both the bidder and the purchaser will need to show identification.

I will be buying in a company name

It is imperative that the company directors sign a letter, on company letterhead that authorizes the bidder to bid for them at the auction. The ID for the company is the ABN/ACN and the bidder will still need to show their drivers license to register. This all needs to happen even if the bidder is the director of the company.

TIPS

'Reserve price' is the lowest amount the vendor will agree that the property can be sold for.

Settlement is the amount of time the buyer has before the full price for the property has to be transferred to the seller. This is generally set at 35 or 42 days.

The most important thing to know when it comes to auctions is that a winning bid has no 'Cooling Off' period and is legally binding.

THE DIFFERENCE BETWEEN AUCTION AND PRIVATE TREATY

BUYING VIA PRIVATE TREATY

- There is a cooling off period for you to address any concerns or information you receive after placing your offer
- You pay your deposit when contracts are exchanged
- There is a known price range in which the seller will consider offers
- Multiple interested parties can negotiate offers at the same time without knowledge of one another
- You might be able to negotiate changes to the contract that are more beneficial to you

BUYING AT AUCTION

- Contracts must be signed and the deposit paid at the conclusion of the auction
- All questions and inspections should be finalised before you're ready to bid
- The minimum amount the seller will accept for the property (the reserve price) is unknown.
- There is no cooling off period
- Bidding may raise the price of the property out of your reach





THE SETTLEMENT PROCESS

SETTLEMENT IS THE FINAL STEP OF THE PROPERTY BUYING PROCESS BEFORE THE KEYS ARE IN YOUR HANDS!

Your solicitor or conveyancer will organise all documentation necessary for completing the settlement process, as well as advising you of any requirements on your part, including the exact amount you need to provide on the day.

- Settlement usually takes between 35 and 42 days to finalise, but can take shorter or longer depending on individual circumstance.
- A pre-settlement inspection is conducted to ensure no significant damage has happened to the property since initial contracts were exchanged. i.e. The property should be in the same condition as when the contract of sale was signed, excluding any previously agreed-upon fixes required to the house.
- It is not required for you to be present at settlement as your solicitor will complete financial settlements electronically through PEXA (Property Exchange Australia).
- Before settlement has concluded, your solicitor will provide you with a statement of adjustment, which includes stamp duty, stamp duty concessions, and the first home buyers grant if applicable. It further outlines how funds have been distributed to the buyer, seller, agent and any other relevant parties.
- Once money and final documents have been exchanged, the agent will release the keys to the property to you and the home is considered legally yours.

The length of settlement is agreed upon between the buyer and seller. Be sure to negotiate for the time period that suits you. If you need a little extra time to sell your previous home, or you have to leave your rental property by a certain date, convey this to the other party.



CHILDREN AND MOVING

MOVING IS ALMOST AS STRESSFUL TO YOU AS IT IS TO YOUR CHILD(REN). HERE ARE SOME POINTS TO CONSIDER TO MAKE THE MOVE EASIER ON EVERYONE

- Give your child(ren) simple information about the new home and area you're moving to in order to help alleviate any anxiety.
- Listen to their worries or concerns and talk through them in an age-appropriate manner.
- Understand that the child(ren) may feel frustration at their situation and may direct their frustrations towards you or other adults influencing the decision to move.
- Explain that sometimes moving is a necessary part of life and can be a positive experience.
- Relate their worries to a tv/book character in a similar situation and discuss what the character would do.
- Focus on the positive aspects of your new home, neighbourhood and community.
- Consider taking the child(ren) on a day trip to familiarise themselves with the area and discover local parks or points of interest (swimming pools, skate parks, sporting clubs) to focus on the positive changes and opportunities the move will offer.

Bianca Brown Realty is happy to offer information and preferred suppliers (schools, childcare, mothers groups, medical centres, removalists, etc) that can make your transition into your new community as easy as possible.



PLANNING YOUR MOVE

MOVING OUT OF YOUR OLD HOME AND INTO YOUR NEW ONE IS THE MOST LABOUR-INTENSIVE PART OF THE PROCESS, SO IT IS IMPORTANT TO PLAN IT OUT CAREFULLY

Once you've exchanged contracts it's time to begin planning your move! Here are some tips to take into account when planning the big day!

- Work out how many packing boxes you might need and then get a few extra! When it comes to the big move you can never have enough boxes. You can buy them online or at your local Storage King or Bunnings.
- See this as an opportunity to declutter all the bits and pieces you've put off by throwing away or donating so there is less to take with you when moving day arrives!
- Colour-code and label your boxes so when unpacking, you know where certain things are if you need them straight away such as (blue) kitchen utensils, (red) pots/pans and (green) Sam's things.
- To save time moving things around later, use the colour-coding system to put boxes in the room they're going to be unpacked in. E.g. make sure all the kitchen boxes are taken straight to the kitchen so you don't have to hunt for them later!
- Where possible, make sure to take your valuables with you so you can ensure they're kept safe.
- Make sure to keep boxes fairly light so they don't break from the bottom when being moved.
- Take photos of how you have things set up in your previous home if you'd like to replicate it in your new home. E.g. what books go where on the shelf.

TIPS

Moving interstate

Remember that if you use a professional removalist to move your bigger items, the price will be based on how much furniture you have and how far it is being transported. Make sure to get quotes from several removalists to find your best deal!

Moving locally

Moving locally gives you the option to complete your move yourself (with some help from family and friends) or with the help of a professional removalist. Make sure you give yourself ample time to work out which option you'd like to take.

We're happy to recommend our preferred removalist upon request!



PLANNING YOUR MOVE (CONT.)

- Consider ordering a delivery from Coles or Woolworths for a few hours after you've been at your new house so you don't have to worry about going out afterwards.
- If you have pets, discuss with your vet how you can make the move as easy and stress-free for them as possible. They'll also be able to give you tips regarding your pet's transition into your new home such as lavender sprays to reduce stress and leaving items with their scent around the house.
- Have an overnight bag packed so you have all your necessities at hand. This can include a fresh change of clothes for the next day, pyjamas, toiletries, phone chargers and toothbrush/toothpaste.
- Make sure to discontinue any bills you have for your previous residence and organise new accounts so everything is set when you arrive. You don't want to walk into a new home with no electricity, gas or phone/internet!
- Consider having a pest control service give your house a final sweep in the days before you move in just in case any little friends have decided to move in before you!
- Have photos or a floor plan of your new home so you can easily communicate (to movers, friends, helpers) where you want the bigger items such as bookshelves and beds.
- It's a good idea to organise a vacuum/dust/carpet cleaning before you move any boxes in as it'll be easier to clean with an empty space than around boxes and furniture.

TIPS

Here are some tips for your overnight bag or essentials box

- Hand sanitiser
- Scissors
- Bin bags
- Disinfectant spray
- Snacks
- Box cutter
- Essential medications
- Panadol
- First aid kit/bandaids
- Washing detergent
- Toiletries
- Bottles of water
- Clean bed sheets
- Spare change of clothes
- Cleaning gloves
- Pyjamas
- Pet bowls/toys
- Kid's favourite toys
- Dustpan
- Handheld vacuum



PLANNING YOUR MOVE (CONT.)

LET THE RIGHT PEOPLE KNOW YOU'RE MOVING!

Here are some people/institutions you should remember to notify that you're changing your home address!

- Family/friends
- Banks
- Life/property/car/pet insurance companies
- Service NSW (to update your driver's licence and car registration)
- Employer
- School (you may need official paperwork to organise a transfer)
- Clubs or social groups
- Close neighbours (you don't want them coming over for a cuppa to find you've left)
- Any delivery services such as Lite n Easy or Coles
- Magazine/newspaper subscriptions
- Post office (to redirect your mail)
- Electricity/gas/phone and internet companies

HERE'S A GOOD IDEA!

Send a 'moving notice' to your important email contacts.

WE ARE MOVING!!

John & Jane Doe will be moving on Monday 10th April to
10 Smart Street, Wentworth Falls 2782



WORK OUT YOUR BUDGET

HOW MUCH CAN YOU AFFORD TO SPEND ON REPAYMENTS?

INCOME	You (per pay)	Your Partner (per fortnight / month)
Net salary (after tax and superannuation)	\$	\$
Any excess payments (extra freelance work, paid overtime, etc)	\$	\$
Net rent	\$	\$
Net interest / dividends	\$	\$
Other income (including business or benefits)	\$	\$
Total	\$	\$
Total A + B = Total C	\$	Transfer this total to C



WORK OUT YOUR BUDGET (CONT.)

YOUR EXPENDITURE (PER WEEK/FORTNIGHT/MONTH)		
Existing mortgage repayments, rent or board		\$
Credit card repayments		\$
Repayment of other loan(s)		\$
Estimated motor vehicle expenses (fuel, maintenance, registration, insurance, etc)		\$
Life insurance and superannuation payments		\$
School and childcare fees / maintenance		\$
Council rates		\$
Medical insurance		\$
House and contents insurance		\$
Household expenses (Gas, electricity, water, phone, cleaning or garden services, etc.)		\$
Groceries		\$
Other living expenses (birthday/holiday gifts, travel, entertainment, holidays, regular donations, subscriptions, gym or sports memberships etc)		\$
Miscellaneous expenses or regular recreational spending		\$
	TOTAL D	\$
Total fortnightly / monthly income (from previous table)	TOTAL C	\$
Less total monthly / fortnightly expenses (from previous table)	TOTAL D	\$
Total monthly / fortnightly disposable income		\$

Your total disposable income is the amount you have available to repay your mortgage. Ensure you have a little bit of spare money left over for any unforeseen necessary purchases.

WORK OUT YOUR BUDGET (CONT.)

DEPOSIT

Savings	\$
Shares (approx.)	\$
Miscellaneous investments	\$
Assets (approx.)	\$
Other	\$
Total available for deposit	\$

THE ADDITIONAL COSTS

Valuer's fee	\$
Solicitor's fee	\$
Loan approval fee	\$
Stamp duty	\$
Moving costs	\$
New appliances or fittings	\$

ESTABLISHMENT FEES

Electricity	\$
Gas	\$
Telephone	\$
Other	\$

PAYMENTS UPON MOVING IN

House & Contents insurance	\$
Mortgage insurance	\$
Rates	\$
Other	\$
Urgent maintenance or repairs	\$

Total additional costs \$





GLOSSARY

Appraised Value

Aka “mortgage valuation”. Is the valuation of a property’s value at any given point in time. Valuations must be conducted by a professional valuer.

Assets

An item of property which you own that is considered valuable and can be used to settle debts.

Auction

A public sale of property to the highest bidder at the time.

Breach of Contract

The act of breaking the terms set out in a contract.

Brick Veneer

A style of building where a covering of brick is applied to a timber frame.

Bridging Loan

A short-term loan that finances the purchase of a new house until you sell your previous home. This usually has a maximum term of 12 months.

Building Regulations

A set of rules and guides that specify the standards that buildings must meet to be deemed livable.

Caveat

A document any person with a legal interest in a property can lodge with the Titles Office to ensure the property is not sold without their knowledge.

Certificate of Title

Legal documentation serving as proof of one’s property ownership.

Chattels

Personal property. The two types include real chattels which are buildings and fixtures and personal chattels which are clothes, furniture, etc.

Commission

A percentage of sale or set amount paid to a real estate agent or similar individual.

Common Property

Places in strata properties shared and accountable for by all owners. E.g. The reception and mail box area of an apartment building.

Company Title

This title applies when owners of flats in a block form a company. Each owner has shares in the company which owns the land and buildings and is entitled to occupation of a flat. However, if they wish to alter their occupancy they must notify and receive approval from the company.

Contract of Sale

Written document outlining the terms and conditions, as well as agreed upon price, concerning a property sale.

Conveyancing

The transfer of legal title of a property from one party to another.

Covenant

Conditions affecting the use of land or property written into the title.

GLOSSARY (CONT.)

Deposit

A percentage of the purchase price of a property placed in trust by a real estate agent on behalf of a buyer as evidence of intention to proceed with full payment.

Easement

A right to access or otherwise use someone's land for a specific purpose. E.g. Drainage/powerlines.

Encroachment

Intrusion on a person's territory by their neighbour's building or actions. This can include over-hanging trees, extended roofing or TV dishes.

Encumbrance

A liability on a property which impedes its use or transfer. Examples of this are an easement or mortgage.

Equity

The difference between the market value of the property and the outstanding mortgage of the property.

Exclusions

Any item that the seller is not willing to include in the sale. E.g. Cubby house/above ground pool.

Freehold

An owner's interest in land where the property and the land on which it stands both belong to their owner indefinitely.

Gazumping

When a seller accepts an offer on the property but then accepts a higher offer that was made afterwards, but before the exchange of contracts.

Inclusions

Items within the property which aren't fixed but that the seller has agreed to have included in the price of the property. This can include lights, blinds, airconditioning units, dishwasher, clothes washer or dryer.

Interest-Only Loans

A loan in which the borrower pays only the interest on the amount being borrowed for a set period of time. Following the interest-only period, the loan will revert to a "principle and interest loan" in which you'll begin to repay the borrowed amount as well as interest.

Inventory

A list of items included with a property for sale. This is generally limited to furniture, and fixtures that the seller is happy to include.

Investment

The purchase of land, property or an apartment, etc. with the belief that it will become more valuable and will be able to be used or sold to profit in the future.

Joint Tenancy

Joint Tenancy is the share holding of property by two or more persons. If one person dies, their share passes to the surviving parties.

Land Tax

Tax levied on landed property annually (usually applied to property you own other than your primary residence).





GLOSSARY (CONT.)

Lease

A legal agreement by which money is paid in order to use land, a building, vehicle or piece of equipment for an agreed period of time.

Leasehold

When one party owns property but the land on which the property stands is owned by someone else. The most common form of this is in the instance of apartments. Parties own/rent the individual properties but not the land on which it is built.

Liabilities

Outstanding debts which a person owes on high-priced items through debts and/or loans. Examples of this are educational loans, existing mortgages, credit card debt, and child support payments.

Limited Title

When a piece of land is yet to be surveyed and given a certificate outlining the boundaries.

Maturity Date

The date in which a home loan agreement is set to have been paid by. If the loan has not been fully paid by this time a new contract must be established for the remaining sum.

Mortgage

A legal agreement by which a bank or financier lends money at interest in exchange for taking title of the debtor's property, with the condition that the conveyance of title becomes void upon the payment of debt.

Mortgagee

The lending party in a loan agreement. Usually a bank or loan association.

Mortgagor

The borrowing party in a loan agreement. Usually an individual or business.

Offer to Purchase

A written contract outlining the terms with which the buyer agrees to purchase a property. This can be conditional (property sells "as is") or unconditional (improvements/inspections must be finalised before purchase).

Old System Title

An old form of land title, also known as Common Law Title. If any property still falls under this, it is automatically converted to the current system of "Torrens Title" upon the property's sale.

Party Wall

A wall shared by 2 adjoining buildings. Most common in apartment buildings.

Plan

An architectural illustration outlining the floor plan, elevation, and position of the property on the land. It outlines the number and size of each room as well as their location.

Principal

The full sum of money required to purchase a property.

GLOSSARY (CONT.)

Private Sale

When a person sells their property by themselves with no real estate agents involved. They advertise and communicate directly with potential buyers.

Private Treaty Sale

Occurs when a seller enlists the services of a real estate agent to advertise, communicate and negotiate with potential buyers, presenting any offers to the seller to either accept or reject.

Qualified Title

The title given to property that has transitioned from old systems title to Torrens title.

Real Property

Land, and any structures attached to it. E.g. buildings, ponds, rivers, roads, barns, etc.

Requisition of Title

A written document from the buyer to the seller requesting for any defects on the property to be improved before purchase is completed.

Reserve Price

The minimum amount the owner is willing to sell their property for during an auction.

Right of Way

A form of easement that allows a specific person passage through another's property.

Security

A valuable asset pledged as a guarantee of the intention to complete the repayment of a loan. If the loan is not repayed the asset instead is taken.

Semi-detached

A building attached to another building on one side, by a common wall.

Settlement

The transference of property possession from one party to another in exchange for money.

Sole Agency

An agreement where only one agent is in charge of selling the property but the seller is still able to sell the property themselves.

Stamp Duty

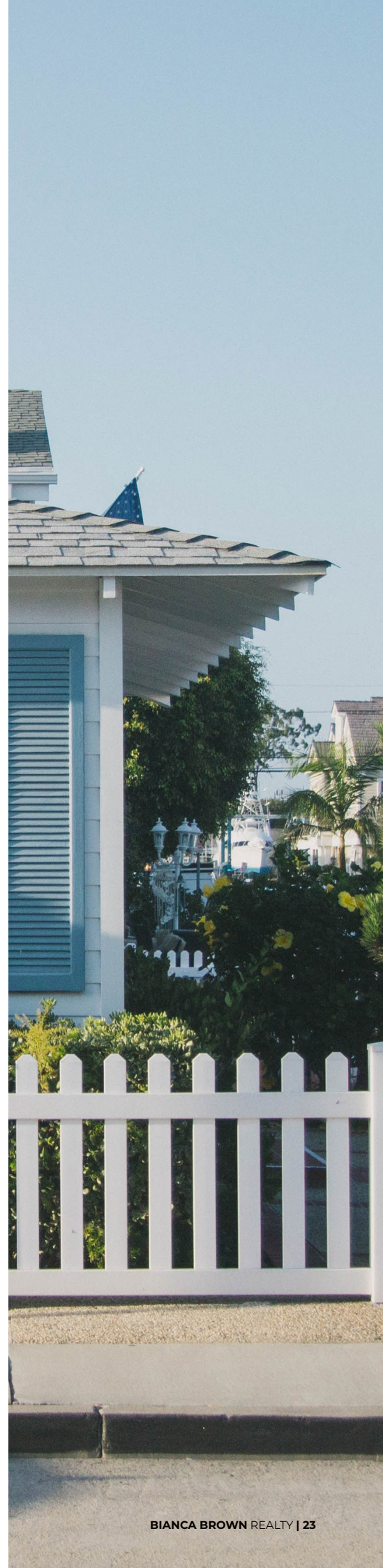
The fee imposed on the sale of real estate, by the state government. The stamp duty value is determined by the sales price.

Strata

The right of an individual to a section of a larger overall property which can include airspace and a share in the common land of the property. This is most commonly used for individual units in an apartment block. Your unit can be lived in privately, leased or sold as you deem fit.

Survey

An assessment of a piece of property and land outlining its size and location/orientation. This includes dwellings, waterways, gas/sewage/electricity lines and roadways.





GLOSSARY (CONT.)

Tenancy in Common

A situation occurring when two or more persons co-own a property equally or unequally. Each party involved is allowed to sell or gift their percentage of ownership at their discretion.

Term

A pre-determined period of time, usually in relation to the time a loan is expected to be repaid within.

Title search

The process of examining the land title to ensure the vendor has the right to sell and therefore transfer ownership. A title search details the names of the owners and other information about the property such as encumbrances or caveats on the title.

Torrens Title

The current system of registering and transferring property ownership titles within NSW.

Town House

A self-contained property (usually two-storey) as part of a multiple building complex. These types of property generally fall under strata as there is common land in use by all complex occupants.

Transfer

An official written document used to record property ownership transference from one party to another.

Unencumbered

An asset or property which is void of any encumbrances. This is usually in relation to any outstanding loans regarding the property.

Valuation

An appraisal conducted by a licensed valuer documenting the market value of a property which is used to establish sales prices.

Variable Rate Loan

A loan where the interest rate varies as the market fluctuates. This form of loan is considered more flexible than a fixed rate loan as you are able to redraw available funds and can contribute extra repayments without any penalty fees. However this comes with the understanding that you may have to pay more in interest if rates rise.

Vendor

Aka the “seller”. This is the person(s) wishing to sell the property and transfer ownership to another party.

Villa

An attached dwelling which is usually single storey.

Zoning

Laws and regulations dictating how property can or cannot be used in specific areas. This can limit instances such as businesses being built in residential areas.

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