



At Refund Home Loans we will guide you through

## The Buying Process

There are many ways to buy a property. The most common are Private Treaty and Auction.

### Private Treaty

There are two common private treaty avenues, buying through an agent where you agree to a price set by the seller / owner or negotiate another price. Or buying directly with the owner, this is known as a private sale. This means that the seller / owner does not need to pay commission to an agent.

### Pre Approval

Before you seriously begin to try and buy a property you should be prepared and get pre-approval. This means that you are given financial approval before you purchase a property, provided you fulfil the necessary criteria.

With pre-approval it gives you a clear indication of exactly how much you can borrow, you will have your buying budget and agents will treat you as a serious buyer.

In order to gain pre approval you will need to have supporting documentation, you can further discuss what documentation you will need with your Local Refund Home Loans Representative.

**In the back of this kit there is a Document Checklist that outlines documentation you will need when submitting your loan application. For further information contact your Local Refund Home Loans Representative.**

### Make an Offer

You will usually need to pay a holding deposit when you submit a contract with your offer. Your holding deposit will be around \$1,000, but will

generally increase to 5% - 10% of the purchase price. In most cases, you can borrow enough to cover these costs. A "Contract of Sale" is drawn up by the owner / sellers agent or solicitor. This contract includes the outline of your offer, settlement date and any conditions that must be met before the sale is finalised.

Ensure that you discuss the Contract of Sale with your solicitor and your Local Refund Home Loans Representative before you sign it. From here there are two kinds of offers conditional and unconditional.

### Conditional Offers

This offer is legally binding providing that all conditions written into the contract are met. Some examples of common conditions are:

- Subject to Finance – meaning that the sale will go ahead if the bank or lender approves your finance
- Subject to Valuation – the sale will go ahead if the valuation is accepted by both the bank and yourself
- Subject to builder / engineer / pest reports – the sale will go ahead if the house and land are in a sound condition.

You can also put in other conditions for example subject to bedroom being painted or repairs being done. Discuss this further with your solicitor and don't sign your Contract of Sale until you are satisfied with the final conditions.

### Unconditional Offers

This is an official offer to buy the property as is. Before you submit an unconditional offer you need to be certain that this is the property that you want and that you have the necessary funds to purchase the property.

If this offer is accepted then you are legally obligated to buy the property.