

Property  
Buying  
Guide  
With PRD.

# Buying Guide

*Buying a property is an exciting time ... but it can also be a daunting one. After all, it's one of the biggest financial decisions we make in our lifetime. But rest assured, working with a trusted and dedicated local real estate agent will help you achieve your property dreams.*


*Created by PRD Tamworth, Australia's #5 PRD Office, this Property Buying Guide is here to help. From the basics of property buying, to deciphering financial and legal terms, you'll be equipped to enter the market whether you are looking for a residential or investment property.*

## **Types of property**

Some prefer houses, while others might look for a unit, townhouse or villa. Choosing the property type is just the first of the big decisions. How many bedrooms do you need? How many bathrooms? Do you need a car space? Would you like a garden or a terrace? All these requirements need to be considered to narrow down your property search to the ones that meet your needs.

Then you need to think about where you want to live. Your budget might help that decision, but you still need to consider proximity to schools, transport, shops and facilities to ensure the property suits your lifestyle. Or, if it is an investment property, the lifestyle of your expected tenants.

Finally, keep an open mind. The best deal might be just around the corner!



**Tip: it's wise to select a property with at least one unique feature. It could be a renovated bathroom, large kitchen, original period fixtures or beautifully landscaped grounds. Unique properties are harder to replace, so often they have a higher resale value.**

## What can you afford?

Budgets are less intimidating when you know where to start. First, calculate what repayments you can afford - as a rule of thumb, lenders base the loan on an amount that does not exceed a set percentage of gross (pre-tax) income.

It's always a good idea to talk to your financial adviser or lender before you make any big decisions. They'll be able to help you determine what you can realistically afford, and the loan rates that best suit your needs.

## Finding your dream home

Just as there are numerous ways to sell a property, there are many ways to find your dream home.

- Register with PRD's Real Estate Property Finder.
- Register your intent to buy with your local PRD Tamworth Agent.
- Search local newspapers and online for real estate and homes for sale.
- Let people know you are looking to buy. They might know a place that would suit you!
- Drive around the suburbs you are interested in and see what is available.

## Do your research

- Find out what is available at both ends of your price range. The earlier you start your search, the better!
- Attend auctions and open houses in your preferred area to see what is available.
- Contact your local PRD office for a research profile on the suburb.



## Property inspections

There are two types of property inspections: open house or inspection by appointment. In an open house, the public is invited to view a property at set dates and times, usually displayed on marketing material. Inspection by appointment requires you to contact the sales agent to arrange a time to see the property.

Make sure to take your wishlist of requirements to the inspection and make plenty of notes. Check with the agent if you can take photos of the property to remind you of its features. Once you have inspected several properties, you'll have a good idea of what is available for your budget.

Once you've chosen the property you plan to buy, you may choose to have a pre-purchase inspection for structural defects, repairs needed or pests. If the property is being auctioned, these inspections must be completed beforehand! Remember that the laws differ in each state, so consult with your legal representative or local PRD Tamworth Agent before you commit.



Make sure to take your wishlist of requirements to the inspection and make plenty of notes.

## Buying at a private treaty sale

A private treaty sale is where buyers make their offers directly to the seller or agent. While this sounds simple in theory, offer and acceptance is quite formalised so it's important to understand the process.

- The agent will submit all offers to the seller.
- The property remains on the market until an offer is accepted.
- Your offer may include a finite date.
- Your offer can be made subject to finance.
- Your offer can be made with specific conditions written into the contract, for example, to exclude a water pump.
- You can make an offer with a deposit to demonstrate your intention to purchase (the balance of the deposit is paid after acceptance). If your offer is declined, your deposit will be refunded.
- An offer is not legally binding to both parties until both the buyer and the seller have signed the contract.



## Offer Acceptance

Once your offer has been accepted, it's time to pop champagne and celebrate your new homeowner status. But first, you're required to pay the deposit as specified in the contract. The seller will then sign the offer document, making a "contract", legally binding you to the sale.

Some states have short "cooling-off" periods to back out after you've signed the contract (just in case you made a mistake under pressure!). We strongly recommend you seek legal advice before signing anything.

## Deposits

By law, all deposit monies must be banked into an official trust account by no later than the next business working day. If purchasing at an auction, the holding deposit must be paid on the day or as stated in the contract. Agents do not receive any interest or benefits whatsoever from holding deposits on behalf of the seller.

## Buying at an auction

For real estate enthusiasts, weekend property auctions are a means of research and enjoyment. If this is your first auction experience, it's not something to fear. A professionally run, transparent auction can be a successful and satisfying transaction experience for both the buyer and seller. As a buyer, it is essential to understand the conditions of auctions before attempting to participate.

You can't just show up to an auction – there are a few things you need to do first. You must register as a bidder (your PRD Real Estate Agent will be able to assist you with this process). You should have conducted all inspections and ensured you are ready to purchase the property.

It is essential that your finances are in order, you have money ready to pay a deposit and, if you intend on borrowing, a certificate from a mortgage lender indicating how much you can borrow. Your solicitor must also check the terms and conditions of the contract.

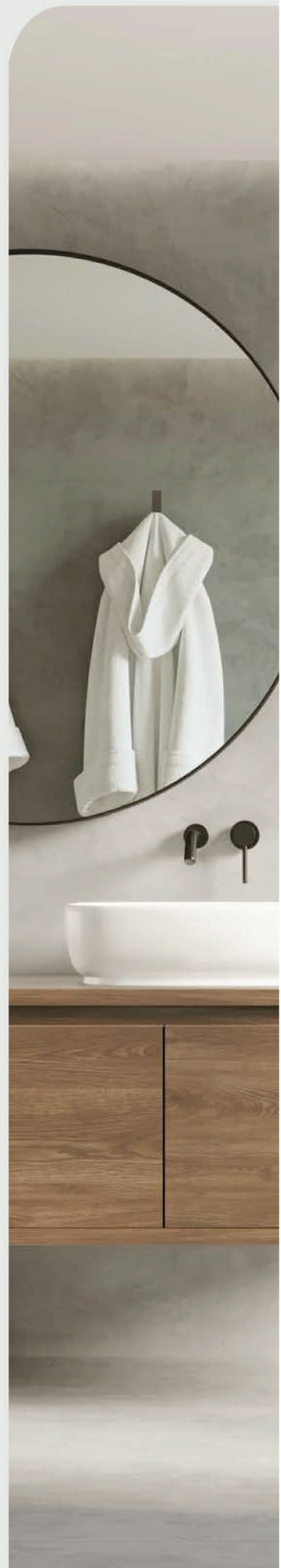
If your bid is successful, you must pay the deposit and sign the contracts immediately. A personal or bank cheque is usually acceptable – consult with your PRD Real Estate Agent beforehand. Each state is different, but there is generally no cooling-off period at auctions. You are now committed to buy!

If the bidding does not reach the reserve price, the house is not sold, and is "passed In". If this happens, the highest bidder at the auction now has the first opportunity to negotiate with the seller.

**Don't be shy! If the property has not met the reserve, all you have done is have a bit of fun.**

### **How to bid at an auction**

- Attend a couple of auctions to get the feel for how they work.
- Consider getting a pre-purchase building inspection prior to the auction.
- Know how much you can really spend. Discuss with your agent so they can help you secure the property. Specifically, have the deposit organised at least a week beforehand.
- Remember there is usually no cooling off period when buying at an auction.
- Arrive early to allow plenty of time to register so you can legally bid for a property.
- If you're bidding on behalf of another person, you must provide a letter of authority and provide their details to the auctioneer in order to register them as bidders.
- Know the terms and conditions. The auctioneer will read out some or all of these before the auction.
- Make sure the auctioneer can see and hear you. Hold up your bidder number and call out your bid clearly.
- If the property is passed in, the property goes on the open market and the highest bidder may negotiate with the seller. You can make an offer with conditions on it but you'll need to act swiftly – the best time is immediately after the auction ends.
- The auctioneer's decision is final in all matters relating to the auction.
- Make sure yourself (and any other invested decision maker) only rely on the judgement of yourselves and your agent. Don't allow parties who are not purchasing the property to distract or influence your decision.
- If you are not sure about anything, ask your real estate Agent or the auctioneer. They're happy to help!





- Only bid within your means but bid early and confidently. This sends a message to other buyers you are serious and they might not wish to compete for the property. This puts you in a strong position.
- Don't be shy! If the property has not met the reserve, all you have done is have a bit of fun.
- Remember that if you are the successful bidder you will be required to sign the contract of sale and pay an agreed deposit or nominated amount on the spot.

### **Buying rural property**

Buying property in rural or regional Australia? PRD Rural Specialists can provide strategic property solutions and advice to rural and regional Australia relating to large scale farming, aquaculture, viticulture, sheep and cattle stations, rural retreats and regional lifestyle properties.

### **Buying from overseas**

The PRD International division was specifically established to cater for the needs of people wanting to invest in Australia from overseas. We strive to ensure foreign buyer interest is taken seriously and our Real Estate Agents are keen to work with you to meet your requirements. Our affiliate offices and agency networks span the globe, including Hong Kong, Singapore, Malaysia, Indonesia, Middle East, New Zealand and South Africa.

- Deal with a reputable international property specialist.
- Have access to quality property research.
- Get legal, financing and taxation advice – this is essential!
- Hire property management services to look after your property.
- Make sure the property has FIRB approval or is eligible for approval.

*For more information on foreign investment guidelines, please visit [firb.gov.au](http://firb.gov.au).*




Need more information?  
Or want to list your property with  
PRD Tamworth?  
Contact your local agent today.




Contact [prdtam.com.au](http://prdtam.com.au)



Thank you!  
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 Level 11 179 Marius Street  
Tamworth  
NSW 2340 Australia

 P 02 6763 7000  
 [rentals@prdtam.com.au](mailto:rentals@prdtam.com.au)  
 [prdtam.com.au](http://prdtam.com.au)