A guide to purchasing a property in Queensland
Introduction

This guide has been prepared to assist you to understand the buying process.

Buying a property is one of the biggest financial steps that you will take so it is absolutely critical for you to understand your rights as a buyer and just how the buying process works.

Conversely, you may have purchased before but in another State or Country so this guide might be just the refresher that you need.

The process of buying a house will differ depending on whether the house is sold by private treaty or at auction and the rules do vary in each state or territory however the following chronological, step-by-step explanation of the property buying process will help you understand each step along the way and put you on track as to what action you should be taking and at what time.

Some people do find the process difficult, stressful and draining, but knowing what to expect will certainly help you with your personal planning.

Our team of qualified professionals are here to assist you where required so don’t hesitate to call – buying and selling property is our business!

Chris Hayter
Principal @ap-realty
Where is our Office?
The Borrowing Process – check list

1. Understand the lending process
2. Understand the valuation process
3. Evaluate and select the correct type of loan
4. Consider the loan structuring options
5. Consider the taxation options
6. Be aware of the potential problems
7. Consider the ownership options
Mortgage Loans – how much can I borrow?

The three “C”s of Credit

Your lender will examine all of the following areas to determine your loan eligibility.

- **Character** – do you pay your bills on time? The lender will review credit reports, loan statements, etc.

- **Capacity** – can you repay your debts? All lenders conduct serviceability assessments.

- **Collateral** – what security do you have? A lender will instruct a licensed valuer to provide them with a market report for the property.

*Unless you qualify in all areas, finance may be declined.*

The lending market is more complex today than at any other time in our history. An experienced mortgage broker will have over 30 lenders on their lending panel, and there are literally hundreds of options for borrowers to choose from.

These options include:

- Major Banks
- Regional Banks
- Building Societies
- Credit Unions
- Mortgage Managers
- Finance Companies
- Solicitor Trust Funds / Private Lenders

The lending criteria for these lenders differs enormously and is subject to constant change depending upon the lenders appetite for “market share”.

In the past, the typical loan was a 20 Year Principal and Interest Reducing Loan. **Today, there are hundreds of lending options available in the market, including:**

- Standard Variable Loan
- Basic Variable Loan
- Introductory (Honeymoon) Rate Loan
- Fixed Rate Loan
- Combination Loan
- Offset Account Loan
- No Doc or Low Doc Loans
- Revolving Line of Credit Loan
- Reverse Mortgages

**Which one is right for you?**

It just makes sense to talk to a professional before you before you start the property hunting process – then you will know what boundaries or limitations you may have on your borrowing capability.
Zig Zag Finance is one of Queensland’s most experienced Mortgage broking companies – they charge no upfront fees and will direct you to the best lender to suit both your current and future needs. As part of their ongoing service they will:

- Review your current position.
- Determine your borrowing capacity.
- Examine the options available.
- Select and recommend a flexible option to suit your circumstances.
- Prepare, lodge and process your application through to settlement and put the foundations in place for you to plan and build your property portfolio.

They will also monitor your situation on an ongoing basis and make recommendations as markets change and new products are introduced.

Kevin Pardella has been providing lending solutions for 35 years. He is a full member of the Mortgage and Finance Association of Australia (MFAA) and a founding member of the Finance Brokers Association of Australia (FBAA).

He is also a Senior Associate of the Financial Services Institute of Australia (FINSIA) and an Affiliate Member of the Financial Planning Association of Australia (FPA).

Kevin holds a Diploma of Financial Services (Financial Planning), a Diploma of Mortgage Lending and a Certificate IV in Financial Services (Finance/Mortgage Broking). He is also the holder of Australian Credit Licence No: 383434.

Through his membership of Australian Finance Group (AFG), Kevin currently holds accreditations with over 25 lending institutions including all major Australian banks and many building societies, credit unions and non-bank lending institutions, in order to provide a wide range of competitive products for his clients.

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Don’t confuse a market appraisal with a formal property valuation.

An appraisal is conducted by a real estate agent through the use of their local market knowledge to arrive at a sales figure the property should be placed on the market at. However, a valuation is conducted by a qualified property valuer for a variety of purposes such as obtaining finance from a lending institution, building progress draws, rental review, land acquisition and family law. A valuation will take into consideration factors that an appraisal may not, such as location/aspect, building structure and condition, building/structural faults, features of the home and local council zoning.

A bank will engage an external licensed valuer to provide an unbiased valuation on the property.

A valuation report can be challenged in court and must be backed by comparative market data, therefore a valuer must be able to justify their valuation figure by providing evidence of comparable sales in an area.

Banks will lend on the LOWER of the valuation figure or the contract purchase price.

Bank valuations are always conservative so the valuation figure produced for the bank on your purchase will rarely be at the purchase price. Expect the bank valuation to be between 5-7% less than your purchase price.

A variance of more than 10% should be critically examined.

Remember that the banks will lend on the LOWER of the valuation figure or the contract purchase price, e.g. 80% of valuation, not 80% of the purchase price.
Market Research

There are a myriad of factors that determine a property’s price, location (specifically proximity to community services, and availability of facilities and infrastructure) seems to hold firm as the perennial key to future capital growth.

Schools, shopping centres, public transport, parks and, increasingly, cafés and restaurants, are all desirable aspects of suburban living and favourable attributes to potential property buyers.

From the majority of buyers’ viewpoints, the most important features for the location of their home is the safety of the neighbourhood, and whether it is close to:

- Schools;
- Medical services;
- Shops;
- Their workplace or reliable public transport.

The aesthetic characteristics of a suburb or street also rank high on most home buyers’ list of desirable features.

Buyers may want to research property sales history and get information about median prices in specific areas. The REIQ publishes median sales prices for houses, units/townhouses and land by suburb as well as in-depth commentary, in its quarterly publication Qld Market Monitor. A copy is available from our agency.
Inspections

It is important for a buyer to understand the terms of sale for each particular property and if the seller has any special conditions that may need to form part of the offer – for example, the seller may want to rent the property back from an investor or ask for an extended settlement time due to their new property not being available.

When attending an open house, a buyer will often be asked by the agent to provide their contact details. Agents are required under the National Privacy Act to have available for perusal a copy of their privacy disclosure, outlining how they collect, use and store any personal information that is obtained through such registers.

Most agents will ask a potential buyer if they would like to be contacted at a later date if similar properties become available. **Our agency has a broadcast service whereby the details for all new sales listings are emailed to people who have registered.** This gives them an opportunity to consider the property before it is listed on the internet.

**In a seller’s market properties are snapped up quickly…**

Some buyers will only view a property once. Remember that different times of the day can dramatically change the attractiveness of a property. The supermarket alongside your ‘dream’ home, for example, may have beeping trucks reversing into the loading dock at 5am or 11.30pm. Visit and observe at different times of the day.

The most obvious and important step is to spend time in the area you’re considering buying into. Attend a broad range of open homes to get a feel for market pricing and time-on-the-market for the type of property that you are interested in so that you don’t make an expensive mistake.

After a couple of weeks of looking, you’ll be able to make an informed assessment of what a property is worth. You’ll know what features are fairly standard in the properties in your price range, and how much extras (such as a garage, extra bedroom or view) are likely to add to the price. You’ll know how much demand there is and what the most recent prices are. In short, you’ll know what is fair-market-value when you see it.

Also talk to prospective neighbours and local residents. They’re probably well-versed in the joys and challenges of living in the suburb and have no reason to gild the lily…
Most buyers will arrange for a professional building and pest inspection when they sign a contract. However here are a few things to consider and look for when inspecting a property:

**Inside the property**
- Check for signs of rising damp, such as rotting carpet or mould on the walls and ceiling;
- Check the walls and ceilings for warps, cracks and any obvious damage;
- Test all light switches; and
- Test the water pressure in hot and cold taps and check to see that water drains well – slow flowing water may indicate blocked drains.

**Outside the property**
- Inspect fences for stability and any obvious faults;
- Large trees around the house may have large root systems that can cause structural problems;
- Check that the land’s water run-off is adequate and drains away from the dwelling;
- Water staining on the eaves may indicate damaged or blocked gutters;
- Look at the roof for any broken tiles or capping;
- If the property has a pool, check the legality of its fencing via the Pool Safety Council – Pools in a Community Titles Scheme (Body Corporate) are the responsibility of the Body Corporate.
Making an Offer

Once a buyer has found the property they want to purchase, the price they would like to offer needs to be carefully considered.

**The Offer:** Before you offer a price conduct a property sales history search to find out how much the property last sold for and when, along with the recent sale prices of comparable properties sold in the surrounding area. Information of this nature can be obtained from the Department of Environment and Resource Management, and organisations such as RP Data.

Also, getting an independent valuation by a professional valuer should be considered *(please note, real estate agents are not registered valuers)*.

Real estate agents have an obligation to submit all offers to a seller under the Property Occupations Act 2014 providing they comply with the sellers instructions (for example, a seller may instruct an agent they do not want any offers under a certain dollar value submitted to them).

Buyers should take into consideration that sellers will examine all the terms and conditions, not only the offered price, before deciding to accept the offer. They may also choose to make a counter offer or reject an offer. Conditions (or lack of conditions) can make certain offers more attractive to the vendors.

Some sellers may consider accepting a lower price if the offer is unconditional or has minimal conditions rather than take the risk on a higher priced offer with more conditions that may not proceed to settlement.

**Typical conditions to include in your offer would be:**
- Subject to finance
- Subject to pest inspection
- Subject to building inspection
- Subject to the sale of your current home
- Subject to... anything you like really! If there is something that fits your current situation it can be included

*Note: Special conditions should be drafted by a suitably qualified solicitor and not the sales agent.*

Buying a property and making your offer subject to several conditions is perfectly normal.
Negotiating a Price

Once a buyer has decided what they would like to submit by way of offer, an agent will encourage them to put the offer in writing in the form of an “expression of interest”. This recommendation is for the benefit of the buyer as it shows the seller that the buyer is serious and also alleviates discrepancies that can occur with verbal negotiations.

An agent will present a buyer with a number of documents and is obliged to go through these documents to avoid any confusion. If a buyer still has queries at this stage, they are encouraged to seek independent legal advice.

The REIQ Contract of Sale (approved by the Queensland Law Society) has provision in the schedule for the contract to be subject to finance, a building inspection and/or a pest inspection if these are required.

Buyers are encouraged to engage the services of a registered building inspector and registered pest inspector should they include these conditions as part of the contract of sale. You will also need to nominate a timeframe for the inspection to be completed (eg. 7-14 days).

Multiple offers

When deciding to buy a house or other property and submitting an offer, a buyer may be informed by the agent that multiple offers exist for one particular property. Multiple offers occur generally in a ‘seller’s market’ where competition for residential property is greatest and there are more buyers than there are properties for sale.
An agent has an obligation to let a buyer know if their offer is part of a multiple offer situation and will encourage a buyer to put their best possible offer forward (taking into consideration that the offered purchase price is only one of the terms of the offer).

**Pay a deposit**

A buyer will be encouraged to pay a deposit when signing the contract. Whilst *paying a deposit is not something that is legally required*, by doing so buyers show the seller that they are making a serious offer and showing their goodwill.

Deposits can be paid by way of cash, cheque or electronic transfer of funds. They can also be paid using deposit bonds or bank guarantees.

**Conditions**

If a buyer terminates the contract under the cooling-off period or another legitimate way, the deposit is refundable (excluding the termination penalty of the cooling-off if the seller elects to charge it).

It is important for a buyer to ensure building and pest inspections (if applicable) are carried out within the time frame set out in the condition. With regards to finance, if an independent valuation is required as part of the finance process, buyers should ensure their financier has this arranged within the time frame of the condition.

You should also be prepared to compromise as part of the negotiating process. ‘Win-win’ doesn’t mean both the buyer and seller will get everything they want; it means both sides will win some while also giving some.

Rather than approaching price negotiations from an adversarial winner-takes-all perspective, focus on your top priorities and don’t let your emotions overrule your better judgement.

*You catch more flies with honey than you do with vinegar*, so it’s important to maintain a good rapport with the seller and agent. Look for common ground and give the vendor an incentive to accept your offer. You can often trade off terms which might be favourable to the vendor, such as a shorter settlement, for a reduction in price.
Regular Building & Pest Inspections

A residential property is one of the most substantial financial commitments that you will ever make so it makes good sense to ensure that there are no nasty surprises around the corner due to maintenance issues.

A professional building inspection goes a long way towards giving you this peace of mind and in certain cases can save you thousands of dollars in future maintenance costs. By arranging a pre-purchase building inspection you can manage all potential hazards and damages before they become a major concern to your safety or your wallet.

While you may think the property looks fine, it is important to have the opinion of an industry expert such as a qualified builder or pest expert. The pre-purchase building inspection will cover all aspects of the property from external to internal – checking for signs of potential damage and health risks such as wood rot, cracks, leaks, mould, decay, broken fence palings or tiling and structural failings.

A typical building inspection will include a full written report detailing all of the findings plus photos from the inspection so you will have a complete understanding of the condition of the property before the sale is finalised. The benefit of doing this is that if you do uncover nasty hidden damages, you have the opportunity to reassess your finances and perhaps even negotiate the sale to factor in a contribution towards the repairs.

Swimming pool compliance is usually separate to the building and pest inspection. Compliance certificates are required.

**Property investors** – well managed investment properties generate strong cash flow from rental income and capital growth in the medium term.

Property experts agree that a well maintained property will underpin its’ investment performance, so don’t short-change your maintenance schedule. By conducting a preventive maintenance check you will ensure your investment will function effectively by attracting good quality tenants and increase in value during every growth cycle.

Quality, well managed properties attract quality tenants who will pay top rents and sign long term leases – giving you peace of mind with your investment.

The key to having a worry-free investment is to identify essential repairs at the earliest possible time to PREVENT more serious problems from occurring. For example, to identify and repair a small roof leak before it causes damage to the ceiling, carpet and furniture.
Building & pest inspections continued…

Some horror stories from our property management casebook…

**House flooded** – a $59 flexi hose in the ensuite split (because it was corroded) and completely flooded the downstairs lounge area) resulting in $5,000 damage.

**Four roof tiles had cracks in them** – $200 to replace and refix. Stormwater poured through the plaster ceiling and created $2,000 damage.

**Gutters blocked with leaves** – $100 to have them cleaned (because of a large council tree on the nature strip). Water backed up in the downpipes and gutters and flooded a 2 storey property – $10,000 damage.

**Pool gate lock** – $40 to have someone adjust (just general maintenance). We know what the outcome could be if a child was around unattended!

**Large tree in the yard** – $1,500 to have a tree lopper trim it back (just general maintenance) which went unattended. A storm broke off a large branch and it came crashing through the roof of the property causing $5,000 worth of damage.

**Lack of drainage** – $600 for an extra downpipe to direct water away from the front of the property. Heavy rain flooded the front of the property and the water came into the house destroying all the flooring and kitchen cabinetry – $7,000 damage.

*Preventative maintenance makes good sense for ALL property owners.*
A buyer should *always ask the agent to clarify any inclusions or exclusions* that may be part of the contract of sale. Unfortunately, a buyer sometimes moves into their new property only to find features that were originally ‘sold’ to them as part of the property are now gone.

In general terms, fixtures are defined as anything on the property that is ‘screwed in’, ‘glued in’, ‘nailed in’, ‘bolted in’, or ‘plumbed in’ to the structures of the property.

**Are the fixtures included?**

Typical fixtures include: Stoves, hot water systems, fixed carpets, clothes lines, television antennae, in-ground plants and trees, ceiling fans, mail boxes, built-in air-conditioning or heating systems.

**Clarify inclusions of chattels!**

Freestanding movable items are called *chattels* and they can be included, however they **must be noted in the contract of sale**. Pool and spa equipment, potted plants and washing machines are good examples of chattels and should be disclosed separately on the contract of sale.

Items such as gas bottles, sprinkler systems, dishwashers and light fittings often cause debate and are grouped in a grey zone that **should always be clarified before entering into negotiations.**
First Home Buyer Grants

The First Home Owner grant changed to the Great Start Grant in October 2012. The Great Start Grant is available for first home buyers who are buying or building a brand new home as their first home from 12 September 2012.

This $15,000 grant is available if:

- your contract to buy or build a new home is dated on or after 12 September 2012;
- as an owner–builder, the foundations for your home were laid on or after 12 September 2012.

There are certain requirements you need to meet to keep the grant. Information on eligibility and how to apply is available on the Great Start Grant website.

The Great Start Grant is a Queensland Government initiative to help first home owners to get their new first home sooner. You’ll get $15,000 towards buying or building your new house, unit or townhouse (valued at less than $750,000). You can buy off the plan or choose to build yourself.

New home
A new home is a house, apartment, unit or townhouse that:

- has not been previously occupied as a place of residence;
- has not been previously sold as a place of residence.

Transfer duty
Transfer duty is sometimes referred to as stamp duty.

Transfers = transactions
Transfer duty applies whenever you sell, buy or transfer property – such as land or rights to land – in Queensland. Transfer duty is charged on ‘dutiable transactions’ (i.e. transfers that duty applies to) for property.

Dutiable transactions may include:

- signing a contract to buy or sell a home;
- giving a half-share of a property you own to your spouse as a gift;
- giving someone access across your property (an easement);
- creating a trust over land that you previously owned in your own right for your children or family members.

Dutiable value
In Queensland, transfer duty on land is usually calculated on either the unencumbered value of the property or the amount you agree to pay (the consideration), whichever is higher.
Home transfer duty concession

Eligibility

You can claim a home concession if you:

- buy a home and move into it within 1 year of the transfer date;

If this is your first home, you may be eligible for the first home concession (http://www.qld.gov.au/housing/buying-owning-home/first-home-concession).

The concessional transfer duty rate applies to the first $350,000 of the consideration or value of the home. The general transfer duty rates then apply to the balance.


Note: The concession doesn’t apply to any part of the land that’s used for non-residential purposes. Read the public ruling on the residential purposes for the transfer duty concession for homes and first homes (DA087.1) (https://www.osr.qld.gov.au/legislation-rulings/public-rulings/duties/da087-1.shtml).

**EXAMPLE:**

<table>
<thead>
<tr>
<th>Dutiable value of home</th>
<th>$550,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concessional transfer duty on first $350,000</td>
<td>$3,500</td>
</tr>
<tr>
<td>Transfer duty on balance ($200,000)</td>
<td>$7,100</td>
</tr>
</tbody>
</table>

**TOTAL TRANSFER DUTY**

$10,600
First home concession

Eligibility

You can claim a first home concession if you:

- have never held an interest in residential land (http://www.qld.gov.au/housing/buying-owning-home/definitions-transfer-duty-terms/#residentialland) anywhere in the world;
- have never claimed the first home vacant land concession (http://www.qld.gov.au/housing/buying-owning-home/first-home-vacant-land-concession);
- are buying a home valued less than $550,000 – though you can still buy a home valued more than $550,000 and claim the first home concession, the benefit of it is reduced to zero. However, the home concession rate is still used to calculate the duty;
- will live in the home as your principal place of residence (http://www.qld.gov.au/housing/buying-owning-home/definitions-transfer-duty-terms/#principal);
- are at least 18 years of age (though we may waive this requirement in special circumstances).

EXAMPLE:

Dutiable value on home $530,000

Step 1: Calculate the home concession amount
Concessional transfer duty on first $350,000 $3,500
Transfer duty on balance ($180,000) $6,300
Home concession $9,800

Step 2: Deduct the first home concession amount
Concession for home valued $530,000 to $534,999.99 $3,500

TOTAL TRANSFER DUTY $6,300

Without the first home concession, the transfer duty would be $16,975.
The Conveyancing Process

The conveyancing process involves the steps necessary to properly transfer a house or land’s ownership from the seller to the buyer. It is important that buyers and sellers consider who they want to use when they are buying and selling land as your relationship with the solicitor acting for you can have a dramatic effect on the ease of your transaction and your levels of stress. Good communications and professionalism are important starting points.

For The Buyer

Seller and buyer details
A common mistake when entering into a sale or purchase contract is not reflecting your full legal names on the contract. It is so easy to forget to include your middle names. It is important to ensure that your full legal names are provided to the agent to insert on the contract to ensure that the transfer documents correspond with your mortgage documents to eliminate unnecessary delays in the conveyancing process. Although a driver’s licence in Queensland is an acceptable form of identity some states do not reflect the holder’s full name on a driver’s licence.

Conveyancing costs
Conveyancing costs are made up of solicitor’s professional fees and outlays. Outlays can include a variety of costs including council and other government searches, bank costs, registration fees and transfer duty (also referred to as stamp duty). Search costs vary
The conveyancing process continued...

depending on the council the where the property is located and what searches the buyer requires. Your solicitor should conduct the following standard searches but there are many more you may want:

- Council Rates
- Special Water Meter Reading
- Land Tax
- Queensland Transport
- QCAT
- Bankruptcy, or if the seller is a company, ASIC search
- If a unit, Body Corporate Information Certificate

Your bank may require extra searches to be carried out.

**Time of the essence**
Time is of the essence of the contract. This is a legal term that means you must perform your obligations strictly by 5.00pm (or other specified time) on the due date. For example, you must be able to settle on the settlement date; otherwise the seller may either charge default interest, terminate or seek to enforce the contract and may claim compensation from you.

**Building approvals**
The major problem with the standard contract is that it is not subject to satisfactory council building approvals for additions or structures built on in the property. It is important if you think there have been additions or significant renovations to the property to consider a special condition that makes the contract subject to a satisfactory building record search.

**Building and pest inspections**
If the contract is subject to satisfactory building and pest inspections the buyer must take all reasonable steps to obtain the reports. A buyer must use licensed inspectors for the reports and the reports must be in writing, otherwise termination of the contract on the grounds of an unsatisfactory building and pest report will be difficult.

Building and pest reports must be read carefully and if any material issues are revealed this can be discussed with the inspector or with your solicitor or the agent. It is prudent to note that there are usually a number of recommendations contained in the building and pest report which should be taken into consideration but should not be confused with actual serious defects to the property. Frequently many of the issues noted in the report are to cover the inspector and are not necessarily defects that must be fit fixed by the seller.
The conveyancing process continued…

Finance
If you need finance to complete the contract, you should complete the finance clause. Normally your agent will include the words “sufficient to complete” and either a bank or building society or the name of your bank. The finance clause is normally gives 14 or 21 days, but can be any period that you need to obtain finance. If you don’t obtain finance or the finance is not on satisfactory terms you are entitled to terminate the contract under the standard conditions and get a refund of your deposit.

Insure the property
You need to insure the property after the buyer and seller sign the contract, as the property is at the buyer’s risk from the next day after the date of contract. Brokers or insurers will arrange insurance for you immediately and this can be done by telephone.

FIRB approvals
If you’re not a permanent resident it is most likely you will need FIRB approval. Speak to your agent or solicitor who can assist you with this.

For The Seller

Tell your agent
If this sale will be completed in conjunction with a purchase, it is important that the contract have conditions inserted to assure they happen at the same time, and any subsequent purchase contracts will need to be conditional upon your sale; Disclose any notices issued for the property, QCAT disputes, encumbrances or other issues you feel may need to be disclosed.

Pools
If you have a pool, you must either provide a pool safety certificate before settlement, or give the buyer a “Notice – No Pool Safety Certificate”.

Release of mortgage
If you have a mortgage on your property it is important to advise the bank of the sale and to sign a request to release mortgage notice to the bank so it can be ready for the settlement date. It is very common for people to speak to their local branch but then not complete the request to release mortgage delaying settlement.
The conveyancing process continued…

Certificate of title
If you have a paper certificate of title issued for the property, you will need to ensure it is delivered to your solicitor prior to settlement. We suggest when you decide to sell you find certificate of title, sometimes these are held at the bank or by another solicitor and you will need to get it before settlement.

Settlement
Your conveyancer or solicitor will arrange a payout figure with your bank and advise the buyers of the cheque directions for settlement day. You will need to advise your solicitor if your bank will be collecting all funds (after payment of fees, outlays and agents commission if applicable) or if you will require a cheque to be drawn in your favour and banked into your account.

Settlement can occur anytime from 9am to 5pm on the day of settlement, but is usually scheduled for an afternoon time which is suitable to all parties. It is important to remember that if needed (by any party) it can be delayed up to 5pm. The buyer will usually conduct a pre-settlement inspection of the property on the day of settlement or the day before. It is your responsibility to ensure the property is in the same condition that it was when the contract was signed. You will need to ensure that prior to settlement all keys, remotes etc. are delivered to the agent in preparation for handover to the buyer.
Settlement

Once a contract has become unconditional it is time to start packing! It is important for a buyer to keep in touch with their solicitor through this time with regards to any issues that may arise approaching the settlement date.

Buyers are encouraged to arrange a pre-settlement inspection with the agent to ensure that everything is per the contract conditions, noting any included chattels or excluded fittings. Pre-settlement inspections should be conducted once the property has been vacated by the seller or its occupants.

Commonly, the solicitor or settlement agent will attend the actual settlement on the buyer’s behalf and both the seller’s and buyer’s solicitors will notify the agent once settlement has occurred. Only after an agent has received notification from both parties, can keys be released to the new property owner.

Your quest of buying a house, unit, townhouse or any other property is now complete – enjoy!

Now that you know the process of buying a house, view our current listings via www.ap-realty.com.au
Auctions

The standard contract conditions are pest, building and finance. However, it’s important to know that none of these conditions apply to auctions but here is what you can do when it comes to buying a property at an auction:

- Prior to auction you can pay for a building and pest report to be done on the property, but be careful as it’s lost money if you lose the auction.

- You can get pre-approval for your finance, but check with your bank that the property is a suitable security before you attend the auction.

- Don’t pay too much at auction because if the bank values the property below what you paid, you may not get the loan, even if you have pre-approval (the bank usually takes the auction price as the market to set the value.)
@ap-realty we recognise that we can’t be all things to all people so to that end we have forged strategic alliances with a network of premier service providers so that we can deliver to you an enriched property investment experience.

Being part of the @ap-realty community gives you access to a range of industry professionals across the finance, superannuation and funds management sectors all of whom can assist you with every aspect of your property investment portfolio construction.

This includes advice on how to set up your own superannuation fund and buy commercial or residential investment property.
@ap-realty we challenge conventional property investment strategies by creating a perfect link between factual, historical, qualitative research and the selection of high growth income producing property.

This process sets us apart from traditional real estate agents and property marketing groups – as we actually “dare to be measured by the results that we produce for our clients”.

In simple terms we do the leg work for you… acting as Buyers Agents to source investment properties in high growth areas – buying directly from developers, builders, project marketers and private vendors. No fee is payable by you for this service.

The property vendor pays us our normal property sales commission… we also have in-house cutting edge software that can analyse a potential investment and determine your after-tax cash flow position quickly to assess whether a deal is feasible before you’ve even seen the property.
Seven Deadly Sins of Property Investment

1. Buying in the wrong location
   Not all suburbs grow in value at the same rate – some really do outperform others. By selecting the property in the right area you will underwrite your future capital growth performance – so you need to have a thorough, research driven property selection strategy that will capture the trends in market cycles by using processes which have been both mathematically and empirically tested.

2. Buying on emotion instead of logic
   Personal taste often dictates the choice of property – wrong! Demand drivers, such as shortage of product, underlying demand, pent-up demand, infrastructure, migration trends, generic population growth, rental yields, qualitative research should determine your product selection.

3. Buying from property marketing groups
   These groups have a history of misrepresenting the facts… Never accept a “pre-valuation”, never use a mortgage broker provided by the group, only ever sign REI approved contracts, always insist that commissions and marketing fees are disclosed, be sure to arrange an independent building inspection and bank valuation, beware of rent guarantees and the reason why they are being offered.

4. Establish the true market price
   Most investors are using borrowed money when they buy a property – if you pay too much you are increasing the burden by actually paying interest on the amount over the market value. An extra $30k borrowed will mean an extra $100k interest is paid over 25 years. An independent valuation is a small price to pay for peace of mind.
Seven deadly sins of property investment continued…

5 Inaccurately structuring the ownership

The way in which you structure the ownership of the property will determine just who gets the tax deduction. Capital gains on future sale needs also to be considered. Options include single name for the highest income earner, partnerships, companies, trusts and super funds.

6 Selecting the incorrect finance package

There are probably 20 different ways to structure your loan so you need to be aware of your options. Taxation, exit fees, early repayment options, future redraws etc need to be clearly understood.

7 Buying the wrong type of product

Land is critical to the future capital growth equation… house & land packages will invariably outperform apartments in both income and gains. Don’t fall for the easy to manage option – units often go down in value in the first 5-7 years.
Early Mortgage Payment Strategies

1. **In simple terms – make extra payments**
   
   On a loan of $300,000 (@7%) an extra payment of $100 per month will save you $68,795 in interest or 4 years and 4 months in payments.

2. **Pay fortnightly – pay half your monthly payment each fortnight**
   
   On a loan of $300,000 (@ 7%) you will save $102,789 in interest or 6 years and 3 months in payments.

3. **Use an offset account**

   $5,000 in an offset account will save you $32,922 in interest. **If you combine this with a fortnightly payment plan you will save $122,738.**
Our goal... Building and maintaining our long term client relationships

Our aim is to deliver an exceptional level of service through a highly professional and experienced team. We are absolutely committed to providing our clients with over and above personalized service. @ap-realty we dare to be measured by the results that we produce for our clients.

Communicating with our office is only a click away

We encourage all of our clients to notify us of their email address as it is a quick and simple way to stay in touch. Email us at: info@ap-realty.com.au

Property inspections

Clients are invited and encouraged to attend the routine inspections.

Online Agent

The Online Agent web portal gives you the ability to monitor your residential investment property. Instead of having to get in-touch with your real estate agent during office hours, you can view, search and download the details you need, all from your own home or office computer. Your property manager will provide you with simple instructions on how to access your property details.

Services Provided

- Advertise internationally on www.realestate.com.au
- Conduct open homes for prospective tenants
- Thorough background checks
- All applications are presented to Owner for approval
- Preparation of lease agreements, bond lodgments and condition reports
- Collection of rental payments / invoices
- Conduct regular routine inspections which includes photos
- Attend to any maintenance issues promptly
- Notification of any breaches or changes to the tenancy agreement
- Appraise the current rental market prior to the lease expiring
- If legal action is required – presenting the case to the magistrate

Here is a snapshot of what you can access through Console Online Agent:

Owners:

- View investment property details
- See information on property inspections and maintenance tasks
- Download monthly statements

Tenants:

- View rental property details, including rent arrears and rent review and lease dates
- See dates of property inspections
- Submit requests for property maintenance
Experience does count… it saves you time and money and gives you the peace of mind to know your legal work is going to be done right and at a reasonable price.

- Accurate expert advice
- Clear advice on what it is likely to cost
- We do what we promise
- We return calls
- Moderate fees
- Seniors discounts for Wills and Powers of Attorneys
- Ask about our fixed fee initial consultation

Greg Huddleston has 25 years legal experience, 21 years as a solicitor in Queensland. Lake Law has been serving the Forest Lake, Algester, Parkinson, Sunnybank and Browns Plains areas since 2004. Offices in Forest Lake Shopping Centre and Ridgewood Road Algester.

WE CAN HELP YOU IN MOST AREAS OF LAW INCLUDING:

- **Family Law** – all areas including divorce, Financial Agreements, property settlements and children
- **Business and Commercial Law** and Commercial Litigation
- **Buying and Selling Businesses** (including management rights and franchises)
- **Wills, Estates and Powers of Attorney**
- **Conveyancing** – buying and selling houses, commercial properties and units
- **Commercial and Retail Shop Leases**
- **Trademark, Intellectual Property and Export assistance**

Contact our friendly and experienced legal team for a free assessment of your needs.

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We are - all the time!