

A SIMPLE STEP BY STEP GUIDE TO BUYING A PROPERTY



CONGRATULATIONS!

You have decided to buy a property and are ready to embark on this exciting journey. At first the process can seem complicated, but we are here to make your journey simple and seamless.

In this guide, we will walk you through each stage of the property journey and answer some of the most commonly asked questions when buying a property.



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SAVING FOR YOUR DREAM HOME



WHAT IS A DEPOSIT?

A deposit is your initial contribution to the purchase price of a property. When buying an off the plan property, the agreement to buy is usually not binding until the contracts have been exchanged by both parties and a deposit has been made by the buyer.

Here are some useful tips to help you save your property deposit:

TAKE A LOOK AT YOUR CURRENT SPENDING

Keep an eye on your spending habits over time. A good idea would be to keep a track of all your bank accounts online, for approximately a month and see how much you have spent during the month.

Making sensible and calculated decisions on spending can go a long way in saving money.

WHAT CAN YOU AFFORD WHEN IT COMES TO YOUR DEPOSIT?

Before buying a property, you'll need to know what you can afford. This includes all the costs involved in completing the purchase such as the deposit, stamp duty (if any), and any additional expenses.

HOW MUCH DEPOSIT DO YOU NEED?

It is possible to buy a property with a deposit as little as 5% of the property's purchase price, especially if you are a first home buyer.

Many buyers aim to save between 10-20% of a property's purchase price, though this is not always necessary.

WHAT HAPPENS IF YOUR DEPOSIT IS UNDER 20%?

If your deposit is under 20%, you will likely incur costs relating to Lenders Mortgage Insurance (LMI). LMI can help you get a loan with a smaller deposit and the good news is this can be added to the loan amount you borrow.



TIME TO MAKE A PLAN FOR YOUR SAVINGS GOAL



Set a realistic timeline, so you can start a savings plan while aiming for a clear target.

Being honest with yourself and a partner if you are doing this together is important. Set that realistic goal and strive towards it!

01

Approximate property price you think you can afford.

02

Work out your deposit based on your estimated purchase price.

03

Set a realistic length of time you can commit to saving for this deposit.

04

Calculate how much you need to save on a monthly/weekly basis to work towards this goal.

SET A REALISTIC AND WELL THOUGHT OUT TIMELINE

For instance, if you save \$400 per week you would have saved over \$20,000 in 1 year for your deposit.

WHAT IS LOAN TO VALUE RATIO (LVR)?

Loan to Value Ratio (LVR) is the percentage of a property's total value that a person is borrowing.

$LVR = \text{Loan Amount} / \text{Property Value}$

E.g. If you buy a property worth \$400,000 with a \$20,000 deposit, then your LVR is 95% because you borrowed 95% of the property's value.



HOW IS BORROWING POWER CALCULATED?

Your lender will calculate your borrowing power based on a number of factors including:

- + Genuine savings and deposit
- + Your income
- + Your expenses and existing debts
- + Credit score

HOW MUCH 'CAN' YOU BORROW AND HOW MUCH 'SHOULD' YOU BORROW MAY NOT BE THE SAME

Factor in the added costs of buying a house and any potential future changes to your finances e.g. moving jobs, getting married or starting a family.

St Trinity can walk you through a range of property options and give you an idea of the total cost of purchasing these properties. [Chat to us](#) today to understand more about these options.



ADDITIONAL COSTS OF BUYING A HOME

When you purchase a property, the deposit is not the only money you will need. You also need to consider whether you will need to pay for:

- FURNITURE & APPLIANCES**
- STAMP DUTY**
- LEGAL CONVEYANCING FEES**
- LOAN APPLICATION OR ESTABLISHMENT FEE**

DID YOU KNOW?

The loan application or establishment fee is an additional cost you may need to pay. This can be as much as \$1,000, however some lenders will waive this fee.

LET US HELP YOU

If you are looking for a finance broker, we would be happy to recommend you to one in our network of trusted finance brokers. [Contact Us](#) to find out more.



WHAT IS LMI?

Lenders Mortgage Insurance (LMI) is a fee charged by home loan lenders. It protects the lender in the event that the borrower defaults and is unable to meet their loan repayment obligations.

Lenders Mortgage Insurance is typically required by a lender if the borrower is borrowing more than 80% of the property purchase price. LMI is non-refundable and non-transferrable. However, it can be added to your home loan when you purchase your property meaning it will be worked in to your weekly/monthly repayment.

ARE THERE ANY GRANTS & EXEMPTIONS?

If this is your first time buying a property you could be eligible for a number of First Home Owner Grants and Schemes including possible stamp duty exemptions and rebates.

The qualifying criteria differs by state and territory. Find out if you qualify by visiting: www.firsthome.gov.au

WHAT ARE THE OPTIONS IF YOU DON'T WANT TO PAY LMI?



IS YOUR PROFESSION VIEWED AS LOW RISK?

Ask your lender if your job is viewed as a low risk occupation. Qualifying occupations include roles that are considered to have a lower risk of redundancy such as medical doctors, engineers, and accountants. Specific lenders will sometimes waive LMI for applicants in low risk occupations up to a maximum LVR of 90%.



FINANCIAL GIFTS

If you have family members who are willing to 'gift' you funds towards your deposit and other costs, they will need to provide written confirmation that this is a true gift and does not need to be repaid. If the amount they are gifting means that you still need to borrow more than 80% of the value of the property, then you will need to show that you have accrued at least 5% of the deposit in genuine savings yourself. Some lenders will factor in your current rental expenses and rental history as a contribution towards this genuine savings requirement.



USE A GUARANTOR

A guarantor is a parent, or close family member, who uses some of the equity in their own home to secure your loan. A guarantor's equity will need to be sufficient to cover 20% of the property's value, while some lenders will allow up to 27% to be used to cover associated costs e.g. stamp duty, legal fees.



EXPLORE DIFFERENT LENDERS:

Not all lenders require borrowers to pay LMI when borrowing more than 80% of their property purchase price.

Some lenders will let you borrow up to 90% of the cost of the property before charging an LMI fee.

This could save you thousands.

TOP TIP

Guarantors are not regarded as the co-applicant of the loan. They are simply used as security, so that the lender will hold the title for their property while they remain guarantors to your loan. If you ever default on your repayments, your guarantor will be liable to repay the funds.



HOW TO ORGANIZE YOUR HOME LOAN

Buying off-the-plan provides you with some great advantages, giving you access to opportunities others simply won't have the chance to purchase or invest in. Many buyers get pre-approved before they begin their search for a property.

WHAT IS PRE-APPROVAL?

Home loan pre-approval is an indication that a lender is likely to approve you for a home loan. It is an offer from the lender for a specific home loan, for a fixed amount, based on your current financial situation. Not binding for you, or the lender, pre-approval lets you know how much you could borrow.

SHOULD I GET PRE-APPROVED BEFORE I BUY A PROPERTY?

It is a good idea to get pre-approved before you exchange on a property.

- There is no cost to getting pre-approved by your lender
- The offer is valid for up to 3-6 months
- Gives you confidence in what you can borrow before you exchange contracts
- Sellers can sometimes favour buyers who are pre-approved and ready to purchase because they can potentially settle faster

TOP TIP

If you haven't found the right property yet, you may be able to extend your pre-approval term. Simply talk to your lender or Home Loan Specialist. Extending your pre-approval can save you the hassle of providing all your information and documents again.





TOP 6 FACTORS TO CONSIDER WHEN LOOKING FOR A PROPERTY

AFFORDABILITY



PROXIMITY TO WORK



SAFETY OF THE SUBURB



POPULAR CAFES, RESTAURANTS
AND SHOPS NEARBY



CLOSE TO PUBLIC TRANSPORT

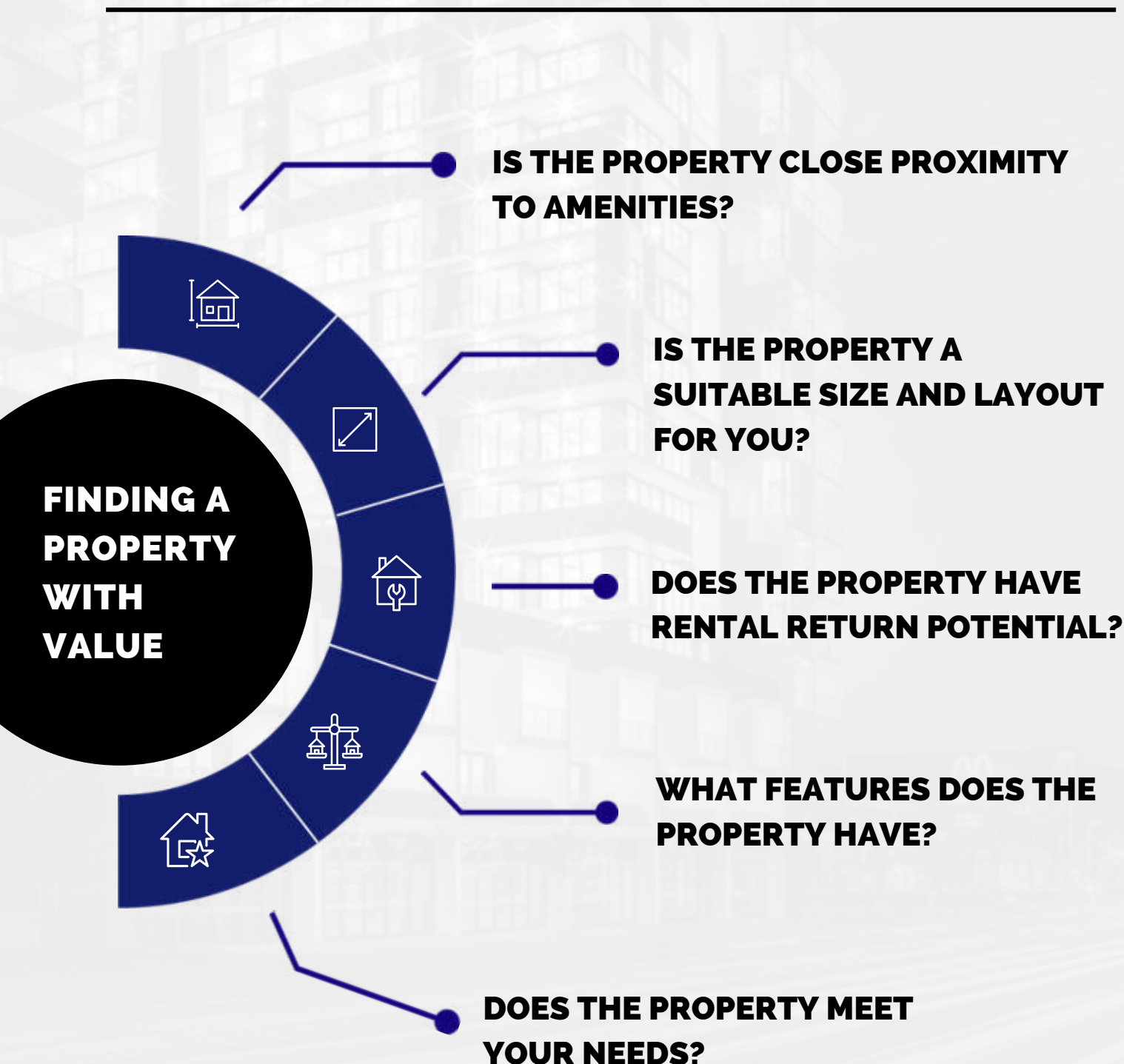


CLOSE TO SCHOOL CATCHMENTS





FINDING A PROPERTY WITH VALUE



PROPERTIES AT ST TRINITY

St Trinity Property Group is a leading, diversified property group with market leading performance over the last 15 years.

St Trinity has properties catering to various price points while being competitively priced in the market. Offering studio, 1, 2 & 3 bedroom apartments to suit a range of lifestyles and purchasers.

To check out our properties visit :

www.sttrinity.com.au/projects



CHECKLIST: HOW DO I SECURE A PROPERTY

Hire a conveyancer or solicitor to act as your legal representative throughout the process.



I'VE FOUND A PROPERTY, WHAT IS NEXT?

1. Secure your preferred property with a holding deposit to take it off the open market.
2. Provide your personal details, plus solicitor or conveyancer details to your property consultant. It can take approx. 2 business days for your property consultant to prepare a sales advice and have a Contract of Sale prepared and sent to your solicitor.
3. Book an in person or phone meeting with your solicitor or conveyancer 1 business day after your contract has been received by them, to review the document together.
4. Sign the contract and transfer the agreed deposit amount, usually 10% to the trust account details confirmed by your solicitor or conveyancer.
5. Give your Lender or Home Loan Specialist the contract of sale, and the deposit receipt.
6. Time to get excited, you're now on your way to becoming a homeowner!



DO YOU QUALIFY FOR ANY EXEMPTIONS?

You can check with your solicitor or conveyancer to see if you qualify for a stamp duty exemption or other grants.

When buying off the plan, you should also check with your sales agent if there are any additional exemptions or deals for your circumstances. .



WHEN CAN I MOVE-IN ?

Your settlement date will be outlined in the contract of sale. If you have bought an off the plan property, your sales agent will keep you updated throughout the construction of the property and update you with a move-in date once the project is complete.



ACHIEVING FORMAL APPROVAL

You're already pre-approved. Next you need formal approval to buy the property.

Once you have exchanged contracts and paid the deposit, your Lender or Home Loan Specialist will help you achieve formal approval and settle your home loan.

They might request some more up-to-date bank statements or financial documents from you before processing the application, potentially including a final credit assessment or First Home Owners Grant.

YOUR LOAN PACK

Once your home loan has settled, your lender will send you confirmation of your loan, outlining the details and your repayment requirements.

Where do your funds need to be?
Ask your solicitor or conveyancer where your funds need to be at this point to avoid delays in completing the purchase. The home loan documents are generated for you, the buyer, to sign.

SETTLEMENT

What happens at a settlement?
The home loan documents are generated by your lender or home loan specialist for you, the buyer, to sign.

The legal representatives of the buyer, seller and lender will attend the settlement. Depending on the lender, this can sometimes be carried out electronically online.

Final costs are paid at settlement. This means the lender pays the seller on behalf of you, the buyer, and you pay the additional costs such as stamp duty and legal fees. The property is registered in the new buyer's name through the state title office.

Finally, your solicitor or conveyancer will contact the real estate agent and organise with them to hand over the keys to you - the new owner.

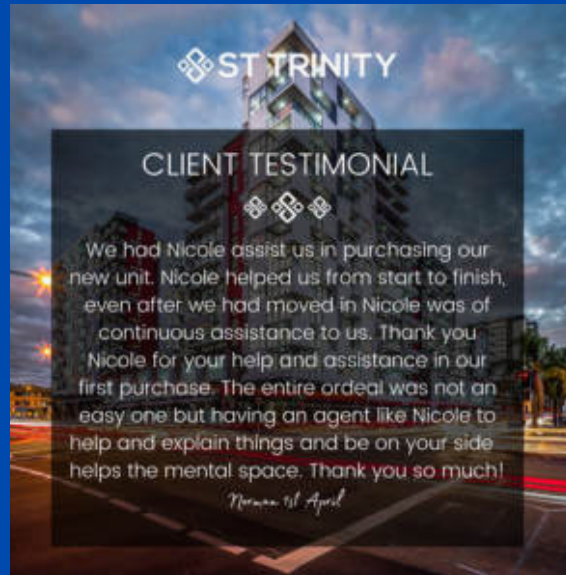
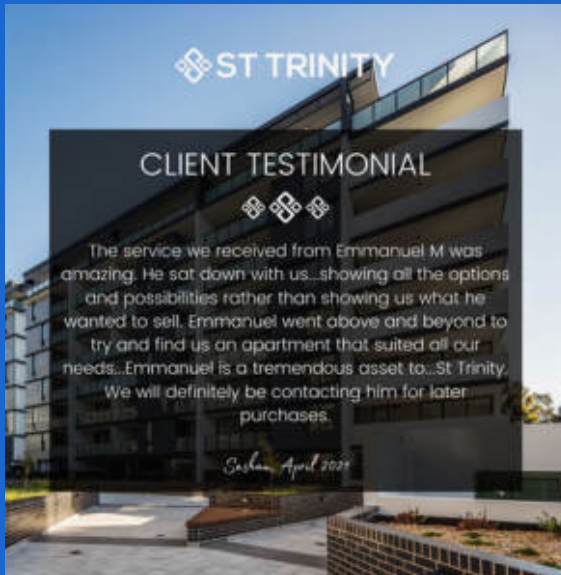
Welcome to your new home!





WHY DO BUYERS PREFER ST TRINITY PROPERTY GROUP

Benefit from expert advice on the best steps to take when buying a property, personalised suggestions for properties that may suit you and be guided through the entire property buying journey.





YOU'RE GOING TO BE A HOME OWNER

**Are you ready to start your
property buying journey?**

Get in touch with St Trinity Property Group and start your journey to owning your own property.

Benefit from the key expertise at St Trinity Property Group. The team can answer any questions you may have.

CONTACT US

www.sttrinity.com.au

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