

Fact Sheet: How do I buy a home?

Before you do anything else, come and talk to bcu. We'll give you an idea of how much you can borrow and how the loan application process works. You will go away with an idea of what price range you can afford

1. Find out how much you can borrow

Your borrowing capacity depends on many factors such as your income, savings and existing loan commitments and credit history. You need to also take into consideration your living expenses so you can repay your loan and maintain the lifestyle you are used to. Log into our website www.bcu.com.au to find use our Home loan calculator which will assist in working out your borrowing power.

2. Find out the costs

Now that you have arrived at a figure for your potential purchase price, you need to take into account other charges that will apply. This could be taxes, stamp duty, legal cost and insurance.

3. Find the right loan for you

Bcu has a range of home loans to suit different needs. We can make choosing a home loan easier by providing key information to assist you in making a decision.

You can view more details of all our home loans by visiting our website or viewing our fact sheet on home loans.

4. Loan approval

Apply for a loan with us today by calling 1300 228 228 or calling into one of our Stores.

5. Make an offer

Found a place you'd love to call your home?

If the property is up for auction, talk to your real estate agent about how this process works, as there are several steps you should have in place well before auction day. It might be a good idea to get some independent advice as well – remember, the agent is employed by the seller to work in their best interest.

If the house is for private sale, take a deep breath and make an offer!

6. Negotiate a price

The real estate agent will act as the go-between as you and the vendor (seller) negotiate a final price. These negotiations might include discussion on the inclusion or exclusion of fixtures and fittings. It is best not to assume what is or is not included in the purchase price. If you are in doubt, ASK!

Remember, at this stage you can still walk away if you can't come to an agreement.

Remember to get your solicitor/conveyancer to check any changes to the Contract of Sale.

7. Call in the professionals

You will need a solicitor or conveyancer to check out all the legalities. They will guide you through the process and should identify all the costs involved with the purchase. Ask for a quote before you choose a conveyancer or solicitor. Some charge extra for things like phone calls and photocopies.

It's a good idea to check for professional qualifications before committing to anyone.

Firstly, make sure your solicitor/conveyancer checks any changes you have negotiated to the contract. At this point most of your hard work is over as the solicitor/conveyancer will take over any further negotiations on your behalf and deal directly with the vendor's conveyancer.

Sometimes there may be some urgency to exchange contracts to secure the property if there happens to be another interested purchaser. Most contracts have a cooling off period (although these vary from State to State) which allow you time after exchange to complete a building and pest inspection or even finalise your loan approval by completing a valuation.

8. Searches

There are several searches that can and should be done depending on the property you are buying. Your conveyancer should help you to organise this.

9. Conquer the Contract

When you buy your home, via auction or private sale, you will receive a Contract of Sale that covers all the details of the sale. You should get your Solicitor or Conveyancer to review and discuss this with you prior to signing.

The Contract of Sale is signed by the vendor (seller) and the purchaser, and outlines important information including price, the settlement date and any conditions if applicable.

10. Deposit

Your conveyancer will tell you when it's time to pay the deposit to the real estate agent, who places it in a trust account. Make sure you have cash or a bond available to pay the deposit on exchange of contracts.

Deposit Power Bond (Guarantee)

A Deposit Power Guarantee is a substitute for the cash deposit between signing a contract and settlement of the residential property sale. At settlement the purchaser pays the full purchase price including the deposit.

The Deposit Power Guarantee can be issued for all or part of the deposit amount required, up to 10% of the purchase price.

We understand that if you've found your dream home, but your finances are tied up in investments or you're waiting to sell your existing property, a Deposit Guarantee will be just what you need. Instead of using a cash deposit when signing a contract to buy a home, a Deposit Power Guarantee is a quick and easy alternative.

If you're in the process of buying residential property, here's how you'll benefit:

- Convenient and cost effective alternative to a cash deposit
- Keep your other cash investments intact until settlement
- Enjoy fast turn-around
- Short term Deposit Power Guarantees are available for up to 6 months, and are useful when you don't have a deposit for a property won at auction

Depending on the home, you should also consider having:

A building inspection

Your conveyancer should be able to recommend a building inspector who will visit the property and check for structural damage, faults, flaws or hidden concerns that may end up costing you money to fix later on. Your building inspector may also offer to undertake a Council search to ensure all structures within the property are Council approved and meet structural guidelines.

A pest inspection

Look in the phone book to find a professional pest inspector. Be sure to ask what pests they cover as often things like vermin may not be included unless specified. Get quotes from a few inspectors to ensure you're not paying too much.

11. Stamp Duty

Stamp duty is payable to the government based on the purchase price of the property. Your conveyancer or the Real Estate agent should be able to advise you of the amount. This payment is often not required until settlement however occasionally your conveyancer may ask for this a few days beforehand.

If you don't think you will have this money available, you should talk to your conveyancer to make sure they can defer payment until settlement.

12. Home & Contents Insurance

Protecting your home and contents is easy at bcu where we provide you with competitively priced insurance options.

Allianz Home and Contents insurance will provide you with peace of mind with great benefits.