

What every first home buyer needs to know

legal

By LOUISE AITKEN

BUYING YOUR first home is one of the most exciting and significant moments you can experience in your own life.

It's big.

Before you get the keys to your first home, there are a few things you need to consider when purchasing your property.

Here are some tips to get you on your way.

Find a broker or banker you can work with, ensure your finances are in order, and you know how much you can borrow

This should be your first step, even before looking at homes and attending open inspections.

Spend time finding a banker or broker you feel comfortable with and who is receptive to working with you.

It can be tempting to start attending Open for Inspections before you find a banker or broker; however, it's always best to have those initial discussions to ensure your finances are in order and, most importantly, work out a budget.

You don't want to find your dream home to find out it's not within your budget.

Have your Contract and Section 32 reviewed before you sign

Once you have found a property you are interested in purchasing, you will be presented with a *Contract of Sale* and *Section 32 Vendors Statement* and asked to make an offer.

Before you make an offer and sign, having these documents reviewed by a property lawyer or conveyancer is extremely important.

They will review these documents to ensure all information required has been provided and look for any red flags.

For example, they will look for items such as covenants that may prevent or restrict you from completing future works to your property, an easement running through part of your property or a property that may be in a bushfire-designated area and have a Bushfire Management Overlay requiring compliance.

They will advise you of any matters that may be detrimental or that you may need to look into further before purchasing the property.

Ask questions — there are no silly questions

First-home buyers often apologise for asking too many or "silly" questions.

If you are unsure of the answer to any questions — ask.

It's your lawyer or conveyancer's job to guide you through the process, and they certainly don't expect you to know how the conveyancing process works.

After all, buying a house is not something you do every day.

It may be something that you only do a couple of times in your life, and the industry and requirements are always changing.

Where possible, book your building, pest, and any other inspections before you sign the Contract of Sale

Just like ensuring you have your finance in place, we always recommend that you have your inspections completed before you enter into the *Contract of Sale*.

For example, the inspector may find numerous minor defects when completing the inspection.

Photo: PIXABAY



However, as part of the building and pest condition, a purchaser has limited or no rights around any compensation or rescinding the contract on this basis.

Ensure the inspections are completed by qualified professionals; that way, you know exactly what you are buying, defects and all, and can make an informed decision on whether the property is right for you.

You are purchasing the property in its current condition

When you sign a *Contract of Sale* to purchase a property, it is important to remember that you are purchasing the property in the condition it was sold, on the date of the sale, except for fair

wear and tear.

Therefore, you must check the property's condition before you sign the *Contract of Sale* and check if all appliances, including heaters and air conditioners, are in working order.

A vendor is also not obligated to take all possessions or clean the property before vacating at settlement.

Chat with your lawyer or conveyancer about any stamp duty concessions that may apply to you

Stamp Duty concessions and exemptions change frequently.

You should check the State Revenue Office website at the following link, www.sro.vic.gov.au, to check if you

are eligible for any exemption or concession.

Once settlement is finalised, celebrate, you did it!

You have just purchased one of your biggest assets, now is a perfect time to consider your Estate Planning to ensure your family is taken care of, so make sure you book an appointment with your Estate Planning Lawyer to put this in place.

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For more information, go to www.madisonsloanlawyers.com.au.