

Alpha Mortgage Solutions



Key To Your Home!

Who's who in buying real-estate?

Real Estate Agent

Accountable to the seller, as this is whom he/she is paid by, has the task of selling the property for the best price they can achieve. Can be useful to the buyer in helping them to find properties; also a useful source of information.

Questions worth asking when purchasing

- How long has the property been on the market?
- Has there been any contracts on the property, that may have fallen through
- Why is the person/s selling
- What price does the agent see the property being good value (remember he/she is working for the seller)

Note / be cautious of the contract read it before signing, ask how much is the full amount expected as deposit. You should be able to negotiate this down to \$1,000. Be wary that it is not \$1,000 up front and then another 5-10% in 14 days, unless you have the money readily available to pay it. A reason that you may choose to pay a higher deposit, is to secure the property when there is a lot of interest from other purchasers.

Remember to include any subject to clauses eg finance / building inspection it may pay to seek legal opinion for the wording.

Solicitor / Conveyancer

- “Conveyancing” is the legal process to transfer ownership of property from the seller to the buyer. You can use either a solicitor or conveyancer and they are there as your representative in organising and finalising the sale contract; some conveyancers are solicitors as well. Our web site has a few links to various contacts, but we suggest that you ask friends & relatives preferably someone whom has purchased recently that had good experience with a particular person.

Building Inspector

- This can be set out as a condition when signing the contract eg purchase subject to building inspection. The building inspector will examine the property for structural faults and assess if the building has been constructed in compliance to relevant codes. You may also like to include a pest inspection as part of the condition.

Buyers Agent

- This agent advocates on behalf of the buyer for a fee, they can even attend auctions and do the bidding. They often have access to the properties coming onto the market due to their networks and contacts. They usually also do an in-depth property report which provides a lot of research into the properties value etc. A true buyer's agent only works for the buyer some real estate agents also claim to be buyers agents however, if they are taking a slice of commission from the sale they may not have the buyer's best interest at heart.

Mortgage Broker

- A specialist that matches home buyers/investors with a range of loans from different providers under the one banner. Check to see they have the qualifications necessary for this duty eg Certificate IV in Mortgage Broking, also it is wise to use one that belongs to a professional body such as the MFAA (Mortgage & Finance Association of Australia, formally MIAA)

Advantages of Having a Good Broker

- Will help you to find a selection of suitable loans and match them to your specific situation.
- Most are contactable 7 days a week
- They work for you from the application until settlement and beyond
- They can reduce a lot of the stress during the process
- There for your support and to answer your questions throughout the process.
- We offer the same deals as the banks

Lender / Bank

- A financial institution that will provide a loan for you to purchase your home or investment property.

Limitations of Lender/Bank

- They are only going to provide their product range which may limit your options.
- They tend to cross collateralise properties which can create problems for investors down the track if they reach their limit in finance or choose to use another lender for balance of their portfolio.
- They do not often inform you if a better product becomes available

Mortgage Insurer (Lenders Mortgage Insurance LMI)

- Depending on how much deposit you have, you may have to pay mortgage insurance. This varies with product types such as regular vs. low doc loans. In general, if you require a loan and have 20% deposit, this loan has an LVR (loan value ratio) of 80% and no LMI is required. However with a lesser deposit you will be required to pay the LMI which is a 1 of payment that protects the bank if the debtor defaults on payments. The advantage is, you will not have to have as large a deposit and can move into your new home much faster. In some instances say with first home buyers that are eligible for the first home owners grant no deposit will be required.

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P.S. If you found this information useful feel free to pass it on to your friends or relatives, however the material contained within must remain as is, without any changes. Contact us if we can be of any assistance, our service is free and for those that are interstate we will reimburse costs incurred such as faxing, phone calls etc on settlement of your loan.

Disclaimer / This information is by no means exhaustive and not deemed to be 100% accurate. It is suggested that you seek professional opinion from the appropriate professions to help you make a decision such as financial advisers, accountants and legal advisers.