

# First Home BUYERS GUIDE



Making the decision to buy a home is an exciting step. When you're a first-time home buyer, there's a lot to learn along the way.

This complimentary First Home Buyers Guide is brought to you by The Mortgage Approval Company and [preapprovemyloan.com.au](http://preapprovemyloan.com.au).

We hope it makes you feel more informed and helps you to buy with confidence.

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# Are you READY TO BUY?

There are many factors that go into the important decision of when to buy a home. Your lifestyle, current living situation, finances and plans for the future can all factor into your choice and your buying timeline.

## BUYING VS. RENTING

Purchasing your first home is one of the most exciting things most people do. It's also a complex process, especially for first-timers. However the result is invariably worth it, and if the value of your property rises, you'll have a valuable appreciating asset on your hands. If you've been renting, you've probably been free from general maintenance responsibilities. However, you're also losing the chance to build equity in your own home and protect yourself from any rent increases. Buying a home is an investment in your future and can offer many long-term benefits. Owning your dream home may actually be less expensive than renting! There are advantages and disadvantages to both owning and renting. But ultimately, the decision will come down to your individual circumstances. Here are some things to consider:

Rent	Own
If the value of the property rises, you may have to pay more in rent	If the value of the property rises, you're likely to make a profit if you sell it
Building maintenance is your landlord's responsibility	You need to budget for building maintenance
Your rent is fixed for a relatively long period of time	Your repayments may fluctuate with interest rate changes
You're paying off someone else's mortgage	Your property is likely to be an appreciating asset and could become an investment property in the future
Your monthly rent payment may be less than mortgage repayments, especially if you're sharing	Your mortgage repayments may be more than your rent but you can also view this as a form of saving
You don't have any control beyond the term of your rental agreement	The property is yours to live in as long as you want to
You're limited in the changes you can make to the property	Generally you can do anything you like with the décor and outdoor areas
You're not locked into a long-term commitment and can move out at short notice	It takes longer to sell a property, so you have less freedom to move
Someone else owns the property	It's a place of your own

## SO ARE YOU READY?

- Do you have a reliable source of income that can be documented?
- Do you have a two-year employment history?
- Do you have a proven record of paying bills on time?
- Can you afford to make monthly payments on additional debts such as credit cards or car loans?
- Do you have money saved or can you get a gift for deposit and settlement costs?
- Can these funds be verified in a bank account?
- Do you have the ability to pay a mortgage payment every month, plus additional expenses?

If you can answer "yes" to these questions, you may be ready to buy your dream home!

# Benefits of HOME OWNERSHIP

Buying your own home is a big part of the Australian Dream. The benefits of home ownership are both practical and emotional. We've summarised some of the main advantages below, but not every benefit can be put into words. Nothing compares to the pride you'll feel when handed the keys to the place where you'll build your future, full of memories, with family and friends.

## STABLE HOUSING COSTS

When renting, monthly payments go to a landlord, but mortgage payments made by home owners can build equity. For those who choose a fixed-rate mortgage, the principal and interest payments are preset for the term of the fixed rate period, a clear advantage over rental market fluctuations.

## YOU CAN MAKE IT YOURS!

If you're like many first-time home buyers, you've probably been inspired by home design shows on television, but have had limited opportunities to make many changes to your current living space. Even if your landlord lets you paint and make other minor alterations, it's hard to justify spending the cash to update a house or apartment that isn't yours.

Home ownership will change all that. You will have unlimited opportunities to decorate your home to reflect your personality with paint, decorative finishes, window coverings and landscaping. You can also change the fixtures and finishes at any time to put your own individual stamp on your new home.



## FURNITURE SHOPPING MADE SIMPLE

Have you ever bought a couch, only to find that on moving you can't fit it through the hallway of your new apartment? Buying lasting pieces of furniture is a big investment and one that's hard to justify when you are renting. As a home buyer, you won't have to worry about spending money on something that may not work with the floor plan in your next place. Instead if you plan to stay in your new home for a while, you can buy furniture knowing that the pieces you select will work with your home's layout for years to come.

## MOVE ON YOUR OWN TIMELINE

If you rent a house or an apartment you run the risk that your landlord may want to sell the property and you might be forced to move at the end of your lease. As a home owner the power is in your hands. You don't have to move until you're ready to sell.



# Getting STARTED

So you've made the decision to buy a new home, but now what? Here are some preliminary steps you can take before you even apply for a mortgage.

## ESTABLISH A BUDGET

When you're ready to buy a home for the first time it's important to look at your finances and work out what you can afford. While mortgage lenders vary, a general guideline is to spend no more than 30% of your gross income (before tax) on housing costs. However, even that amount might be too high depending on your other expenses. If you don't already have a budget you need to write down all of your regular expenses and determine what amount you feel comfortable making every month. Once you start house hunting, it can be easy to fall in love with a home that's out of your financial reach. Having a firm price guide in your mind will help you stay on track.

➤ Other costs to factor in when you're buying a property are costs associated with the purchasing process. You'll need to budget for:

- Stamp duty
- Pest and building reports
- A strata search (usually if you're buying an apartment)
- Legal fees or conveyancing costs
- Loan application fee (charged by your financial institution)
- Insurance, which could include Lender's Mortgage Insurance and your own Mortgage Protection Insurance

To get an accurate understanding of these costs, it's a good idea to meet with a broker or your lender early on. You'll then know what to expect, and can budget accordingly.

Where is your money going each month?		\$
INCOME	Gross monthly income	
	Take home (after tax)	
	Other forms of income e.g. shares, investments	
TOTAL INCOME:		
FIXED EXPENSES	Housing costs	
	Car payments	
	Car insurance	
	Private health insurance	
	Utilities (water, electricity, gas)	
	Credit card payment	
	Savings account allocation	
	Phone/mobile service	
	Foxtel /Pay TV service	
	Other bills	
TOTAL FIXED:		
VARIABLE EXPENSES	Groceries	
	Dining out	
	Clothing	
	Entertainment	
	Hair and beauty treatments	
	Miscellaneous	
TOTAL VARIABLE EXPENSES:		



➤ When you have a detailed picture of both your income and your expenses you can evaluate your spending, make adjustments if necessary and work out exactly how much you can afford to spend on a monthly mortgage payment.

# MISTAKES TO AVOID AS A FIRST HOME BUYER

These are the most common mistakes that first home buyers make. Make sure you don't fall into these traps:

1. Changing jobs or making a major purchase at the same time as applying for finance.
2. Not getting your finance pre-approved, and leaving everything too late when the right property is found.
3. Borrowing right up to the amount the lender is prepared to loan you and then getting over-stretched financially.
4. Letting emotions take over in the negotiation process, and paying too much for the property—or missing an opportunity to negotiate more favourable purchase conditions.
5. Not checking out things such as council zoning, building approvals and restrictive covenants.
6. Buying a 'do-up' and then running out of money.
7. Forgetting to sort out home and contents insurance well before you move in

## CLEAN UP YOUR CREDIT FILE

Lenders use your credit file to help determine how risky you are as a borrower which may have an impact on your credit worthiness. They will check your personal and employment details as well as any credit applications you've made in the past such as retail store credit cards. They will also check to see if you have defaulted on any payments or if you have an infringement against your name. Over time your credit records are updated and deleted. Applications and defaults disappear after five years, and serious infringements and bankruptcies after seven years.

Even if you think you have great credit record errors on your reports may be lowering your score. Make sure you get a copy of your *free* Veda Advantage credit report and notify them of any errors on your report. By law you're entitled to a free report from all credit reporting companies annually. To request a credit report go to [www.mycreditfile.com.au](http://www.mycreditfile.com.au).

Don't let a blemish on your credit file stop you from reaching your goals or getting the loan you want. There are a number of companies that can assist you to resolve credit disputes and can also assist with the removal of adverse credit listings from your credit file. One such company is "We Fix Credit" on 1300 003 655 or apply online at [www.wefixcredit.com.au](http://www.wefixcredit.com.au). You can find out more information on how to check your credit report on the Australian Securities and Investments Commission website

## CREDIT TIPS

You know you need to pay your bills on time and avoid any defaults, judgments and bankruptcy to keep your credit file clean, but what else can affect your credit?

Here are three things you may not have considered:

### 1. Keep old accounts open

Closing old credit card accounts can affect your credit score negatively in two ways. First, it can shorten your average account age making you look less reliable to lenders. Second, closing accounts reduces the total credit available to you, which makes any balances you do have appear larger in proportion.

### 2. Hold off on major purchases

Do you have money saved up for a new appliance? You may want to hold off on purchasing any large items. While increasing debt affects your credit rating, keeping money in your savings account is also important. Mortgage lenders may see you as less of a risk if you have a cash reserve to get you through tough times.

### 3. Don't apply for new credit cards or loans

Although using credit cards responsibly may improve your credit, opening new accounts shortly before or during your mortgage application can reduce your credit score. Increasing your debt during this timeframe with new loans for things like cars and furniture can also negatively affect your credit.

The Mortgage Approval Company is a great resource for first home buyers. Our finance consultants are available to provide advice seven days a week between 10am – 8pm to help you with any aspect of your home search and walk-ins are always welcome.

## SAVE, SAVE, SAVE

In order to buy a house, you will need to have a deposit of at least 5% of the purchase price, plus State Government stamp duty and associated settlement costs. As an estimate you should plan on paying between 5% - 7% of the purchase price on settlement costs. When you get your loan pre-approved, you will be provided with an estimate that will give you a more precise breakdown of these fees.

When you're looking for your first home, you need to know how much you can afford to pay off each month on your home loan. That will help determine the size of the loan you can get, and therefore what property you can buy.

The deposit that you can put down is just as important. Generally it's no longer possible to get a loan for 100% of the purchase price. Most lenders will want you to put down at least 5% of the purchase price of the property. The rest—generally up to 95%—can be 'financed' using a home loan. If you can put down a deposit of 10%, this will often get you a lower interest rate on your loan, because there is less risk involved for the lender. And if you can put down a deposit of 20%, you might be able to avoid paying what's known as 'Lender's Mortgage Insurance' (LMI).

A bigger deposit also means you'll get more loans to choose from. This makes it easier to get a good deal on the right loan, and save even more in the longer term. The more you can put down as a deposit, the less you'll have to borrow. That means you'll pay less in interest over the lifetime of the loan, and your repayments will be lower over a set term.

## WAYS TO BE A HOME OWNER SOONER

- Take the time and do the research to see if you qualify for any State and/or Federal Grants such as the First Home Owners' Grant (FHOG) which could save you thousands of dollars.
- Have a portion of your income automatically transferred into your savings account each month as a direct debit by your employer and you'll save quickly without even thinking about it.
- Although lenders prefer that you have genuine savings of at least 5% of the purchase price plus costs, they will generally let you use any applicable Government grants or gift money from a relative.



## START WINDOW SHOPPING

You owe it to yourself to be an informed buyer. The internet is a good place to start. You can view homes currently on the market as well as find out what houses have sold for recently in the suburb/s of your choice. You can also explore market trends by neighbourhood or postcode.

## WHY BUY NEW?

1. A new home means a new community, built with convenience and quality of life in mind. Enjoy closer proximity to commuter routes, newer schools and the latest in shopping and dining.
2. With a resale home structural and decorating choices have already been made by someone else. With a new home you can make these personal decisions using your own ideas and personal taste.
3. New homes come with a building warranty

# Financing BASICS

Securing your finance pre-approval is one of the first and most important steps on your way to owning your dream home. From FHOG to LMI, there's a lot of terminology for a first-time home buyer to learn. This section of our guide will help you sort through the basics of home financing so you know what to expect during the buying process.

## WHAT IS A MORTGAGE?

It's a basic question but even seasoned home buyers don't always know the answer. Technically a mortgage is a pledge of your property as security for payment of your home loan. Typically payments are made monthly to a bank or financial institution and your monthly loan payment will be made up of two parts, commonly referred to as principal and interest (P&I):

**P = Principal** The amount left on your loan apart from the interest

**I = Interest** The interest paid in monthly installments for the life of your loan

## ADDITIONAL EXPENSES

The components of P&I will typically make up your main home expenses each month. When estimating your associated loan cost, you will also need to factor in these possible costs:

### Lenders' Mortgage Insurance

Lenders' Mortgage Insurance (LMI) is a form of insurance typically required for home buyers who take out a conventional mortgage loan for more than **80% of the total value of the home**. This added insurance protects the lender against loss if the borrower defaults on the loan. As a first-time home buyer, LMI may allow you to buy a home with a deposit as low as 5%. If you have a deposit of 20% or more you may not be required to take out LMI.



### Maintenance costs

One of the main differences between renting and buying is that you become responsible for any maintenance costs on your home. If you set aside an amount each month in a home maintenance account you will have funds on hand when something does arise.

### Insurance

Home and contents insurance or home owner's insurance covers your home and possessions and also protects you from potential liability claims or lawsuits for any accidents on your property.



## GETTING YOUR LOAN PRE-APPROVED

You don't need to find your new home before you can apply for a loan. It's actually better to get your loan sorted beforehand, in that way you'll know exactly how much you can afford to pay for a property. Once you find the right property, you'll be able to focus on the purchase—rather than having to sort out the finance at the same time. You'll have a better idea of what properties to look for, because you won't waste time looking for something outside your price range. Getting your loan pre-approved can make sense from both a peace of mind and time management point of view but speak to your broker or lender to work out the best option for you. Whether you submit information online or by phone you will need to have the following items handy:

- Current pay slips for the past 30 days
- All asset information including recent bank account/savings account information (for the past two months), shares, term deposits etc.
- Creditor information e.g. credit card statements, car loan statements etc.
- Details of employment including address and phone number of current and previous employers
- Group certificates or tax returns for the past two years
- Rental information for the last 12 months e.g. payment records, landlord's details etc.

Once this information is received, your mortgage finance consultant can provide you with an estimate of the amount you may be qualified to borrow for a home loan. You may end up qualifying for more than you want to spend. Make sure your budget is ultimately determined by the monthly payments you are comfortable with and can afford.



## FINDING A FINANCE CONSULTANT

The Mortgage Approval Company can assign you a Finance Consultant who will take you through the financing process free of charge. Call 1300 MORTGAGE (1300 855 670) or 0418 998 696.

## TYPES OF LOANS

With so many types of mortgage loans out there, it can take time to compare the fine print and find the one that's right for you. Why so many choices? The simple answer is there's no one loan type that works for everyone. Each type of mortgage has its pros and cons and it's up to you to decide which one is best for your situation.

### Variable Rate Mortgages

One of the most common types of mortgage loan in Australia is a variable rate mortgage. This means the interest rate will change periodically based on both the Reserve Bank of Australia's official interest rate movements and the cost to the lender of borrowing wholesale funds.

### Honeymoon periods

A 'honeymoon loan' generally offers either a discount on the lender's standard variable rate or an initial 'fixed' rate period, such as 12 months from the date of settlement. After this initial period is over the interest rate will usually revert to the lender's standard variable rate and then change periodically with market conditions. Interest rate adjustments are generally in-line with official Reserve Bank changes but your lender may adjust your interest rate higher or lower.

### Fixed Rate Mortgages

Another option is a fixed rate mortgage for a specific term, generally offered for terms of between 1 and 10 years. As the name implies, the interest rate for the regular monthly payment stays fixed for the term of the loan. The regular monthly principal and interest payments do not change during the agreed fixed rate term.

## VARIABLE

### Advantages:

- The initial interest rate can be lower than that of a fixed rate mortgage
- If you know you'll be in your home for less than the term of the mortgage you may end up paying less than with a fixed rate loan
- Because the initial interest rate and payment amount may be lower than a fixed rate loan it may be easier to qualify for this type of loan
- The interest rate you pay will generally drop if prevailing interest rates decrease

### Disadvantages:

- If interest rates increase then your payment will also increase
- Future interest rate increases could make your house unaffordable

## FIXED

### Advantages:

- Your mortgage payment is not affected by interest rate increases
- Consistent fixed monthly payments mean it's easier to budget your finances

### Disadvantages:

- At the time of financing fixed rate mortgages tend to have higher interest rates than variable rate mortgages
- Your mortgage payment will not go down if interest rates decrease

## DECISION: FIXED, VARIABLE, OR SPLIT LOAN?

There are several different types of loans, but many first home buyers choose either a fixed or variable rate loan. If you want the best of both worlds, you can hedge your bets and borrow a portion of money in a fixed rate loan, and a portion in a variable rate. That's known as a 'split loan'. To help you decide which loan would be right for you, here are the pros and cons of fixed, variable and split loan types:

Fixed rate	Variable	Split
The available interest rates are likely to be slightly higher than the variable rates on the market	Your interest rate and repayments are likely to be slightly lower than a fixed rate at any given time	One part of your loan will be fixed and the other can fluctuate with the market
Your repayments will stay the same for the 'fixed' period of the loan	Your repayments may fluctuate with interest rate changes, this could be up or down so you will need to factor in a buffer	Interest rates can go up and affect the variable part of your loan
Fixed repayments make it easier to budget	You could pay off your loan faster by making extra repayments	Allows you to have interest rate security with repayment flexibility
If you 'break' the loan (perhaps by selling the property) during the fixed term, you'll probably pay exit fees	There are unlikely to be any exit fees	Most lenders will let you set the portions on how it suits you
You can't usually make extra payments or redraws without penalty.	You can make extra payments whenever you like	You can access variable loan features like redraws and extra payments but have a little more certainty around your long-term budget

*\*The above are typical examples of the various types of loan features. Each loan has its own specific feature, so check your loan carefully.*

# THE LOAN APPROVAL PROCESS

## STEP 1 SPEAK WITH A FINANCE CONSULTANT FROM THE MORTGAGE APPROVAL COMPANY

Your finance consultant is someone who will work with you throughout the entire home buying process. During the initial conversation with your finance consultant you will discuss your budget and basic financial information.

## STEP 2 GET YOUR LOAN PRE-APPROVED

You can usually provide the required information at your initial interview via email or by phone in order to get your loan pre-approved. Make sure you have your most recent payslips and bank statements on hand to speed up this part of the process.

## STEP 3 PROCESSING YOUR LOAN

You will need to provide bank statements, payslips and other documentation to verify the information on your mortgage application

## STEP 4 PRELIMINARY LOAN APPROVAL

If pre-approved you will receive a Loan Entitlement Certificate which includes the anticipated government and associated settlement costs such as Lender's Mortgage Insurance and stamp duty.

## STEP 5 THE APPROVAL LETTER

Should your loan be approved you will then receive a letter of offer setting out many of the key terms of the loan, the length of time for which those terms are offered and any other items required to finalise the loan.

## SMOOTH SAILING

The best way to help the loan process go smoothly is to come to your loan appointment fully prepared with all the items you will need. Refer to the Borrower's Checklist on page 12 for these requirements. Your finance consultant will then process your application on your behalf. Responding quickly to your consultant's requests for any additional documentation will also help keep everything on schedule. So with the hard part over now the fun can begin. You are now equipped to go house hunting!



## CONVEYANCING

Once you've found a property to purchase and signed the Contract of Sale you'll need to engage a conveyancer (usually a solicitor or lawyer) and provide them with the contract for review. They will check that you have mortgage approval and liaise with the vendor's (the person selling the property) solicitor. Normally on signing the Contract of Sale you will be required to pay a 10% deposit to the vendor via the real estate agent or person selling the property.

**You generally have a choice of 30, 60 or 90 days for the settlement period when the balance needs to be paid.** This period can be negotiated with the vendor and a real estate agent can do this on your behalf. The conveyancer /solicitor will order all necessary government searches and contracts on your behalf. Stamp duty (between 5 and 7% depending on the state in which you live) is paid and mortgage documents are completed.

The conveyancer / solicitor confirms the mortgage amount with the bank and the amount to be paid by the purchaser at settlement. A final inspection just before settlement by the purchaser will confirm that the property is as it was when originally inspected and then it's welcome to your new home!

# BORROWER'S CHECKLIST



The following checklist will give you an idea of what you will need to provide with your loan application. Your finance consultant will let you know exactly which items are required for your individual situation.

## INCOME:

- Group certificates or tax returns for the previous two years for each person who is listed on the contract of sale
- Salary pay slips covering the previous 30 days for each borrower
- All bank account or investment statements for the previous two months
- Disability, Social Security, or Welfare entitlements: copy of the entitlement letter or other documentation of income received from these sources including evidence of continuance

## SELF-EMPLOYED INCOME:

- BAS statements for the last 12 months
- Business and personal tax returns for the previous two years
- Partnership tax returns of your tax returns for the previous two years if you have a 25% or greater interest in a partnership.
- Company tax returns for the previous two years if you have a 25% or greater interest in a company
- Signed year-to-date profit and loss statements for your business

## ACCOUNT INFORMATION:

- Bank account statements for the previous two months on all accounts listed on the application
- Gift letter if gift funds will be used for the deposit payment or settlement costs, including stamp duty etc.

## MISCELLANEOUS:

- Divorced applicants: copy of spouse and child support agreement and any other applicable documents
- Child support: documentation showing 12 months of income received and evidence of continuance
- Bankruptcy/discharge of debtors: copies of documents, including all schedules
- Letters of explanation for recent credit inquiries or any negative credit entry
- Rental information from the last 12 months, including property address, dates of residence, landlord's name, address and phone number



# Finding your DREAM HOME



After you've figured out how much you can afford to spend on a home, the fun part can begin! It's time to think about things such as do you need a guest room for when friends or family come to stay? Exactly how many bedrooms will you need to suit your family's needs? Do you want an open plan kitchen that overlooks the family room? Now's the time to really work out what is essential for your new home.

## MAKE A WISH LIST

You may think you know exactly what you're looking for, but it helps to make a list or get it down on paper, especially if you won't be the only decision maker in the home selection process. Everyone needs to be on the same page and the following checklist is a good starting point. It's the best way of making sure you get exactly what you're looking for.

House Hunting Wish List	
Ideal number of bedrooms	1+ 2+ 3+ 4+ 5+
Ideal number of bathrooms	1+ 2+ 3+
Garage	1-car+ 2-car+ 3-car+
Type of house	Single-storey Two-storey or Townhouse
WHAT DO YOU WANT IN A FLOOR PLAN?	
Kitchen opening to family room	
Laundry close to yard/external access	
Spacious garage	
Deck or patio	
Wardrobe space	
WHAT SPECIAL FEATURES ARE YOU SEEKING?	
Hardwood floors	
Reverse cycle air conditioning /heating	
Pantry/cabinet space	
NEIGHBOURHOOD AMENITIES	
Ideal commute time to work	Under _____ mins./hrs.
Suburbs/communities you're considering:	1 _____ 2 _____ 3 _____
Location needs to be close to:	o Shopping o Work o Freeway access o _____
OTHER THINGS YOU'RE LOOKING FOR?	
Examples:	
Quality schools	
Local shopping centre	
Parks/playground nearby	

## CHOOSING A BUILDER

Buying a new home offers distinct advantages that you'll want to keep in mind when you start house hunting. These can include lower maintenance costs, greater energy efficiency, a home owner's warranty and proximity to shopping and newer schools.

If you decide to buy a new home, choosing a builder will be an important decision. No matter what the economic conditions are, you will want to make sure the company is financially stable and will be able to finish construction and service any warranty requests after you move in. When you buy a new home you'll probably also want to select many of the fixtures and finishes yourself. Here are some questions to ask the builder of your choice:



QUESTIONS	BUILDER 1	BUILDER 2	BUILDER 3
How long has the builder been in business?			
Does the builder have a strong financial position?			
Do they have competitive financing available through an affiliated mortgage company?			
Can you browse design centre options before you sign a contract?			
Is their design centre open during convenient hours?			
Do they offer complimentary design consulting?			
Are the neighbourhoods developed to give each home a distinct look?			
Do they build energy efficient homes?			

# HOME SHOPPING TIPS

## Tip 1 - Is the home perfect for your lifestyle

Every home owner can tell you all the questions they forgot to ask themselves when they bought their first home e.g. is there enough storage space or kitchen cupboards? Is the laundry room conveniently located? Do the outside areas cater to your family's needs?

Here's a list of things to identify when looking through any home:

### Kitchen

- Is the access from the garage to the kitchen convenient for bringing in groceries?
- Is there ample cupboard/pantry space?
- Can you get between the refrigerator and the kitchen bench with ease?
- Are the sink and dishwasher in close proximity to each other?
- Is there enough space to pull the chairs out from the table without blocking a door?
- Are there multiple eating spaces, such as a dining area and a kitchen bench?
- Is the eating area sufficient to accommodate a table large enough for your family?

### Master bedroom

- Is there enough room to comfortably fit your bed, two bedside tables and a chest of drawers?
- Do the power points line up where your bedside tables will sit?

### Family room

- Can you place your television where you can see it from the couch?
- Is the hallway wide enough to get your couch into the room?
- Is the space versatile enough to allow your entire family to enjoy the space at the same time?
- Are the power points ideally situated for your TV and entertainment equipment?

### Bathrooms

- Is the towel rack in a logical spot?
- Is the bathtub tap conveniently located?
- Do you require both a bath and a shower? What about a separate toilet?

### Whole house

- Are the light switches located in the most convenient places?
- Will you have to buy custom furniture to fit into certain spaces?
- Is there a lot of wasted space at the end of hallways or other areas of the house?
- Is there ample wardrobe/storage space?
- Is there enough room in the garage for more than just your cars?
- Do the windows maximise lighting and energy efficiency?





## Tip 2 Consider your design choices

If you buy an established home, you already know what your finishes and fittings look like. But if you're buying a brand new home, you will be able to make many of the design decisions yourself. What first-time home buyers often don't realise is that not every builder lets you choose your fixtures and finishes in the same way. If selecting your home finishes is important for you, you need to ask about this process up-front.

### Questions to ask about design selection:

- Will you have a wide variety of cabinet and flooring choices?
- Can you review your design options before you buy?
- Is there any design assistance available or will you be left to make decisions on your own?
- How long will you have to make your design decisions?
- Will these design changes cost you extra?

## Tip 3 Research the local school district (even if you're not a parent)

If you have school-age children, you'll already have schools on your mind when you're looking at prospective neighbourhoods. It's always good to do your homework to make sure your child will receive the best education you can afford to provide. But what if you don't have kids or don't plan to in the future? It's still pays to look at this information. When you decide to sell your home sometime in the future it will be much easier if you're in an area that is well serviced by schools.

## Tip 4 Take advantage of energy-efficient features

Energy-efficient features may not only reduce your home's carbon footprint, but may also save you money on utility bills.

- Efficient ducting system to help deliver air conditioning or heating more effectively and permit the heating and cooling systems to operate with less effort
- Sealed home 'envelope' to help reduce drafts, dust and pollen from exterior sources
- Properly sized, efficient HVAC equipment selected based on energy ratings that help reduce energy consumption and better regulate indoor temperature and humidity variations
- Properly installed insulation to help reduce energy consumption



## QUICK HOME DESIGN TIPS



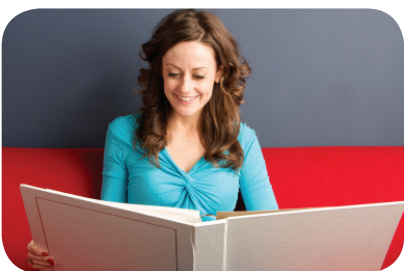
**1.** Invest in timeless, quality furniture in neutral colours. Freshen things up by changing the colour of the walls, cushions, rugs and accessories for a whole new look at a more affordable price.



**2.** A group of family photos can create a dramatic and meaningful focal point in any room. Unify your display by choosing a consistent frame or mat color, or by hanging a collection of black and white photos in various shapes and sizes.



**3.** Reduce the clutter! Too much stuff can make a room look and feel chaotic. Think about each item in the room and keep only what you truly love. If you're a collector, consider displaying a selection of pieces at a time and storing others to bring out at another time.



**4.** Lacking ideas? Think back to your travels. Your favourite holiday spot might be the perfect place to find inspiration. If you love the beach, you might like a colour palette of blues and rich earth tones. The things that give meaning to your life are the same things that can make your home design meaningful.



**5.** Take advantage of the inspiration right under your nose! Display homes are designed and decorated by professionals. Touring these homes is a great way to find inspiration.

# Your moving CHECKLIST



## 2 months before

- Get quotes from moving companies and/or storage companies.
- Sketch or print your floor plan and start thinking about furniture placement.
- Make a list of people you want to notify of your new address to when you move.
- Go through each room of your home and designate items for donation or garage sale.
- Take an inventory of your valuable belongings for insurance purposes.

## 6 weeks before

- If you're packing yourself, collect boxes and other necessary supplies.
- Start packing the items you don't access often.
- Set an official moving date.
- Settle on a moving company and make your booking.
- Make any necessary travel arrangements (don't forget your pets).
- If you have children, have their records transferred to their new school or daycare.
- Obtain your medical records to give to future medical providers.
- Organise a garage sale or just have a dedicated throw out of unwanted items and clothing

## 1 month before

- Check with your finance consultant to make sure you've submitted everything needed for your loan application.
- Contact the post office to have your mail forwarded to your new address.
- Call utility companies to cancel services at your current home and activate your services at your new place on the appropriate dates.
- Return all library books.
- Pick up all items of dry cleaning.
- Properly dispose of cleaning solutions, flammable liquids and other items that can't be moved.

## 1 week before

- Confirm details of the time and date of your move with the removal company.
- Change your address with your creditors, magazine subscriptions, financial institutions and other companies and organisations as necessary.
- Send friends and family your new address.
- Call your current newspaper to cancel your subscription.
- Finish packing and pack yourself a suitcase with a few days worth of clothing, toiletries and any valuable belongings you prefer to keep with you.
- Empty, defrost and clean out your refrigerator.
- Drain your washing machine and hoses.
- Arrange for childcare/pet care for moving day.
- Confirm your reservation and prepare your payment for the moving company.
- Print a map and directions to your new address for the movers.

## Moving day

- Supervise any moving company workers as they pack/move your belongings.
- Leave a note to the new residents and include your new address in case the post office doesn't forward your mail right away.
- Check every room, cupboard and closet to make sure you don't leave anything behind.
- Turn off lights, lock windows and close and lock doors before you leave.

# NOTES

1 The information contained in this guide is for general information purposes only and does not constitute legal, tax, accounting, financial or other professional advice. You should contact an accountant, solicitor, tax professional or financial advisor to discuss your particular circumstances prior to obtaining a loan or making any purchase decision.

2 Exclusive offers and special financing are subject to availability and terms and conditions applicable at the time of the offer or financing program. Financing is offered through a panel of lenders and authorised credit representatives are accredited with various lenders.

3 The Mortgage Approval Company offers various finance and insurance services which are available independent of each other. You may, if you wish, use one or more products or services from the Company but have no obligation to do so. Your decision to use another provider will not affect your ability to obtain products and services from the Company.

## ABOUT US

### The Mortgage Approval Company

The Mortgage Approval Company holds an Authorised Credit Licence (ACR No. 386809) and is both directly accredited with lenders of aggregates via the Australian Finance Group Limited (AFG). AFG is the largest mortgage broking group in Australia. Each month thousands of families move into homes financed by an Authorised Credit Representative. The company's origins started back to 1994 with the establishment of a mortgage management company. Over the past 16 years we have provided borrowers with residential, commercial and property development finance in most areas of Australia.

The Mortgage Approval Company has access to every major residential, commercial and business bank lender in Australia, along with a wide range of leasing and personal finance lenders and deposit bond providers. We especially understand the real estate market, and have access to over 400 loans.

Our mortgage team has an excellent understanding of the competitive finance market and the right tools, processes, accounting practices, controls, and technology to assist you in finding the home or commercial property loan that is in your best interest.

The Mortgage Approval Company team are also bound to the highest ethical standards, and our own code of conduct.

Our commitment to you is the provision of first class service that meets your needs and exceeds your expectations, every time. Our aim is to make your home finance experience a good one.

Our internal requirement includes meeting quality objectives, pursuing continual improvement and monitoring customer satisfaction providing you with an assurance that your needs and expectations will be met.

#### **For more information on The Mortgage Approval Company**

Our New Home Finance Consultants are standing by to help you kick off your home search. They have the information you need to compare communities and floor plans across your area. Want to know what your commute will really be like? Curious if there's shopping nearby? Your dedicated Finance Consultant will have the answers that a local would know. Call 1300 MORTGAGE (1300 855 670) or 0418 998 696 or email [info@mortgageapproval.co](mailto:info@mortgageapproval.co)

## Associated Insurance Companies

The Mortgage Approval Company has agreements for the provision of competitive insurance products, convenient service, competitive rates and comprehensive coverage to customers in various states. Whether you need to insure your new home and contents or obtain mortgage protection insurance we will help you find the right policy. You can rest easy knowing we're there to help you.

Put The Mortgage Approval Company Insurance Specialist to work for you by calling 1300 855 670 or 0418 998 696 to discuss your insurance options.

## ASSOCIATED COMPANIES

### Australian Finance Group Ltd

Australian Finance Group (AFG) is one of Australia's leading financial services companies.

Established in 1994 as an aggregator – that is, a company which provides mortgage brokers with access to products and support – AFG is now one of the largest providers of mortgage broking services in the country, offering more than 650 financial products from Australia's leading lenders.

With more than 2,500 members nationally, AFG focuses on supporting motivated, high level performers: 30% of Australia's top 100 mortgage brokers are AFG members. Through our member network, AFG processes more than \$2 billion of mortgage finance every month, and manages more than \$50 billion in mortgage finance.

AFG has diversified well beyond mortgage aggregation and now offers commercial finance, insurance products, property development and AFG-branded and securitised products. These are evolving to become significant businesses in their own right.

AFG has achieved industry recognition, including the Aggregator of the Year Award from the Mortgage and Finance Association of Australia for 2006, 2007 and 2008. We take our responsibility as a corporate citizenship seriously and are involved in a wide range of partnering and sponsorship activities.