

General House and Land Tips



- When buying land and constructing, you only pay **stamp duty** on the land; not the whole house and land package.
- If you are an **investor**, there are excellent tax advantages to constructing a new home as opposed to buying an established one.
- If you're a **First Home Buyer** and you are planning to use the First Home Buyers Grant as part of your deposit, you will need to have a building contract signed to get your finance approved.
- **Building Contracts** take 2 - 10 weeks to complete.
- **Loans for construction** are more or less the same as loans for established houses except they are **funded in steps**. For example, you might start with a \$200,000 land loan which increases to \$230,000 once the slab has gone down, which increases to \$260,000 once the brickwork is done etc etc.
- You don't pay full loan repayments on a construction loan, **you only pay interest** on however much is funded. So, in the above example, your monthly interest repayments at 7% interest would be \$1,167 (\$200,000) and then increase to \$1,342 (\$230,000).
- If you are **worried** about how to pay rent or your existing home loan at the same time as the interest repayments mentioned above, a good broker can help:
 - You may be eligible for a loan where you only pay **\$50 per week**
 - You may be eligible for a **bridging loan** to help you upgrade from your existing home to your newly built one.

About Us



Unlike the name suggests, we don't skydive into appointments!

Brokers from Extreme Mortgages and Finance are a part of a team of Real Estate Professionals including settlement agents, property managers and real estate agents so the advice we give comes from a background of knowing all the ins and outs of property transactions.

We deal with over 40 different lenders including all the major banks so you not only get personalized service but you also get the best range of products.

What's more is you can enjoy special discounts and services from the other Extreme companies.

Contact

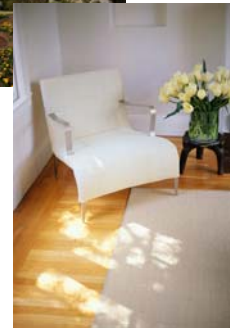


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Your Guide to Buying Land and Building



Essential tips for anyone considering building.



1: Narrow Your Choices

- Choice is a wonderful thing and Perth has so many great places to live! To avoid being overwhelmed with it and getting “**analysis paralysis**”, you’ll need to narrow your options.
- Deciding on one or a few general locations/suburbs is the first step. Consider your needs:
 - **Lifestyle** - What recreation facilities do you want/need to be near?
 - **Work** - How far are you willing to travel?
 - **Transport** - do you rely on public transport or access to particular main roads?
- There are two main ways you can buy land: through a **land development** or from a **Real Estate Agent**.
- Land developers usually release land in stages so find out when the **next release** will be and get a price list for land available now
- Even large developments have land being sold privately so visit local **real estate agents** to find out what is available.
- Keep a close eye on **prices** in the areas you are interested in. you can try signing up to free “email alerts” on www.realestate.com.au to help.

2: Secure Your Finance

- This really should be done around the same time as narrowing your choices because working out how much you can borrow will help **clarify** what you can buy.
- Make a budget to find out **how much you can afford** to put towards loan repayments each month or week.
- **Save** - depending which lender you go with, you’ll need to have 4% - 10% as a minimum **deposit**.
- Included in the loan deposit is any **deposit you provide the builder and land seller**. For example, if your total loan deposit is \$50,000, this would include roughly \$1,500 for the land (paid to seller when you make your offer) and \$1,500 for the builder (paid to builder when you commit to them).
- Speak with a broker to find out what your **borrowing capacity** is and get a **pre-approval** for the land AND construction (see general tips).
- Many land developments will not let you buy land without a **pre-approval**.
- Your finance broker should also be able to recommend you a **settlement agent** (someone who sorts out all the legal stuff) so you are ready to make your offer on the land.



3: Secure Land

- Speak to the land sales office about making an offer on the lot of land you like.
- Find out what is included in the land price - there may be fencing, landscaping etc included.
- Find out if a condition of purchase is having to build within a certain timeframe.
- Find out when the certificate of title is going to be issued because this will affect the commencement date of construction

4: Secure a Builder

- Using your budget as a guide, decide what size house you want to build and find out which builders specialize in it.
- Find out what is included in the building contract that you are quoted (eg, site works, floor coverings, window treatments etc)
- After committing to a builder they will finalise the **Fixed Price Building Contract**. A copy needs to be provided to your broker for finance approval.
- Construction usually takes **9-12 months** after titles are issued.

5: Watch Your Dream Become a Reality!