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Useful Information

We've put together some useful information and links to help you make the right decisions when building or buying your own home.

To Buy or Build?

There are pros and cons for buying an established home or building a new one. In considering which is for you, keep in mind that both have associated costs on top of the upfront cost of the house and land.

Most of the cost of buying an established home are associated with borrowing the money and real estate fees. They include your agent's fees and settlement agent's costs.

With building, things like site preparation and landscaping costs may be charged on top of the house and land, and can add significantly to the final outlay.

Consider these tips:

- Carefully research all associated costs before deciding to build or buy
- Shop around for a loan. Consider using a mortgage broker to help you pick the very best loan for your purpose. Generally, using a broker should come at no cost to the borrower - the broker's fees are paid by the lender
- Remember that as interest rates rise, so too do your repayments - unless you choose a fixed loan option.

Visit the [Department of Commerce website](#) for useful information on buying a house or land.

Tips For Purchasing Land

LOCATION

Most vacant land is in subdivisions, either on the outskirts of towns and cities, or in revamped inner suburbs.

Choose the location that suits your lifestyle, ensure you have good access to transport and the things that may be important to your lifestyle, like proximity to parks and shops.

BLOCK

If the block you choose is in a remote location, severely sloped, odd-shaped or difficult to access, this could add to the cost of building on it.

Choose carefully or pay the cost.

DEVELOPER

Do some research on the developer and the development.

What does the developer have in mind for the area? For instance, schools and shopping areas.





Building Advice

You've got your land and you're ready to look for a home to go on it. The [Department of Commerce](#) offers two golden rules in this situation: don't sign anything with a builder until you've read the fine print, and confirm everything important in writing and keep a copy.

DISPLAY HOMES

- Select the builders that build homes within your price range and take a wander through their display homes
- Look beyond the beautiful furnishings and pay attention to the quality of the finish and workmanship
- Get feedback from former clients to tell you what it's like dealing with the builder and the quality of workmanship
- Clarify what the contract includes. For example does the cost include landscaping, paths and driveways, fencing, garden taps, flyscreens and floor tiling?
- Read the Building Commission's checklist for building a new home for a list of possible add-ons
- Check the builder's licence with the relevant licensing authority to ensure there are no claims against the builder.

DESIGN

- Make sure the home design you choose suits the block of land
- Check and okay all reports and changes to plans and specifications before building begins - changes along the way will cost you money
- Stay informed during the building process.

QUOTES

- To get the best price, start with at least three written quotes
- To make sure the builder will comply with industry standards and practices, ensure they are a member of relevant professional organisations like the Master Builders' Association or the Housing Industry Association.

CONTRACT

- If you use a standard contract from government and industry bodies, have it checked by your solicitor to ensure it meets your needs.

PROGRESS PAYMENTS

- You may be required to pay your builder a deposit and then progress payments along the way. There are loans specially tailored for making progress payments.

USEFUL LINKS

- Read the Building Commission's [comprehensive checklist](#) to building your new home.
- Visit the [Housing Industry Association](#) website to find a tradesman or for advice on building and renovating
- Check you builder's licence at the [WA Builders' Registration Board](#).





Buying Advice

So you've decided to buy. There are a number of things to consider to ensure you make the right choice.

THINK ABOUT YOUR LIFESTYLE

How you live day-to-day, your plans for the future and your budget will determine the home you buy.

Will you need more or less room in the future? Is it important that you live close to family, work, parks, cafes and other recreational facilities?

Consider how far you are prepared to live from schools and shops and if there is good access to transport.

HOW MUCH CAN YOU AFFORD TO REPAY?

Saving as much as you can for your deposit will reduce the amount of interest you have to pay.

When working out your loan, figure out your expenses now, work out your potential

mortgage repayments and associated costs (like council rates and water rates) and look realistically at whether your pay cheque can cover it all comfortably.

Know exactly what your repayments and associated costs will be before plunging in.

HAVE REALISTIC EXPECTATIONS

Just getting into the housing market is a great step, so don't worry if you can't afford your dream home the first time you buy. Very few people buy just one home in their lifetime.

RESEARCH THE PROPERTY AND SURROUNDS BEFORE MAKING AN OFFER

How much did the home sell for last time it sold?

What alterations have been made? What's the zoning of the land?

Check with the council to see if there are any major developments planned in the vicinity, like a highway or shopping centre that could impact on your enjoyment and the value of the property.

Keep an eye on the local papers to get a feel for the issues in the area.

The [Real Estate website](#) has useful information on buying property.

Fees and Charges for Buying or Building

Duties are payable when real estate is transferred from one owner to another. They include Transfer Duty and the tax formerly known as Stamp Duty. The amount you pay depends on the cost of the house or land you have purchased.

It's well worth remembering that laws in Western Australia do not require that credit contracts with a lender have a cooling off period. It means you can't get out of a credit contract if you change your mind, so be sure you've read, understood and accepted the terms.

Other fees may include;

A LOAN ESTABLISHMENT FEE

A one-off fee imposed by the lending bank or financial institution to 'set-up' the loan.

INCOME PROTECTION INSURANCE

A policy to help you pay your mortgage if you are unable to work through illness or retrenchment.

VALUATION FEES

Apply to buying an established property where you need a valuation on the property from a licensed valuer. Other fees for professional service may include building inspections, lawyers and settlement agents.

MORTGAGE INSURANCE

The lender may require you to pay this particularly if you are borrowing more than 80 percent of the value of the property. It is designed to protect the lender if you can't repay the loan.

HOME INDEMNITY INSURANCE

This insurance applies if you employ a builder and it is included in the contract. The builder is responsible for taking out home indemnity insurance on behalf of the home owner.





Planning Your Move

Now that you've purchased or built your new home you may think that all the hard work is done.

Think again; moving house is one of the most challenging things we do in our lives, up there with starting a new job. This is understandable considering you not only need to physically move everything you own to a new location but you also need to set up essential services like power and water.

Your real estate agent, [Australia Post](#) and the [Keystart website](#) all have information on moving house.

Without exception, planning is the key to a successful move. Consider the following tips:

- Book the removalist well in advance
- Give your current landlord plenty of notice
- Apply for some time off work if you think you'll need it
- As your mail comes in, add the sender to the list of people and organisations that you'll need to notify of your change of address.

You can notify some organisations of your move using their website and an online change-of-address form. For others, print up a proforma notification with all the household members' names, old address, new address and new phone numbers, and just pop one in an envelope (remembering to sign it) to the relevant organisation as it is needed.

Most importantly, remember to change your address with Motor Vehicle Licensing (you can do this online) or your car registration and driver's licence could lapse.

Community Information

USEFUL LINKS

SCHOOLS

Department of Education:

- [Online directory](#) of public schools
- List of [school term dates](#)
- [Public holidays](#) in Western Australia

RECREATION

Department of Sport and Recreation:

- [Find a sport or recreation club](#)
- [Find your nearest sport or recreational facility](#)

TRANSPORT

Transperth:

- [Journey Planner](#)

QUICK LINKS

[Keystart Home Loans](#)

[The Real Estate Institute of Western Australia \(REIWA\)](#)

[Office of State Revenue](#)

