



*Why calling your broker **BEFORE** you list your property for sale will save you lots of headaches and stress!*

Getting a clear idea of your financial situation and arranging finance ahead of time can save you unnecessary headaches later on and let you focus your energies on house hunting.

In a market of greater credit history scrutiny, it is now even more important to have your financial situation fully assessed **before placing your home on the market**. Lenders' servicing criteria, although more flexible than early post GFC days, still have strong boundaries and the uncertainty of how long the booming property market will continue makes it more important to drop the assumption that you will be able to afford the property you want.

If your home is realistically priced, you should expect to sell quickly. So be mindful - when you sign a contract to sell your home **it is legally binding**.

If you leave it too late to organise finance pre approval, or you don't have approval for your maximum borrowing capacity, you could find yourself in a dilemma during a pressurised auction without the full confidence that you can exchange on that contract.

Before determining your borrowing capacity it is important to understand all the financial impacts during the sale of your existing home and the purchase of a new home.

So what should you do before you list your home for sale?

Obtain a realistic estimate of the value of your current home

Organise market appraisals from 3 or 4 agents with the most listings of similar properties within your local area or invest in a property valuation. Plan for the reality that the actual sale price of your home may be higher or lower than you expect.

Estimate your costs to sell

Costs may include:

- agent's fees
- advertising
- solicitor/conveyancer
- property adjustments
- surveys/inspections etc

These all add to the cost of moving home. Shop around to get the most cost effective service providers and ask us to help you calculate your net price (after costs).

Understand your existing mortgage payout and any associated break costs

Though there are typically no exit fees on variable rate mortgages, you should ensure there are no hidden costs or break fees for your particular loan, eg for a fixed loan or a loan settled prior to the agreed exit date.

Determine the cost of making necessary repairs

Fixing outstanding maintenance items will help improve the value of your home and avoid buyers discounting the purchase price.



'It is prudent to do your finance calculations on the lowest selling price.'

Estimate the costs to buy a new home. In addition to your deposit and stamp duty, other expenses may include:

- loan application fees
- transfer and mortgage stamp duties
- valuation and lender's legal fees
- building/council and pest inspections
- home and contents insurance
- adjustments for council and water rates
- removalist expenses
- utility connections

Start looking at prospective homes

Provide us with the maximum purchase price for the type of home you would like.

Arrange finance pre approval

Your pre approval to purchase your new home should be based on all of the calculations above. As your lending specialist we can assist you with this whole process.

If you believe bridging finance will be required please discuss this with us.

Your solicitor can also help smooth the transition to your new home. It's worth touching base with your solicitor before you finalise your sale and purchase contracts to include specific clauses to suit your needs such as:

- simultaneous settlement (same day, most likely an hour or two apart)
- extension of settlement date on your current home to allow you more time to find a new home
- early access to the home you are purchasing

Please call our office today and let us help you to make sure you have all the right information.

Before you call in the removalists make sure you contact us for our handy 'Moving checklist'.