

# 12 Buying housing – a chapter for everybody

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*The Australian heritage is having a home of your own. Along with the right to vote, the shorter working week, more holidays, opportunities for our kids and increased wages, owning the family home is part of the national makeup. Nobody in their right mind wants to rent for the rest of their life. It's un-Australian. We're a nation of home buyers.*

This chapter is for everybody. Although written for those buying a suburban house, it illustrates what you should look for, and what checks you might make, if you are buying other kinds of housing. When looking at terraces, townhouses, villas, units, apartments, or retirement housing, keep this chapter's checklists in mind, while you read the chapters specific to those types of housing.

### LOOKING, LOOKING AND LOOKING

The art of buying housing requires you to know the lower limits of what you will be satisfied with, pursuing every possibility like a bloodhound until it turns out to be a false scent, expecting most of the marketplace to be filled with overpriced, badly-designed, poorly-sited and ugly houses you wouldn't be seen dead in, and the patience of a saint dealing with a long string of agents, sellers, auctioneers, financiers, solicitors, property valuers, termite inspectors, 'world without end'. Or, that's at least what it can seem like some of the time.

It is a contentious mixture of false expectations, raised hopes, overpriced bargains, endless Saturdays, and anxious negotiations.

Is there an easier way? Yes and no.

### BE PREPARED

You can prepare. The better prepared you are, the easier the search through the marketplace.

You can't change the system. The residential real estate market is affected by changes in interest rates, availability of land for new houses, supply of home loans, home units and townhouses, the stage of the demand-supply cycle, interests of speculators, supply of second-income jobs, buyer confidence, and the general economic climate.

If you're looking when one, or all, of these factors limits the marketplace, or overheats and overprices it, your choices may be reduced. The better prepared you are the easier it is to take advantage of the choices available.

### YOUR OWN CHECKLIST

Some steps you can take to protect your interests and reduce your efforts, are:

- Decide where you want to live. (Review Chapter 2.)
- Decide what accommodation you want. (Review Chapter 10, Step 1.)
- Decide in what environment you will be most comfortable. (Review Chapter 3.)
- Decide what matters most about the block of land. (Review Chapter 6 and Chapter 10, Step 3.)
- Decide how much you can really afford to spend. (Talk to your bank manager and review Chapter 1.)
- Learn about the pitfalls of various types of property purchases such as private sales, real estate sales or auctions. (Talk to your solicitor and/or bank manager, and have them give you a list of do's and don'ts.)
- Decide your priorities, what really matters, what would be nice, and what you won't miss, if you don't find it. Also do it the other way round. What you really don't want, what you could live with if you really had to, and what doesn't matter.
- Write it all down in a notebook. Make a list of headings and notes to carry with you during all inspections and discussions.
- Get the basic requirements typed or written up, copied, with your name, home and work telephone numbers, and give a copy to the real estate agents. It will tell them you're really serious and give them a clear picture to work from. In other words, prepare a statement of your needs for them to use in searching the market place. Remember, they want to make the sale with the least time and effort. By making their job easier and clearer, you're likely to get better service. By putting it down in writing they will also be able to tell you whether the current state of the marketplace is likely to satisfy your needs. The description could look like this:

Joseph and Jane Roberts

Work telephone: 9929-5732

Home telephone: 9638-7272

Preferred suburbs: .....

Preferred purchased price: \$70 000-\$80 000

Absolute upper price limit: \$85 000

Have to sell present house to buy new house.

Looking to sell present house at \$60 000

Preferred accommodation:

Living room	6.0 x 3.5 metres
Family room	5.0 x 3.5 metres
Kitchen	3.5 x 2.7 metres
Bedroom with built-ins	4.5 x 3.5 metres
Bedrooms 2 & 3	3.5 x 2.7 metres
Main bathroom	2.7 x 2.0 metres
Ensuite bathroom	2.7 x 1.2 metres
Laundry	2.7 x 1.8 metres
Double garage	6.0 x 6.0 metres
Large verandah	5.0 x 2.5 metres

Street running east-west, property on north side of street, with large sunny backyard for two small children to play in. Large enough to permit construction of future 8 x 4.5 metre swimming pool. Prepared to renovate kitchen and bathroom, and add ensuite bathroom if necessary.

Not prepared to undertake rewiring or structural repairs.

Family room to open onto backyard and face north.

Prefer 1960s style of house, with long low roof, wide eaves, and wide verandah.

### BEING AN INFORMED BUYER

The first step in becoming an informed buyer is knowing what you want. The second step is discovering whether the marketplace is capable of supplying what you want, and if not, finding out where you have to make adjustments. The third step is checking out the quality of the products for sale.

### THE MARKETPLACE

By working through Chapter 2 you will already have some sense of the marketplace. But just as you can only find out what the water is like by diving in, you can only get to know the real marketplace by talking to real estate agents, looking at their advertisements, reading the real-estate sections of newspapers, and inspecting properties.

Make a list of agents operating over the area you are interested in, telephone them, find out from the office manager who specialises in the type of property you're interested in, and make an appointment to meet them.

Remember, in spite of whether the market demand-supply cycle is up or down, it's always a buyer's market. No buyer, no sale.

Also, each real estate agent is competing against every other agent. They are there to make the quickest sale. What you have to do is balance the time spent checking out every likely prospect, against the time needed to check out the prospects which might really satisfy you. It becomes a question of balancing time spent scouting versus time spent investigating. It also partly depends on how much of a hurry you're in, and how many other buyers are in the marketplace.

Luck or coincidence is also part of the game. The very first property you see may be the right one. But then you'll only know it if you are well-prepared, and trust your preparation and judgement.

However, you may have to look at 50 or 100 houses before the right one turns up.

Remember, you have to live with the choice, and once you get into the purchase process, it can be expensive or frustrating to get out of it.

### INSPECTING THE PROPERTY

The first rule of inspecting any property is taking your time and absorbing the details.

Remember, you may be looking at six or eight in an afternoon. Try not to be pressured by the agent or owner. Ask for the opportunity just to wander around a bit on your own.

Try not to be embarrassed because you are invading a stranger's privacy. They want you there, or otherwise the house wouldn't be up for sale.

### IMMEDIATE THINGS TO CHECK

- Does it have the rooms you want, where you want them, and are they the right size?
- Does the orientation of the block, and house, to the sun, summer breezes, winter winds, views, backyard, privacy from the street, and neighbours meet your criteria?
- Can the children come in and out easily, store their things, play when it is wet under shelter and be seen playing outdoors?
- Can you get your furniture in, and does the style of the house suit you?
- Are there cracks around tops of windows or doors, under window sills, on walls, or where down pipes enter the ground? If so, there may be settlement taking place.

- If it's a timber floor, is it bouncy when you walk over it? If so, it may need packing.
- Do doors and windows open and close easily, and fit tightly when they are shut?
- Is there mould growing on ceilings? This may be a sign of condensation problems or a leaking roof.
- Is there moss growing on outside walls around the foundation level? This may indicate drainage problems.
- Do the ceilings look level, and are the ridges and eaves straight?
- If it's a tile roof, is the cement along the ridge tiles unbroken and uncracked? If not, it can be a source of leaks.
- Are there water stains on walls? This can be a sign of a leaking roof, or possibly a leaking water heater.
- Turn on the taps. Is the water pressure strong, and how long does the hot water take to heat up? Have a look at the water heater, and check the label for capacity. Is it the size you need?
- Are there enough light and power points, or will you have to add some. How old do the switch and power point plates look? You may have to rewire.
- Can you live with the carpet, paint colours or wallpaper?
- Will you have to redo the kitchen, bathrooms and laundry?
- In what condition are the fences, driveways, paths, steps, and garden?

The list could go on for a long time, but the above questions can be checked out in a 10-15 minute inspection, and tell you quite a lot about the condition of the building, and whether it meets your accommodation needs. The list is not exhaustive, and if you are seriously interested in the property you will want to have a second look, and may want the property checked out professionally before you commit yourself.

### THE SECOND LOOK AND PROFESSIONAL INSPECTIONS

If, after first inspection, the house appeals, go back a second time with the intention of spending at least an hour poking about.

Take a tape and measure the room sizes if it's important to fit in certain furniture arrangements. Judging by the eye is asking for mistakes.

Take photographs so you have a record at home.

Chat to the owner about neighbours, traffic noise, drainage when it rains torrentially, potential flooding, winter winds, summer afternoon sun, the plants in the garden, storage, what work or alterations they've done, how long they have lived there, what the previous owner did to the house, when it was built, rewired,

re-plumbed, repainted? Ask whatever you want to know. You're going to have to live with the answers whether you hear them now or discover them after you move in.

Should your child's safety in your future home be of importance, contact the Child Accident Prevention Foundation of Australia in your State (see Chapter 20) for a checklist of safety features you should look for.

If this time round the good impressions of the first inspection are reinforced, and the house goes somewhere near meeting your priorities and needs, then it's time to have it professionally inspected.

The Royal Australian Institute of Architects' Residential Property Inspection Service will carry out an inspection using a comprehensive checklist, and provide you with a written report for a comparatively small fee. In some areas there are builders who also specialise in providing a similar service.

They will cover the questions listed above and many more. The inspection will be completed within a few days of ordering it, and the report can usually be in your hands a day or two after the architect or builder inspects the property. With your own checklist of requirements and needs prepared before you started looking, and the inspection report, you are as well prepared as is reasonable to decide whether or not to buy.

If you do buy, you'll have a pretty fair idea of what you are getting yourself into, and the satisfaction of knowing that you went about it sensibly and methodically.

From now on you're in the hands of your solicitor or agent.