



| An overview of purchasing a home

Homeownership is a major life goal for most people and there's a reason why the residential property market continues to attract many first-time buyers every year, this is because of the social and psychological benefits of owning a home. Homeownership creates long term savings and wealth because property prices generally grow over the long term, so as people repay their home loans, they grow their savings and when property prices increase, they generate even higher returns. The "social imperative" of owning a home encourages homeowners to take a greater interest in their neighbourhoods and communities and therefore participate in the joint activities to protect and improve their communities.

There are different types of homeownership, so when choosing a home suitable for your needs or family make sure you understand the difference between "freehold," "sectional title" and "share-block" developments:

- Freehold or full title describes the transfer of full ownership rights when you own a property, which includes the building and the land it is built on. These kinds of properties include free-standing houses, cluster house etc.
- Sectional title describes separate ownership of units or sections within a complex or development. When you buy into a sectional title complex, you purchase a section or sections and an undivided share of the common property. These are collectively known as units. Sectional title dwellings comprise of mini sub-type houses, semi-detached houses, townhouses, flats or apartments and duet houses. Before buying sectional title property, read the body corporate rules.
- In a share-block the property is owned by a company and each flat is allocated several shares in the company. Very few credit providers will bond share-block flats, and those that do

normally require a hefty cash deposit and will often charge a higher lending rate than they would for a sectional title flat.

Homeownership can be a complex process however by understanding the key role players involved in becoming a homeowner can better prepare you. Some of the key role players are:

- **Estate agents:** the seller usually appoints an estate agent to market and sell their property on their behalf at an agreed fee, which is generally calculated as a percentage of the sales price. An estate agent is usually an area expert with a good track record. They are responsible for the listing of the property on various property portals and arranging a range of marketing activities to attract the right buyer. They also facilitate and negotiate a sale between the seller and buyer to both of their satisfaction. Thereafter, they will manage and monitor the transfer process, from bond application right through to transfer. Though not common, a buyer can also appoint an estate agent to look for a home for them.
- **Home loan provider:** a financial institution that enables you to fund the purchase of your new home by providing a loan that covers most and sometimes the whole purchase price. Each home loan provider has different lending criteria and service levels, so there are benefits to shopping around for the best deal.
- **Attorneys:** the conveyancing attorney is appointed by the seller and is responsible for the transfer the ownership of the property from seller to buyer. The bond attorney is appointed by the home loan provider and is responsible for registering the "new" bond or cancelling an existing bond upon full settlement.