

# **THE ULTIMATE GUIDE TO BUYING YOUR DREAM HOME**



**By: Grace Johnson**

## **Abstract**

Buying a house is always a great feeling and we work hard to achieve this dream. So, if you are all set to buy a new house in Sunshine Coast, then this guide can help you with the best. From arranging the funds to finding the best location for your house, there are a lot of things that you must consider when you are all set for your new house. Here we are explaining everything that you must know about when you are preparing to buy your first home in Australia.



### **1. Introduction**

Homeownership is still a dream for many people around the Sunshine Coast, but it can quickly become a nightmare if you miscalculate your purchase and don't make a smart financial plan. First-time buyers, in particular, have a lot of wants, often more than they can handle. They must make sure that the house they purchase is affordable by considering more than just the monthly mortgage payment. Here we are with a complete guide that will help you in making the right decision when you are planning to buy a new house.

### **2. Choose The Right Neighborhood**

When buying a home, finding the right neighborhood is arguably as important as finding the right home. And a good neighborhood depends on more than just friendly neighbors —

you'll want to look at various factors that will affect your living costs and your overall happiness.

Here are seven major factors that can help you narrow down your location search.

## 1. Budget



Before you start shopping for homes, figure out how much house you can afford. Consider how much you could put toward a down payment while still having money left in savings. Then think about how much you can reasonably pay each month toward your mortgage.

"The worst mistake, in my opinion, is working to keep your house," Carolyn Morganbesser, Senior Manager of Mortgage Originations at Affinity Federal Credit Union, told Insider. "There's no room for the movies or to go out to dinner, because your mortgage payment is higher than you anticipated."

Once you've figured out your budget, you can start thinking about home locations.

Your budget can help you decide whether you want to live in the city or pay less to live in a suburb. You'll also find that some neighborhoods are more expensive than others. The trick is finding the balance between an area that's in your price range and is an area where you would enjoy living.

## 2. Convenience

Ask yourself how important it is to be close to places like your office or school. The difference between a 10-minute commute and a 30-minute commute can have a huge impact on your daily life.

What else do you want to be nearby? Think about restaurants, outdoor attractions, and doctors' offices. Be honest with yourself about what you want and how important convenience is to you.

Just know that proximity to in-demand places like cafes, restaurants, and nightlife could drive up the price of a home.

### **3. The future**

Think about how long you plan to stay in this home and how the location will affect what you'll need later in life.

Is this going to be your forever home? Then you might care about living in a neighborhood with cool bars and restaurants now. But ask yourself if you'll still care about nightlife in five, 10, or 20 years. (And there's nothing wrong with the answer being "yes".)

You can't predict what your lifestyle or the neighborhood will be like decades down the road. But thinking ahead can help you find an area that will be a good fit for years, not just the next year or two.

### **4. Transportation**



If you have a car, compare nearby gas prices to the cost of fuel around the city. If it's significantly higher or lower than in other places, the cost could affect your budget over the years.

Find out where the closest bus, train, or subway stops are if you use public transportation. Then talk to people in the area or search online for how reliable the public transit is.

## **5. Schools**

Your address dictates which public school your child will attend. If you have kids (or plan to have school-aged kids while in this house), find out which schools they would go to. You may feel good about living in that neighborhood if you're happy with the schools.

Don't forget to think about the future of your kids' schooling. If you have a child in elementary school, you should also look at the local middle and high schools.

## **6. Crime statistics**

Learning more about crime in the area can help you decide whether you'll feel safe living there.



AreaVibes is a useful resource for learning more about the crime rates in your zip code. See how the area's crime statistics compare to the rest of the state. AreaVibes also categorizes how much of reported crime falls under either violent crime or property crime, then breaks it down into smaller categories such as assault, burglary, and vehicle theft.

## **7. Appearance**

You probably care about how your home looks on both the inside and outside. It also might matter how other homes in your neighborhood look.

If neighborhood maintenance is important to you, you might want to move into an area with a homeowner's association. HOAs have guidelines for keeping homes in good condition and act as moderators should you have a problem with a neighbor.

You will have to pay HOA fees, though, and each HOA works differently. Before moving into a neighborhood with an HOA, find out what it covers and how much you'll pay.

### **3. Set a Budget for Buying Your First Home**



When it comes to homebuying, everyone knows the critical rule: Don't purchase more house than you can afford in Sunshine Coast. Budgeting for a home can be done. But what constitutes "affordable" will differ from one buyer to the next. As of the fourth quarter of 2021, the median sales price for a new home was nearly \$361,700, which means that some folks pay a lot more than that, and others a lot less.

Wherever you fall on the spectrum, a home will probably be one of the most significant single purchases you'll ever make. However, figuring out the sweet spot of affordability requires more than getting a pre-approval letter from a mortgage lender.

First-time buyers tend to shop on the amount a lender is willing to advance them, not considering other expenses. This can set them up for financial hardship and even a potential foreclosure if they can't afford the monthly payment.

## The 28% Rule Can Get You Started

One of the easiest ways to calculate your homebuying budget is the 28% rule, which dictates that your mortgage shouldn't be more than 28% of your gross income each month. The Federal Housing Administration (FHA) is a bit more generous, allowing consumers to spend as much as 31% of their gross income on a mortgage. But don't forget that if you have other debts, you must consider them in addition to the mortgage payment to determine how much you can genuinely afford.

Mortgage lenders look at a prospective borrower's debt-to-income ratio when determining if they will lend money. Let's say your monthly mortgage payment is \$1,000 a month, and your other expenses are \$1,000, so overall, your monthly financial obligations come to \$2,000. Now let's say you have a gross monthly income of \$6,000, which puts your debt-to-income ratio at 33%, which may be too high.

## Homeowning Expenses Beyond the Mortgage



Getting preapproved for a home loan is an essential first step in the homebuying process, but it is only one consideration. A mortgage isn't the only recurring expense: homeownership comes with many other ongoing costs, which buyers need to anticipate. These include homeowners' insurance, utilities, repairs, and maintenance costs. Maintenance alone can add up: The lawn needs to be cut, the snow must be shoveled, and the leaves raked. Buyers also need to consider property taxes.

These expenses can add significantly to your monthly outlays, making a home that seemed affordable on paper pricey in reality. So you should include all of these costs and other

regular expenses when determining how much home you can afford. A \$1,500-per-month mortgage payment may be palatable, but add \$1,500 in monthly expenses, and suddenly your obligations have doubled.

### **Your Down Payment Should Dictate the Purchase**

Generally, lenders want homebuyers to pay at least 20% of the purchase price in cash. If they can only make a down payment below that amount, they can still get a mortgage but often must also shoulder the extra expense of private mortgage insurance (PMI).

Paying PMI means their monthly mortgage payment will go up by anywhere from 0.5% to 1% of the loan amount.

How much you pay in PMI will depend on the size of the home, your credit score, and the potential for the property to appreciate, among other things. If you can't swing \$60,000 down on a \$300,000 home, shoot for at least 10%. The more down payment, the less interest you'll pay over the life of the loan, and the smaller your monthly mortgage payment will be, even if you are hit with mortgage insurance.

The amount you saved for the down payment should also influence the house you buy in Sunshine Coast. If you have enough to put 20% on one home but 10% on another, the cheaper home will give you more bang for your buck.

Buyers also need to set aside closing costs, which can amount to between 2% and 5% of the purchase price, depending on which state you live in.

If you purchase a \$200,000 home, you could pay between \$4,000 and \$10,000 in closing costs alone. The less you have to finance the loan, the lower interest you will pay over the life of the loan, and the sooner you'll see a return on your investment.

### **Choose a Property You Can Handle**





When considering the affordability of a home, first-time buyers need to consider the condition and size of the property. After all, large isn't always good, especially if heating and cooling break your budget. A quaint home sitting atop a picturesque hill may be a dream come true, but shoveling that long, steep driveway during the winter months could be a costly nightmare. So could that 3,000-square-foot fixer-upper, which seems super cheap until you realize that you need to renovate every room in the house in Sunshine Coast.

Look at utility bills for the properties you're considering—and have a construction expert estimate what fixing it up could cost. If you're planning to do it mostly yourself, be realistic about what you can handle, both in skill sets and time.

### **How Much Home Can I Afford?**

A good rule of thumb for how much home you can afford, one way is to calculate your homebuying budget is the 28% rule. This rule states that your mortgage should not cost you more than 28% of your gross earnings each month.

### **What Is the Amount of Down Payment I Need?**

How much down payment you need to spend depends on a few factors, including what the seller will accept. A conventional mortgage usually calls for 20% of the selling price down but an FHA home loan, only calls for the buyer to spend 3.5% of the purchase price.

### **What Is the 28% Rule?**



The 28% rule is a common "rule of thumb" for how much money you can afford to spend on a monthly mortgage payment. This recommendation is you should not spend more than 28%

of your gross monthly salary. This rule isn't always right for every home buyer. For example, the Federal Housing Administration (FHA) recommends consumers can use as much as 31% of their gross income on a mortgage.

### **What Does House Rich But Cash Poor Mean?**

When you are "house rich but cash poor," it means you have more equity in your home than cash in your bank accounts. In these cases, most of your money is tied up in your home versus accessible liquid assets. If you need to access cash quickly, you may not be able to if all of your money was invested in your home. However, if you have a lot of home equity, you can access it with an equity line of credit or home equity loan.

## **4. Things You Absolutely Need To Know About Buying A Home**



Ready to buy a home? Buying a home is one of the most significant financial decisions you'll make in your lifetime. From figuring out pricing to why you should consider a realtor, here are 10 Things You Absolutely Need To Know About Buying A Home:

**1. Use a trusted realtor.** We all know that realtors get a cut of the sales price of a home which makes some buyers hesitant to use a realtor: they believe it drives up the overall cost. That means that you're not saving money. A savvy realtor who works for you can protect your interests and guide you through the buying process - from negotiating a price to navigating home inspections.

**2. Remember that a house purchase involves a contract.** When you're buying a house in Sunshine Coast, there are papers to sign. And more papers to sign. Many of those papers - which are actually contracts - look like "standard" home buying contracts with no room for negotiation. That isn't true. Contracts are meant to be negotiated. You don't have to sign a standard agreement. If you want more time to review your inspection, wish to waive a radon

test or want to make a purchase subject to a mortgage approval, you can make that part of the deal. That's where a savvy realtor can help. See again #1.

**3. Don't necessarily buy for the life you have today.** Chances are that buying a house will be one of the bigger financial commitments you'll make in your lifetime. Before you agree to buy what you think might be your dream house in Sunshine Coast, consider your long-term plans. Are you planning on staying at your current job? Getting married? Having kids? Depending on the market and the terms of your mortgage, you may not actually pay down any real equity for between five and seven years: if you aren't sure that your house will be the house for you in a few years, you may want to keep looking.

**4. Think about commitment.** I'm not talking just about your mortgage. When you get married, the laws of your state generally determine how your assets are treated - and ultimately how they're distributed at divorce. The same rules don't necessarily apply when you're not married. That means you need to think long term. When you buy a house in Sunshine Coast with your significant other who is not your spouse, make sure you have an exit plan if things don't go the way you hope. It's a good idea to have an agreement in place with respect to titling, mortgage payments and liability, repairs and the like: it's best to get it in writing (and yes, I'd recommend getting a lawyer).

**5. Look beyond paint.** It's often the case that your dream house has that one room that you're already fantasizing about changing. Willmes says to remember that it's fairly inexpensive to fix cosmetic issues (a bit of paint or some wallpaper) but making changes to kitchens and baths can be expensive. She says, "People tend to focus on the cost of cabinets, appliances and counters but sometimes forget about the cost of labor which can double to triple the cost." That doesn't mean that you should give up on a house in need of a significant fix but you should factor in those costs when determining whether you can afford to buy.

**6. Buy the house you know that you can afford.** This can be different from the price that your mortgage company believes that you can afford. When my husband and I bought our first house in Sunshine Coast, we were approved for a mortgage of about three times more than we ultimately ended up spending. Fresh out of law school and working for established firms, our finances looked good on paper. But we dialed back our expectations because we weren't convinced that our income and expenses would remain at those levels.

**7. Don't fixate on the purchase price.** The purchase price is just one piece of owning a house: be sure to consider all of the costs associated with your potential new home. That includes the cost of insurance, homeowner association fees and real estate taxes - depending on where you live, those can quickly add up. And it's not just home improvements that can cost money: maintenance costs dollars, too.

**8. Consider your student loan debt.** Following the housing crisis, lending laws tightened. Student debt isn't merely an annoyance: it's treated like real debt. Jason Griesser, a licensed Prospect Mortgage Branch Manager explains that a major revision to FHA guidelines in 2015 negatively affects many first-time homebuyers with student loan debt.

**9. Don't get carried away by the home mortgage interest deduction.** Many taxpayers are tempted to buy more house than they can afford by figuring that they'll save enough with the home mortgage interest deduction to make up for it. The mortgage interest deduction is only deductible if you itemize on your Schedule A: only about 1/3 of taxpayers claim the itemized deduction.

**10. You don't have to buy a house.** There's no rule that says you have to buy a house in Sunshine Coast by the time you're 35 - or ever. Buying a home is a big decision and while it can be a sound financial investment, it's not for everyone. There is a lot to consider, including the housing market, interest rates, timing and your future plans. You might want more flexibility or mobility, or your career and family plans may be in flux.

## 5. Property Inspections: A Must-Have Tool For Home Buyers



Buying a home can turn from an emotional thrill into a painful financial lesson if potential problems are not picked up early.

That's why building inspections are a must-do step in your home-buying process.

The Queensland Government recommends arranging property inspections before you start negotiating.

The Queensland Government Guide to Property Inspections states buyers who do not arrange inspections early can still get them done before settlement day, but will need to write terms into the contract to allow for a sale cancellation if the inspection reports are poor.

"When getting an inspection, find out exactly what the report covers and what it doesn't cover, the Guide also advises."

There are different types of property inspections. They include:

### **Building and pest inspections**



The aim of a building inspection is to discover deficiencies in new or existing buildings.

Inspectors should examine all parts of a property, including the roof space and gardens where trees and shrubs may lead to problems. They will check for structural damage such as cracking, movement and dampness, and issues such as poor plumbing or corrosion.

A timber pest inspection will alert you to any evidence of pests in and around the property. It should check for termites and other wood destroying insects, plus fungal organisms that could cause timber rot.

Buyers can pay for building and pest inspections separately, but most inspection businesses offer combined building and pest inspections.

The Queensland Government says buyers should ensure that inspectors have a current licence from the Queensland Building and Construction Commission.

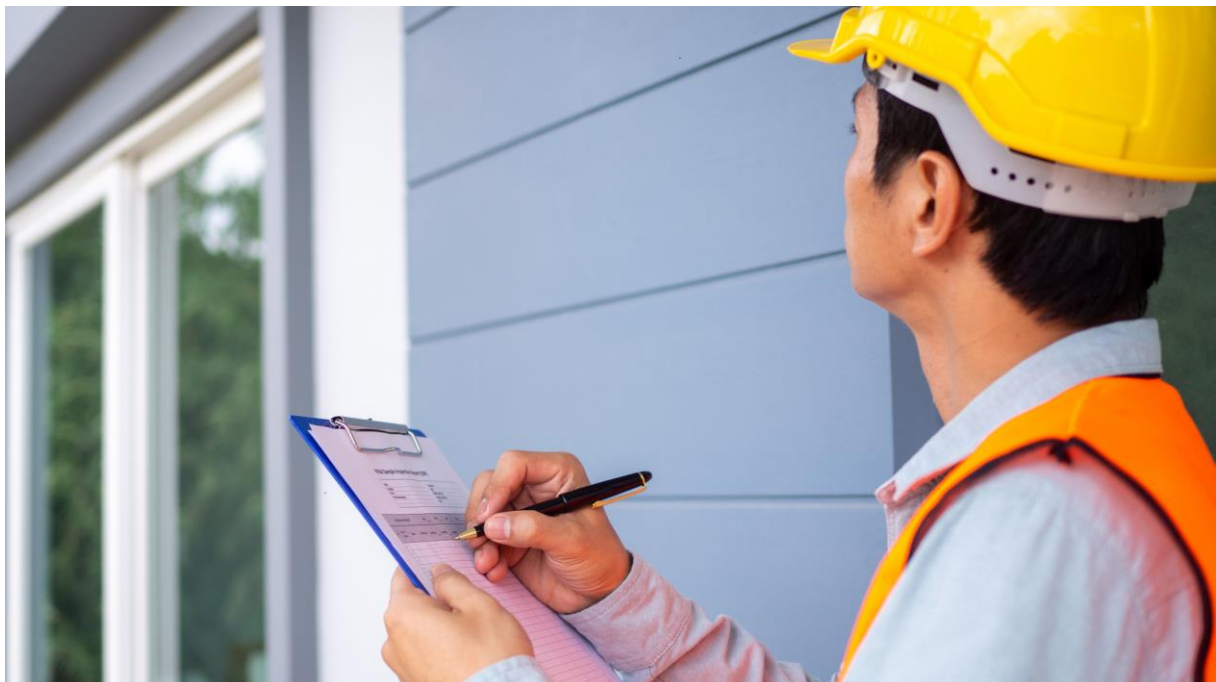
### **Swimming pool inspections**

The Queensland Government Property Inspections guide says all swimming pools should be checked for safety by a licensed inspector. Unless a building inspector is also licensed for pools, this will have to be done separately. Swimming pool inspections usually cost between \$170 and \$350, according to the Queensland Government.

Pool inspections ensure the pool meets construction standards as well as safety regulations such as signage and fencing.

A buyer will not have to pay for a swimming pool inspection if the property already has a pool safety certificate. Sometimes there can be a special condition in the sale contract for the seller to provide the buyer with a pool safety certificate.

### **Pre-settlement inspection**



It is recommended that buyers inspect their property a couple of days before settlement to make sure it is in the same condition as when the contract was signed.

### **Buying at auction**

The Real Estate Institute of Queensland says people planning to bid at an auction should organise building and pest inspections before they bid.

“There is no cooling off period when you buy a residential property at auction in Queensland,” the REIQ says.

## 6. How to Set Up a New Home

You’re moving into a house or a large apartment for the first time. You take all of your stuff there, unpack everything... and you quickly realize how spartan it is. There are lots of things you need—or you at least think you need. Silverware. Flatware. Tables. Furniture. Minor appliances. The list starts small and quickly gets big. How are you going to get all of this stuff without breaking the bank?



I’ve been in this very situation at least three different times in my life. Each time, I’ve had this strong urge to acquire stuff that I was sure that I needed. The first two times, I went on a big buying spree, loading up on all kinds of things. The third time, when I moved from an apartment into a house with three times the square footage, I gave the transition some very careful thought and, although we had a lot of empty space, we only ended up spending a small fraction of what we had budgeted for our post-move expenses.

Here are some tips for setting up a new house on a tight budget in Sunshine Coast (and you should be on a tight budget every time you move).

### **Assess What You Actually Need, Not What You Want**

We all have visions of an apartment or a home that looks like something out of a magazine, but unless you have people who are professional decorators and cleaners handling the specifics for you, it’s not going to happen.

Instead of thinking about purchases for your dream home or dream apartment, start very simply. What do you need? You need something to eat with. You need a place to sit. You need a few basic cooking implements. You need basic bedding and basic bathroom items. That's about it. Remember, these items don't have to be much of anything. In fact, it makes a ton of sense to start as low-rent as possible and to replace the items as you can afford improvements.

### **Decorate Personally, Not Professionally**

The first thing that often strikes people about a fresh new home or a new apartment are all of the bare walls. There's a strong temptation to decorate and to fill up all of that white space with something inspiring or beautiful. It can be really tempting to head to some home decor store and find lots of prints and other things to hang on your walls, but what often makes a house a home in Sunshine Coast is the personal touch.

Start off your decoration with your own photographs. Get some inexpensive picture frames, print off some of the photos that mean the most to you, and use those to fill the white space on your walls. This way, when you look at the walls, you're reminded of the great moments and great people in your life. You'll also have some good conversation starters if you have guests, and you won't spend a lot of money on it, either.

### **Head to Facebook First**

Once you've handled decoration, head to Facebook before you start buying things. Make a list of the things you actually need, then drop a Facebook status update that goes something like this:

We just got moved in and unpacked! Thanks for all the help, guys! We are looking for a few odds and ends to finish things up. If you happen to have any extras of these or know where we could get one for a cheap price, PLEASE tell me!

Then, follow it with a list of the essentials you're looking for.

I've had several different friends post updates like this and I've been able to help them with stuff from our garage almost every time. I was perfectly happy to see a lamp go to good use or to see our old dinner plates find a nice second home with a friend. They were certainly happy, too. This took something they needed off of their list without spending a dime.

### **Head to Goodwill Next**

If there are still items you need on your list, stop at your local Goodwill store and see what's around. Try to fulfill as many needs as you possibly can at the thrift store level so that you're not seeking more expensive options.



In our first apartment, we had an incredibly comfortable pair of chairs that came from Goodwill, along with a couch and a table and chair set that came from my grandmother's old house in Sunshine Coast. Our entire living room and dining room furniture arrangement didn't cost us a dime. Goodwill can take care of a surprising amount of what's left on your list. Remember, though, that you're buying low end to start with and will upgrade later when you have some extra money, so don't turn your nose up at perfectly functional items.

## 7. Why You Should Deep Clean Your New Home Before Moving In?



Relocating is stressful, and you don't want to add to your distress by moving into a dirty house. Whether you are moving to a newly built property or one previously occupied by an owner or tenant, you should deep clean your new home. It can make a sea of change because clean surroundings boost your mental well-being and promote health.

Hire professionals performing house cleaning and end of lease cleaning in Sunshine Coast to sanitise your new home before moving in. You can also do it yourself if you have the time and energy to clean the house in Sunshine Coast. Whatever you choose, here are the reasons deep cleaning your new abode before moving in is crucial.

### **Get Rid Of Residual Contaminants**

If your new property is newly constructed, you must get it deep cleaned by professional cleaners before moving in. Even though the construction workers clean the premises by removing raw materials and debris, fine particles, wood shavings, sawdust, and other bric-a-brac can remain in corners, crevices and hard-to-reach spots.

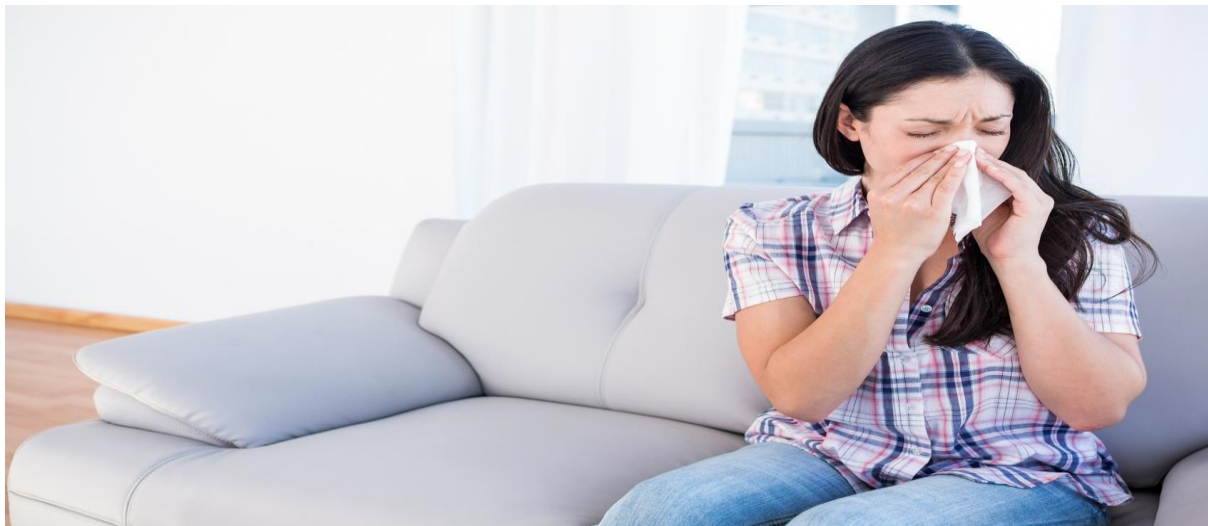
By hiring experienced professionals offering deep cleaning and end of lease cleaning services in Sunshine Coast, you can sanitise your new home thoroughly. The professionals have the equipment, skills and experience to remove dust, dirt and debris from almost every nook and cranny of homes.

### **Avoid Falling Sick**

Often when people move into a new house, they fall sick immediately, making settling in harder. It is because the indoor air quality suffers without regular cleaning and becomes stale when a property remains empty for long.

Additionally, the household surfaces & fixtures gather dust, dirt and allergens that aggravate asthma, rhinitis and other respiratory diseases. Thus, you must deep clean the property before occupying it, even if the previous tenant or the property owners sanitised it.

### **Reduces Allergies**



People suffering from allergies must clean their new home thoroughly before living in it to minimise the chances of a flare-up. Pollen, dander, dust mites and other allergens permeate the indoor air increasing your or other household members' chances of getting allergic reactions.

Thus make sure to dust the household surfaces, vacuum carpets, wipe countertops and shelves, wash hard floors, sanitise the windows and manage other deep cleaning tasks before you move into the new house.

### **Maintain Household Sanitation Better**

A new home is a fresh start for everyone, meaning if you failed to clean your house regularly before, now you can do it daily. Start by creating a daily house cleaning checklist to outline necessary chores.

Next, divide the tasks among household members to perform them before moving in and don't forget to set deadlines for the tasks. Once you understand how deep cleaning of a house is done, you can manage it regularly and prevent your home from becoming too dirty.

This way, you can develop good habits and keep your new home in a much better state than the previous one. When your home is sanitary at all times, you are more productive, healthier and happier.

### **Feel More Comfortable**

An unclean house attributes to mental stress and physical fatigue, making it harder for you to feel comfortable and settle in the new home. If you want to be at home immediately after moving in, ensure every room is neat and tidy. When the house is sanitary, you can easily keep your furniture, home decor items and other things.

Hence, you can relax, have peace of mind and sleep better from day one. Furthermore, by cleaning your new house, you can ensure it is welcoming for your family and anyone else who comes to visit.

### **Kitchen & Bathroom Are Hot Spots For Germs**



The kitchen and bathroom of any home have the dirtiest areas where multiple illness-causing pathogens proliferate. You can never clean and disinfect these areas enough, which

is why deep cleaning these rooms is vital for a healthy home. While cleaning these areas, make sure to do the following.

Clean top to bottom. It is a professional technique used by professional end of lease cleaners in Sunshine Coast to avoid recontamination of cleaned areas.

Always clean and then disinfect surfaces to prevent physical contaminants from shielding the germs when you apply the disinfectant to kill them.

Don't forget to sanitise high touch points like the faucets, handles, knobs, countertops etc. You will reduce the transmission of germs significantly this way.

To keep pests and bad smells away from drains, pour a cup of bleach into them and cover for 30 minutes before rinsing with hot water.

## **Conclusion**

You have to be very calculative and careful when you are preparing to buy your first home in Sunshine Coast. So, always take some time to plan the entire process carefully and do a proper research on the internet. So, we have tried our best to offer you a complete guide that will help for you when you are planning to buy a new house in Sunshine Coast. So, read the entire guide carefully and learn more about the process.

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