



Five questions to ask before you make an offer

When it comes to buying a home, one of the most exciting points in the process is when you realise you are going to make an offer. Suddenly your heart rate rises and you switch into action mode. Ready to do whatever is necessary to make the property yours.

When you find yourself in that moment of palpable excitement, it can be hard to know exactly what to do next. Use this list of questions as a starting point and, of course, consult with your lawyer before signing anything!

Question 1. "Has our finance been approved?"

Speak with your bank or mortgage adviser to get your finance pre-approved. That is your first task to tackle and it should ideally happen well before you make an offer.

If your finance is already pre-approved, you will likely need to check with your chosen bank that this particular property meets their lending criteria.

Key task: Talk to your bank and your lawyer to decide if you need a finance condition in your offer.

Question 2. "How can I buy this home? What happens when I make an offer?"

You need to ascertain what the process is to make an offer and when exactly your offer will be presented to the owner.

For example: Is the property being sold with a fixed deadline? If so, can it sell before the closing date?

If there is no fixed deadline, then when exactly will your offer be put in front of the owner? How long will the salesperson spend calling other buyers to see if anyone else wants to offer at the same time?

Knowing the process allows you to manage your own expectations and gives you an understanding of how fast you need to move.

Question 3. "What do I need to know about this home?"

Real estate salespeople are obliged to disclose any issues relating to the property that they are aware of. Even so, it is important to ask this discovery question early and get any problems out in the open asap.

Having time on your side allows you to find solutions and seek any relevant professional advice.

Keep in mind that most houses will have small issues. There is no such thing as a perfect house. Also, remember that disclosures often arise during the sale process as builders and lawyers inspect the property in detail. As you work towards preparing your offer, keep asking the salesperson whether any new information has come to light since you last spoke.

Key task: Get impartial, expert advice for any issues raised.

Question 4. "What have similar houses sold for recently?"

If you ask the salesperson what price the owner will accept you will often get a pretty vague response, especially if the property is marketed as an auction or tender. This is because that salesperson doesn't want to risk putting buyers off. Their job is to get as many buyers as possible to take part in the process.

Instead, try asking what similar homes have sold for. A good salesperson should be able to point out comparable sales in the area and talk about how they compare with the home you are considering.

Key task: Search online for photos of any comparable properties.

Question 5. "What settlement date are the owners looking for?"

Find out if the owners need a specific settlement date before you commit to offering. Some owners prefer a quick settlement (2-4 weeks) while some owners prefer a longer settlement (3-4 months) that allows them time to find their next home.

Now that you have the key questions covered, the next step is to decide what conditions you need in your offer and what expert advice you need to obtain before going ahead.

Talk to your solicitor before signing anything (or bidding at an auction). Then go get that house and make it yours!

Ready to move?

Please - give me a call so that I can talk you through the process.

This is only a brief outline of the process, and you don't have time nor money to make expensive mistakes.

My advice is free - your mistakes are not.