

Identity Property Buyers

NEWSLETTER #044



Where To Start When Buying

Welcome back to the next instalment in the Identity Property Buyers Newsletter series. Today's chat is surrounding the age old property question that I get asked all the time...

Where do I start?

Well it is a great question that ultimately will require a different response to everyone who asks based on how far they are down the garden path. In saying that however the initial step will always be the same, it's just some people may have actually taken a few steps already.

So let us map out the first couple of steps required to place you in the best position possible to allow you to buy.

Now at this stage don't even think about looking at the online portals, because this journey is a game of finance. It's the first step of a simple yet not easy process which is all based around your ability to fund the purchase.



Consider the fact that you are going to need a significant amount of money in order to buy a quality asset of which you will need two components:

1. Deposit Funds
2. Bank Loan or Finance

Don't switch off here as this is where it gets interesting...

Saving a reasonable sized deposit can be a challenge, however there are a number of ways you can improve your ability to do so in a dramatic way.



This is all about being diligent with your spending over the course of time. Now in order to save you really need to know what you are spending all your money on. That is right get out your bank & credit card statements and look at everything you are spending. Break it down into required spending and discretionary spending. Next break it down into smaller sub groups so you know how much you are spending on groceries, phones, clothes, alcohol, eating out, coffees and so on.

From this you will begin to paint a picture of where your hard earned income is going. Then once you have a handle on this try and identify areas where you can reduce spending that does not have drastic impacts on your lifestyle. After that look at trying to curb spending on other non essential items. Remember that in order to save at a decent rate you will have to make some sacrifices.

Once you have been saving as much as possible for 6 months, 12 months or even 2 years, you should have yourself a reasonable sized deposit. But it is so much more than that, as you will have created a quality financial habit and record.





When it comes to getting a loan for the remainder of the purchase then you will be seeking assistance from the banks. So if you want the banks to look favourably at you, then you must present them with evidence that you can be trusted with their money.

The great money habits you have created whilst saving your deposit, along with the spending & savings record that you now have, will be seen very favourably. Provided you have been paying your bills on time, not racking up credit card debt, car or personal loans then you will be giving yourself the best chance to secure funding.

So start your property journey with great cash flow management and develop good money habits whilst saving your deposit. Once you have a decent deposit go and see a mortgage broker to determine what your borrowing capacity is.

Then and only then should you be looking at property. And please don't make the mistake of looking at property listed at the top end of your borrowing capacity, as it will most likely sell for more.

Savings Tip - *It's not the big ticket items that typically hinders your ability to save, it's the regular \$20 here and \$30 there that eats away at your future life-style options.*



Let our professionals at IDentity Property Buyers help you avoid all those costly mistakes and provide you with a fantastic experience and an exceptional end result....



Make contact today and schedule in a **Free, No Obligation** chat with one of our Buyers Agents & Property Strategists.

Don't get left behind when the market is moving, take control with your very next steps in a professional way today!

MAKE CONTACT

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