



10 TIPS FOR HOME BUYERS



Buying a home is most likely the biggest investment you will ever make. Faced with a mortgage loan that may take 20 years to pay off, it's best to be knowledgeable before signing on the dotted line. Property lawyer Meyer de Waal gives Independent HOME readers his 10 top tips to consider before buying a home.

- 1 Become an expert**
Get a comparative market analysis (CMA) to compare the price you are being asked to pay with other prices in the neighbourhood. See www.lightstone.co.za for such a report.
- 2 Check out your credit profile**
Do you have a "thick" or a "thin" credit profile? This means a profile with either little or sufficient credit behaviour information which is used to "score" your home loan application. A low credit score may increase the home loan interest rate and cost you up to 30% more.
- 3 Find out what size home loan you will be able to raise**
For a free online home loan pre-qualification see www.mybondfitness.co.za
- 4 Work out your personal budget in advance**
Replace your rental with the new home loan repayment and "check" if you can still balance your budget. Make use of free budget tracking tools such as www.mobile2budget.com.
- 5 How are you employed?**
Self-employed or commission-based home buyers have more "red tape" to overcome in order to get a home loan approval. Contact a home loans consultant first to get the home loan requirements before you consider buying.
- 6 Consider a government subsidy if you're a first-time home buyer**
See www.flisp.co.za and look at the terms and conditions.
- 7 Get a specialist or expert on your side**
Line up the best property attorney/conveyancer, to scrutinise your "Offer to Purchase".
- 8 Get the home inspected**
Do not buy the house "voetstoots" (as is) without having a home inspection consultant checking out the property. See www.inspectahome.co.za
- 9 Shop around**
Strange as it may seem, the bank that you have been supporting all your life may not offer you the best home loan available.
- 10 Be creative**
If you do not qualify for a home loan right away make use of alternative and innovative ways to secure your home, maybe with a "Rent to Buy or Instalment Sale" transaction. Go to www.irent2buy.co.za or www.propsolve.co.za



Plan ahead and ask these questions

- How soon must the home loan be approved? Give yourself time.
- Is your deposit – if required – available on call and will it be invested on an interest-bearing account for your benefit?
- What is your date of occupation?
- Do you have enough money to pay for transfer costs, bond registration costs, etc? Use online calculators www.avifirefly.com
- If you are to buy into a sectional title complex, what are the financial affairs and rules and regulations of the body corporate?

Meyer de Waal is a property lawyer, conveyancer and public notary. He practises in Cape Town and is director of the law firms Oosthuizen and Co and Meyer de Waal Inc and is a member of the Wills Estates and Trust committee of the Western Cape Law Society. He regularly lectures on all-things property related and assists home buyers with solutions to buy their own homes. He most recently developed a unique online process to assist home buyers to pre-qualify themselves for a home loan.

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KNOW-HOW: Meyer de Waal

Meyer's top websites

www.irent2buy.co.za
www.mobile2budget.com
www.flisp.co.za
www.mybondfitness.co.za
www.consumerhousingeducation.co.za