11. Twenty tips when buying your first home

When your mother and I bought our first home together in New Zealand we had to borrow the deposit through the solicitor's loan account. The interest rate was 18%. For your whole working career, so far, you have only seen very low interest rates, but I can assure you, as night follows day, mortgage rates of 8% will be a reality and possibly 12% in unusual situations. In these higher interest rate periods, the property market compensates with falling prices and providing you're prepared to suffer the hardship of the first few years you will have opportunity to buy a long term growing asset.

You both have witnessed huge escalation in house prices over the last three years and have felt that you have missed out on the growth. But really you can't miss out on what you can't get into. You did not have the money nor the salary to support a large enough mortgage. But now the tide has turned and with the next two years, wherever you are in the world, you should consider this section very carefully as these points will help you make the right decision.

1. Know your credit score

Your credit score is one of the biggest factors in what your house loan terms will be. Know your score before you ever try to get a loan and take the time to repair it as there will be errors (four out of five credit scores contain errors). Noticed a small mistake? No problem, go ahead and dispute it. Seen a 'bad blemish' on the report? Time to start repairing it now before it's time for the mortgage application.

Make sure you have ample time to correct the necessary, so set aside about 6-12 months before you start applying for mortgages. After all, a good credit rating isn't achieved overnight.

A credit score is calculated by looking at a number of financial statistics, such as one's payment history, new/old credit, amount outstanding, types of credit, length of credit availability, to name but a few. The better the score, the lower the interest rate at which you will borrow; and subsequently, the lower the credit score, the higher the interest rate!

Shopping for new refrigerators, washing machines, dryers, garden equipment etc. on your credit card whilst the mortgage application process is underway will impact your credit rating. It is stupid for two reasons:

- You cannot afford these new items
- Buying a top quality second-hand one is often better than a cheap new one

2. Reduce all existing debt

If there is one lesson to be learnt when applying for a mortgage, try to pay off as much of your credit card debts, student loans and other types of debt before you start with the mortgage application.

Most lenders will check your so-called debt-to-income ratio, as well as the timeliness of your payments, types of accounts and overall payment history. Having too much debt when going into a mortgage application process is simply asking to be declined for a loan. There's only so much credit a lender is willing to extend to you, which is why the consumer debt accounts for such a large portion of the credit score.

3. Have a lender pre-approve mortgage amount

Get a pre-approved mortgage amount from your bank or from the banks contacted by your mortgage broker. In fact, it is one of the most important parts of the home

buying process. Pre-approval means you should be able to get the loan as long as nothing changes with your financial situation or your credit score.

A pre-approval letter also helps when you want to compete with another buyer for a home you love. One of the first things most sellers are going to ask their agent when receiving an offer is, how qualified the buyer is to purchase. Sellers want to feel comfortable knowing the buyer is not going to get turned down for the loan.

Make sure the bank has verified your employment, income, and credit. If they have not done this the pre-approval maybe worthless.

Remember that interest rates go up. Only borrow an amount that you can afford to repay if the interest rate goes up 2%. Do not worry if things are tight the first couple of years as the situation changes rapidly as salaries rise.

4. For your first mortgage shop around for the best mortgage deal

This is one of the biggest mortgage mistakes many first-time home buyers make! The bank you are with may not be flush with a mortgage fund, they may also appraise your risk slightly differently than another bank who wants to have more mortgages on their books. Thus, you will get different offers.

Obviously, the interest rate charged, and terms and conditions will vary across the different parties. A little time spent shopping around will more than likely result in thousands saved over the period of the loan.

When buying your next house staying with the existing mortgage provider has many benefits such as transfer of mortgage, waiving fees, maintaining the relationship.

Negotiate a reduction or waiving of the bank's lawyer charges. I have always had my bank's lawyer costs waived because I asked.

5. Know what you want from your first home – a property with land

As I have already mentioned in 'Have a treasure map with your balanced goals for the year' and 'Use the law of attraction to turbo charge your life' visualization and NLP are powerful tools. So, when looking for your first home, or your next one, set out a list of ten must haves and ten would like to haves. Find pictures in magazines of houses you like and put them on your treasure map.

If you want to live in an apartment, no problem, rent it. Always, I mean always, buy a property with land.

The 'know what you want checklist' will need your input. It covers a wide range of needs such as proximity to schooling, number of bedrooms to ratio of front to back garden (best to have the back garden bigger than front garden as you never use your front garden).

Know what you want from your property checklist		
	Must have	Like to have
The sunshine on the property matches your needs (late sun, early sun, sun all day)		
Location to good schools		
Sheltered from the main prevailing wind		
Full template available from PatStormBooks.com		

6. Select the neighborhoods you are interested in

Understand you are not just buying a home but a location as well. One of the key considerations that many buyers miss when purchasing a home is knowing how to pick a neighborhood they will love. Often first-time buyers focus too much on the house and not enough on the neighborhood.

Every neighborhood has its unique qualities that you want to be aware of before you buy. An agent that has a lot of listings in the targeted neighborhood will know about property that will be coming up for listing. Contact a real estate agent that has the most listings in your targeted neighborhoods. However, do remember that it is the seller who pays the agent, so you are not the agent's customer.

7. Do not change jobs mid-application process

Even if you dislike your current job do not change jobs until you've closed on the home loan. Financial institutions prefer to see a career history, which shows consistency. Unfortunately, changing jobs mid-way through the process will delay the application process. If you move from a salaried position to self-employed you will end up in trouble as they will want to see your first year's earnings, as submitted to the tax authorities, before engaging in a mortgage conversation.

8. Understand the property cycle before you invest

If everybody wants in, houses are frequently auctioned for over 120% of the reserve and during viewing it is crowded, you are at the peak of a property cycle. Buying now could take seven years before the house value comes back to what you paid. Always better to buy when there is doom and gloom around.

The signs of the top of the market are:

- Even grimy homes, in undesirable areas go to auction and sell for eye watering sums
- Estate agents all have high-end cars
- The property section in the local paper is bulging
- Everybody is talking about how much their property made in the last twelve months
- You feel desperate to get in – the hype has got to you.

The property crash happens in cycles. Go back to the last two property crashes and study the signs, that way you will have more confidence in your convictions.

Because estate agents and banks don't like property crashes, they will do their utmost to delay the inevitable which typically takes six months after the stock market goes south.

The bottom of the cycle is when: there are a record number of mortgage sales; everybody says property is the last thing to buy; estate agents cannot make a living and their flash car has been sold!

9. Verify all information in the listing

You need to verify that all the information given about the home is right. Sometimes real estate agents put things in the listing that they may not have verified or may just not be aware of the facts. Some of the more common issues that can crop up in a real estate transaction are understanding what stays with a home and what doesn't. Many buyers, sellers, and even some real estate agents do not know what is considered a fixture (stays with the house) and what is personal property.

The general rule is: if plumbed in or nailed down it is a fixture that stays with the house.

10. Try to see yourself in the home

Sometimes when you view a home, it will be filled to the brim with the current owner's possessions. Learning to see past the clutter to the potential of the home will open the doors to better deals.

This is why real estate agents often recommend to selling clients to clear all the clutter before listing their home for sale. Cluttered homes can sell for less money when those with a lack of vision can't see past it.

However also be careful about a staged home, where the agent has hired an interior decorator to furnish the home with hired furniture and fittings. You can bet that unimaginative buyers will offer 'top dollar'.

11. Get the house checked by a reputable builder

Select a builder from recommendations from your friends. The builder maybe be needed to do some alterations if you purchase so you have 'killed two birds with one stone'.

The 'builder review checklist' covers such issues as:

- State of the wiring
- Check for asbestos
- Check for poor drainage around the house.

Builder review checklist	
	Builder's comment
State of the foundations (piles) and joists	
How level the house is	
State of the roof	
Full template available from PatStormBooks.com	

Even a brand-new home can produce lengthy inspection reports. Your job is to find the important issues with significant monetary value and determine whether or not you would like to ask for repairs on these items or a deduction.

If the work done is going to improve the property you should aim to pay half.

For major flaws it is better to agree a sum deducted than get the current owner to fix as they are not motivated to get a good job done. In any case you will have a plumber, electrician, and builder on site soon so they can do the remedial work as well as the improvements you have in mind.

If the wiring is incredibly old get a recommended electrician to quote for a rewiring and new switch board. Take half the cost off your offer.

12. Get a P (methamphetamine) test done on the property

The surge in P-contaminated (methamphetamine) homes means that you cannot chance it unless the house has been a family home for the last few years.

Here are a few checks you can do:

- Be sensitive to chemical odors
- Look for dead vegetation around a section
- Is the house outfitted with elaborate CCTV systems?
- Are there visible stains on curtains, walls, and ceilings?

- Is the waste bin showing any evidence of empty medicine packaging, paint thinner containers and coffee filters with white or red powdery substances?

Methamphetamine has been a scourge in many countries since 2003. A company that P-tests about 2080 homes a year for traces of meth finds about 20 per cent coming back positive.

Personal use of P is less of a problem and can be washed out with vinegar, so don't worry about a positive P result showing personal use only. Just take off $3,000 from your offer for the P-cleaning and do it yourself.

13. Review of all property records at the local council

In New Zealand you can get a document called a 'Land Information Memorandum' which identifies any issues with the land the house is built on, such as drainage and landslip risks and includes copies of all plans filed with the council.

You need to look for:

The local council records checklist	Have you checked this?
Any structural alterations that have not been approved by council/ local authority. E.g., no evidence of the drawing and approval of a new addition to the house, a new garage etc.	□ Yes □ No
The routes of the storm water and sewerage. You will have a problem if garages etc. have been built over them.	□ Yes □ No
Correspondence about prior problems	□ Yes □ No
Public access rights	□ Yes □ No
Actual boundaries – existing fences may not be on the boundaries.	□ Yes □ No

Do not worry about internal kitchen, bathroom, and bedroom alterations as these seldom need a permit.

There are reasons why property owners do not get a permit for work done on their home:

- By obtaining a permit for an addition, you will pay more rates because your assessed property improvements value will go up with a larger home.
- It costs money to get permits. Many owners just don't want to bother paying the fees.
- Pure laziness as it takes time to get permits.

Buying a home without necessary building permits will become your issue in the future when you go to sell. It is advisable that you ask the seller to get the permits issued on all structural improvements before you buy the home.

14. Talk to the neighbors

If you are keen, come back to the neighborhood without the agent and knock on two or three neighbors' doors and indicate your interest in the property and ask:

- What is the neighborhood like to live in?
- Have there been any boundary disputes?
- Is there anything about the house we should know about before we buy?

15. Understand all the Body Corporate (Homeowner Association) regulations

Apartments have shared assets (grounds, entrance ways, roof, lifts, staircases etc.) and the maintenance is managed through a Body Corporate (Homeowner Association). Some developments have other regulations are attached to the property such as no pets, no long-term renting, no guest parking overnight.

These organizations are mandatory so you will have to pay dues and rely on the association to take care of certain things, like maintenance of common areas. Some homeowners' associations are well run, some are not. Know what you are getting yourself into before purchasing into Body Corporate (Homeowner Association). One of the best ways to find out is by asking a few of the people who already live there.

16. Schedule your final prepurchase walkthrough

A final walkthrough is a standard practice of walking the property before closing to make sure that there are no new major issues with the property that would prohibit you from purchasing the home.

It is best to schedule the final walkthrough at least 24 hours before signing, to allow time for any issues that need to be worked out.

Your final prepurchase walkthrough checklist	Is it covered?
Has all rubbish been removed from house, garden, garage, loft?	□ Yes □ No
All promises in the agreement have been met – e.g., electrical equipment is in the house that you have agreed to purchase	□ Yes □ No
Is there damage to the walls made by their movers?	□ Yes □ No
The keys and remotes are all present (their agent may still have a set)	□ Yes □ No
Code for the security alarm	□ Yes □ No
Any additional damage that has been hidden from your previous inspections	□ Yes □ No

If you schedule your walkthrough just an hour before your appointment with your lawyer, you may not be able to work these issues out in time.

17. Know every cost associated with ownership

There are a lot of fees that come with a home purchase above and beyond the mortgage. The 'know every cost checklist' covers:

- Pre-purchase costs
- Purchase costs
- Ongoing costs of ownership

Know every cost checklist	Is it included?
<u>Pre-purchase</u>	
Builder's inspection	□ Yes □ No
Electrician's inspection (if necessary)	□ Yes □ No
Roofer's inspection (if necessary)	□ Yes □ No
Full template available from PatStormBooks.com	

18. Never buy your first house in an auction

The reason why agents love auctions is that you, the buyer, cannot put any conditions of sale in the deal. You have to pay a lot of costs (builders report etc.) and have a small chance of being successful at a good price.

Because you know that you may not be successful at the auction you might skimp on your due diligence.

> When I first wanted to move to our current location, I went to an auction to buy what I thought was the perfect house. We thought it was worth $450,000 but bid up to $500,000 and lost out to a final bid of $580,000. As it turned out the purchasers put it out for rent the next week and we moved in as renters. Within weeks we discovered that the wind was horrific and the kitchen so badly designed that we were relieved not to be the owners.

You will also be invariably forced to pay more than your wanted. Stand back and let others buy.

19. Negotiate a deal

Once you have processed through all of the homes that you are interested in and have found the home that you like the most, which may be the first one you see.

It's time to move on to the next step putting in an offer. This is where all of the details of the transaction are documented and signed by both parties through written contracts. You should seek advice from your lawyer as they might suggest a caveat or two.

A common first-time homebuyer mistake is to try and submit a low-ball offer on their first deal. As a new buyer in the real estate market, you may feel as though you are entitled to a good deal. This is possible, but great deals do not usually happen unless you are buying a distressed mortgagee sale. No one gives anything away in real estate.

That means that a lowball offer of less than 90% of current offer price may be off track if the home is priced at market value and in good condition.

If the property has some key furniture that fits the room e.g., large dining table consider including a price for that item.

20. Consider sharing your first home

<u>Consider buying a house with a friend</u>

Due to the surge in house prices, it is becoming more common for friends to get together to buy a house. This can be a very sensible idea for the following reasons:

You often can get much more house for that extra $100,000-200,000, such as a better area, better garaging, that fourth bedroom etc. These houses will hold their value better over time. The first entry house can be in an inferior suburb and on a small section.

The interesting point is that if the agreement breaks down after three years one party will probably have enough equity and a higher income to be able to buy the other party out.

The key requirements are that you need to be sure they have a stable job and career (to pay their share of the mortgage payments), you trust them not to take any risks that could force a sale of the house and they have a lifestyle that fits with yours.

Don’t be romantic, get a flat mate

There are two reasons why this is a good idea. Often you are very stretched for the first couple of years owning your first home. You just need a buffer until your salary rises. Renting a room or two may enable you to afford a bigger and better house. I have rented out rooms in my house twice in my life. Once when I bought my first house, when I rented out three bedrooms for a couple of years. The other time was after a separation when I geared myself up to buy my ex-partner’s share. Both situations added, rather than subtracted from my life.

Companion pieces in other chapters

Series 1: Use the law of attraction to turbo charge your life

Series 1: Have a treasure map with your balanced goals for the year

Comments

Dad, your first house was bought with a 50% deposit from Granny. So, I am looking forward to my 50% FAMILY LOAN.

I am in total agreement with my sister on this one Dad. You are outnumbered!

Loved the tip about asking for the bank’s lawyer fees to be waived.

The point about that you are buying both a house and a location is great advice.

A long and useful piece and was used extensively when we were looking for our first home.

I know a lot of people would be nervous to knock on the neighbors’ door, but it is really good advice.

12. Pay your mortgage off in 15 years – (I'm serious)

Girls There is a sweet spot in paying off your mortgage and that is to do it within 15 years. It's all to do with mathematics, your favourite subject at school. It's called compounding. The impact is most disconcerting when you're looking at it from the perspective of mortgages. If you are stupid enough girls to extend your mortgage to say 30 years you will be paying, as the table shows below, nearly $375,000 in interest on a borrowing of only $400,000 whereas if you're really smart And pay it off in 15 years through fortnightly payments your interest bill will be less than half, just short of $150,000.

In both my relationship breakups I kept the house and paid out the other share. This turned out to be, with hindsight, a clever idea, albeit at the time, it looked like a suicide mission. I was mortgaged up to the hilt and every bit of salary that came through paid off the flexible mortgage portion in the secured overdraft.

Just like it will happen to you I looked back at the mortgage a number of years later and it had almost dwindled to nothing. I have no idea what percentage of salary I was saving but it was substantially over that rule I have suggested to you of half your age being a percentage of your annual savings.

30 Years vs 15 Years of Payments on a mortgage of $400,000 on a $600,000 house at a 5% interest rate

	30 Years paid monthly	**15 Years paid monthly**	**15 years paid fortnightly**
Monthly Payment	$2,147	$3163	$1,582 fortnightly
Total Interest	$373,000	$169,000	$148,000

To get onto the housing ladder even with a temporary rest bite from the excessive growth of the past, will mean a mortgage where you have signed yourself up with the devil, a 30-year mortgage, interest only. That is fine for the first couple of years. But guess what, your incomes will rise and then you should take the following actions:

- Pay-off all credit cards and never use them again for borrowing, only people with a drug addiction, shortage of brain cells, or in a major family crisis do this. All you are doing is pouring the pin striped suited finance people more champagne.
- Pay off all student debt.
- Pay lump sums into the mortgage which has the highest interest rate (you will hopefully have split your mortgage into three tranches -see below). Normally you can make up to three one-off payments a year. It is a good use of that gift of family money you might receive from time to time.
- Divide your monthly mortgage payments by two and pay them fortnightly. You will make an extra month's payments this way.
- Keep upping the repayments when salary increases occur to stop feeling rich and wasting money on expensive holidays.

Split your mortgage with your lender into three loans

You will never get the interest rates right, so do not try. Also, you never want the whole mortgage coming up for interest period renewal all at once. Thus, it is a great idea to split your mortgage with your lender into three loans.

$800,000 mortgage	Interest and period
1. 200,000	Floating, secured overdraft
2. 300,000	Fixed 3 years
3. 300,000	Fixed 5 years

Lock in between 40-60% in a fixed three to five-year rate (if long term rates are below 4% go for a higher portion).

Have $100,000 in a floating secured overdraft where all your salary is paid in. That way every bit of spare money is working to reduce interest charges. Whilst the interest rate is higher it is worth it. In addition, you can use the spare facility for a major renovation to the house without having to ask for permission. Note that you have to trust yourself to not use the spare balance on consumables.

By splitting up your mortgage this way you will never be right or ever wrong. You also have different times when you can lock in new interest rates.

Changing interest rates with your lender

There are always closing costs associated with moving to a cheaper term interest rate. The rule of thumb used to be that you needed the interest rate to drop 2% in order to make refinancing worthwhile. If you follow my advice your will never need to do this as only a portion of the loan will be set at the higher rate.

Comments

Dad never thought much about this. Great advice.

Huh, I'll try but what will I eat, Dad?

Great table Dad. I did not know how much an additional 15 years of mortgage could cost me.

13. Borrowing rules to follow

Girls, it is lovely to see you independent and earning salaries in excess of what I live on. You have also shown me that you don't borrow for frivolous things. You instead live within your means. Maybe you don't need this section but some of your peers may find it useful, so I have included it.

Borrowing on the following will advance your personal wealth

You can achieve significant wealth by using other people's money as long as it is at a low interest rate. Borrowing off your credit card, loan sharks or car finance companies is remarkably stupid, no matter what your circumstances. Borrowing should be restricted to things that create wealth.

A house

This is covered in the piece on "Twenty tips to buying your first home".

Your business if you know what you are doing

If you have a business that can be sold. Meaning that its income is not dependent on key people being there. You have built a business where the demand for services or products can be delivered by others who you have trained.

In such circumstances investing in growing the business to eventual sale can be a very lucrative process. One warning is that the new owners are well capable in destroying what you have built so sell if you are not emotionally attached. Otherwise retain ownership and live off the dividend flow and the director's fees.

Renovating a house when you have a good idea what you are doing

I have invested in renovating a number of houses and enjoyed the experience immensely.

Avoid these borrowing mistakes

Borrowing on credit cards is for suckers

Only use a credit card if you have the resources to pay it off each month by direct debit.

Invariably credit card debt is the sign of a spend thrift and a drinker. The combination of being under the influence and a credit card is a recipe for disaster.

The best use of a credit card is the accumulation of flight miles. You have the credit card paid off in full, (read my lips girls) by a direct debit each month. That way you get the benefit of the funds either by reducing mortgage interest costs or earning, in higher interest times, some extra money.

I know one friend who used his credit card on a major property development. Each month he paid the balance off. He collected so many flight miles that he had enough for two around the world first-class flight tickets.

What not to borrow money on:

- A property speculation, where you are buying to on sell in the short term.

> I heard the other day how a young couple had bought a house off the plans simply to on sell it at a profit. This greed is now going to cost them most of their life savings.

- A car is a depreciating asset. Buy the car you can afford now and save up for one you really want.
- Your children's education – if you do your research, you can find scholarships and excellent state schools. Better to buy a small house in the catchment of an excellent school than a large house in an area where you have to drive them to a fee-paying school. The private school price tag has soared to $360,000 over a child's lifetime. The problem is that the $360,000 will leave a $740,000 hole in your pension savings by the time you are 65.
- Your child's sports or hobbies – they are not going to be the next Tiger Woods or the next Lewis Hamilton, or if they are, they will largely do it themselves.

Two friends spent a small fortune on horses etc. and now their grown-up daughters never ride. Work that one out.

What not to buy new

- A car – only the wealthy and companies buy new cars
- A motorbike
- A boat
- A newly constructed house – unless it is being built by a high-end builder. Otherwise, you will have a small plot of land, smaller rooms, have cheap manufactured internal doors, low-end plumbing and electrical fittings. After five years the house will be looking like what it is, a small poorly constructed box.

Comments

Dad, no credit card debt!

14. Don't own a rental more than a 40-minute drive from where you live

Girls as you know I have a number of rentals this situation occurred for a number of reasons:

1. I kept a house that I had moved out of because I knew it was a sound build and I did not want to sell a crown jewel.
2. Grandfather pointed out to me the stupidity of renting your office if you knew you were going to be in that location for more than 10 years, so I bought my office and then rented it out when I moved into my home office.
3. I bought a rundown flat that spoilt our beautiful sea view, and I knew there was a possibility that the deteriorating house would remain in its poor condition for the foreseeable future.

These investments have turned out to be most worthwhile and enjoyable. Enjoyable in the sense that; I have met interesting tenants who I would never have met otherwise, and because I love a project. In all cases I've been conscious of the fact not to purchase housing stock that a first time buyer would want. Instead, I have bought properties that needed substantial remedial work.

Rentals can be you first step on the property ladder

The main reason why I have kept the rentals while in retirement is that nobody can steal your property. It is surprisingly easy in today's world to find someone has cleaned out your bank account, or ruined the company you have shares in, or destroyed your crypto currency portfolio.

It is not uncommon for people to buy a rental and rent it out although they are still renting themselves. This can work in the following circumstances:

- Your career permits you to go AWOL when major work is being done and when new tenants are being sought. It is essential that you manage the repairs and improvements and select your tenants. Leaving it to a property manager is appropriate if you have a large portfolio which I would not recommend.
- You are buying a rundown property in an area which you believe will be the taste of the month – There are plenty of chances that a bit of TLC and hard graft will start building a growing asset for you.
- It is in an area which is not suitable for you to live in, at present.
- You want to live in an apartment but do not want to buy one, for reasons stated below.

Be wary of investing in an apartment as a rental

As mentioned in the section on 'Twenty tips on buying your first home' I would avoid apartment buying as there is no land component to the deal and the next block to be built will undermine the value of your apartment. Some apartments in Melbourne have not seen capital growth for ten years because of the apartment building boom.

Besides the ever-increasing corporate body costs, you can find that there is a glut of apartments on the market when there is a tectonic shift in the habits of renters.

Why limit to a 40-minute drive

When we arrived in London in 1985, I was able to convince a mortgage broker to lend me the money for an apartment. Instead of selling in 1987 when we left to return to NZ, we rented it out. It was a disaster. The estate agent managing, or should I say mismanaging the property did not care who she put into the flat. Rents

were missed damage was done and the agent ran off with the bond. She had spent it on her living expenses.

I learnt that you cannot manage a property from afar. A 40-minute drive means an 80-minute round trip on top of what things you intend to do on site.

A messy tenant is not always a problem

Contrary to what you might think, a neat freak tenant can be a nightmare. One tenant had wanted me to fix a blocked sink that she had created by pouring hot fat down the waste instead of letting it cool and discarding in the rubbish. All of my tenants are nice people who whilst untidy are not damaging the property. A quiet word now and again means the neighbors are happy.

Renting a property checklist	Is it covered?
Manage the property yourself, you will do a better job, spend the 8-12% charge on upfront repairs	□ Yes □ No
<u>Getting the following done before you rent it out</u>	
Security alarm	□ Yes □ No
A security deadlock on front and back doors	□ Yes □ No
Security stays on all windows	□ Yes □ No
Full template available from PatStormBooks.com	

Build up a reliable team of tradesmen

When you find a good tradesman keep them by paying their bill the same day you receive it. You are going to pay the invoice anyway so pay it early.

If it is a small job do not ask for a quote. Trust them. A quote is a wasted trip. Travelling from one job to the next can take 40 minutes. Someone has to pay for it.

If the job is not urgent ask them to arrange to do it when next in the area. If you respect their time, you will be treated well.

If a job is over $2,000 of labor, about a week's work, then get a quote.

Comments

Love the forms. I wish all the landlords use these when I am looking for a rental.

The property advert is so good could I rent it?

Really liked this. Relatable and humorous for all readers.

Sound advice Dad. Does this mean you are going to lend me money on this as well?

Maybe Dad, I will buy one first, providing you have my back.

A bit early for me Uncle, still need to get my first home.

Attachments

- Advert for property
- Pre-tenancy application

Attachment: Advert worded to attract the right type of tenant

Have you had enough of living in a small apartment in the city? Overlooking someone's washing and bike on their balcony? If you have had your fill of night clubbing why not come home each night to a sunset over _____.

Why not have a swim after work at _____ beach, the best kept secret in _____. This totally refitted townhouse offers a very sunny home facing west.

Can be configured as two double bedrooms and one single room/ study or one double bedroom, one single bedroom and two lounges. Has a brand-new deck and small low maintenance garden with sea views. Off street parking for one car

Kitchen is a cook's delight with Bosch oven and hob and a Smeg extractor fan.

Designed for one couple upstairs and one couple downstairs. Each with their own bathroom.

Security alarm, security door, insulated roof and insulated under floor, brand new aluminum roof.

Beaches, _____ park, schools, golf course, public tennis courts, off-road biking, climbing. Free parking at the railway station for the 25-minute commute into central station.

The rent of $_____ is for __ adults. The unit can take four tenants and the rent would be $___. Bond is four weeks, Paid half up front and the other half $40 a week.

The rental process will be as follows:

- Phone screening to ensure best fit
- Pre-tenancy form to be completed
- Viewing by interested tenants
- Offer to best fit tenant
- On acceptance by tenant sign-up.

Those who meet the following criteria will be asked to complete a pre-tenancy form:

- Likely to stay for a couple of years
- Can comfortably pay rent on existing incomes
- Non-smokers
- Have maintained their previous rental to high standards – will be reference checked
- If commuting into _____ every day, have done it before
- Are happy to authorize a police and credit check
- All tenants can be in attendance for reviewing

Having met these criteria preference will be given to:

- Those <u>with</u> two sources of income
- Those <u>without</u> young children (the town house has steep stairs and is close to a busy road).

Attachment: Pre-tenancy application

_____ pre-tenancy application

	Your Response
Details of each tenant: All tenants are to be disclosed on this form, be vetted and be available to sign the agreement. In the event of a change of one or two tenants the landlord will interview the potential tenants and has the right to refuse replacements. If no suitable additional tenants are found the landlord can commence termination of tenancy. The agreement is for up to _____ tenants. The rent for ___ tenants is $___ per week. Maximum tenant number is _____.	Tenant #1: Current address Length of stay Reason for leaving Tenant #2: Current address Length of stay Reason for leaving Tenant #3: Current address Length of stay Reason for leaving
Identification: Please scan your driving license or another type of photo ID.	
Current landlord name: Please also supply their phone number if they can be used as a reference.	Name: Landline phone number: