



Ready to buy property off the plan? Read this first

Buying property off the plan is exciting as it means you get to own a brand-new home, but make sure you know what's involved. Start by asking these five questions.

1. Do you know the risks?

When buying an apartment, unit or house off the plan, you're purchasing a promise. You can't step into the future and inspect the property you're buying. Thoroughly investigate what the finished product will look like and explore the risks with your broker.

2. Does your contract limit the risks?

The contract should be comprehensive, covering everything from price, completion date and your legal rights, to conditions such as:

- Whether you can on-sell the property before it's completed
- what happens to your deposit if the building doesn't go ahead
- what happens if completion is delayed.

It's important to obtain legal advice before entering into any contract.

3. Who is the builder or developer?

Before you're committed to buy, it's important to know your builder is reputable. Visit the building company's website and check out past projects or visit any display homes. Use online forums to find company reviews.

You should also consider how much input you will have during the construction phase. Can you make site visits during construction? Can you make changes to the finishes and select the appliances? Can the builder make changes without telling you?

4. Are you eligible for government grants and concessions?

One of the best things about buying off the plan is owning a shiny new place. Another perk is the potential of government grants and concessions for off-the-plan buyers. Check eligibility with your state or territory duties office.

5. Are you financially ready to buy off the plan?

You'll usually need a deposit to secure the property with the balance payable upon settlement. Because of the longer waiting period between exchange of contracts and settlement, those requiring loan pre-approval should check that approval can be obtained earlier while the project is being completed.

While there are some risks when buying off the plan, being prepared, asking the right questions and talking to your mortgage broker about finances can help you to enjoy the benefits of a brand-new home.

Sources

http://www.fairtrading.nsw.gov.au/ftw/Tenants_and_home_owners/Buying_property/Buying_off_the_plan.page

<http://www.sro.vic.gov.au/plan-sales-concession>

<https://www.qld.gov.au/law/housing-and-neighbours/buying-and-selling-a-property/buying-a-home/ways-to-buy-your-home/buying-off-the-plan/>

<http://www.yourinvestmentpropertymag.com.au/buying-property/the-trick-to-buying-off-the-plan-148257.aspx>