

BUYER GUIDE

1. BUYING A PROPERTY

- (a) Buying your first home or property could be a very complex matter especially to the man on the street since it involves legal documentation, loan financing, government authorities, vendor, banker, lawyers, real estate agent, etc.
- (b) Today, a lot of peoples still might not be familiar with the whole process of buying their first home or property and mistakes made could be extremely costly.
- (c) As such, being a professional and dedicated real estate agent, we are able to provide the necessary assistance to you from the beginning to the end of buying your first home or property.
- (d) Firstly, prepare a checklist of what you would require to have in your first home or property. This will include structural condition of the property, number of bedrooms, number of bathrooms, family hall, two car park bays, balcony, public amenities, public transport, surrounding environment or neighbourhood, nearby schools, proximity to work or shopping complexes, etc.
- (e) Secondly, by having a clear understanding what you intend to have in your first home or property, you would be in a better position to find out whether this particular property suits you the best.
- (f) You can buy your first home or property with or without the services of a registered real estate agent. However, using a registered real estate agent, who is a member and with the authority to practise from The Board of Valuers, Appraisers and Estate Agents Malaysia, to assist you in the process of buying a property is strongly recommended.

2. CHOOSING A REAL ESTATE AGENT

- (a) **Advantages or Benefits.** By engaging the services of a registered real estate agent offers buyers additional protection and comfort when buying your home or property and they are listed below:
 - ◆ A registered real estate agent, who is a member from The Board of Valuers, Appraisers and Estate Agents Malaysia, will have to attend regular specialised training courses, update their knowledge in legislation affecting the property industry from time to time;
 - ◆ They are highly trained in matters relating to the real estate and property industry and knowledgeable in the property market trends and information, marketing and financing issues;
 - ◆ A professional agent who is highly skilled in negotiation skills will ensure you with a winning buy and also avoiding any unnecessary trouble or mistake;
 - ◆ They are skillful in using market analysis and comparative sale techniques to determine and estimate the market value of your home or property; and
 - ◆ With good understand of your ideal location or area coupled with a list of the available stock, they would be able to find the right home or property that meets your requirements and needs as soon as possible.

- (b) **Letter of Appointment**. Pursuant to the Malaysian Estate Agency Standard set by The Board of Valuers, Appraisers and Estate Agent Malaysia, the appointment of any agent should be in writing and signed by all parties.
- (c) **Registered Real Estate Agents**. You are strongly advised to deal with a "**registered**" real estate agent as you will be placing the purchase of your valuable assets in the hands of someone who you usually do not know well.
- (d) **Agent's Loyalty**. It has many advantages to appoint one agent to handle your home or property as one single agent may be more focused on handling your home or property due to the fact that the agent does not have to compete with other agents.
- (e) **Professional Representation**. By appointing an agent you will obtain the professional representation you deserve and the agent will not worry about you going elsewhere.
- (f) **Professional Fee**. Usually the seller is paying for the agent's professional fee. As a buyer you can have the services of an agent of your choice at no cost to you.

3. **CHOOSING THE RIGHT PROPERTY**

- (a) **Locality**. First of all, you have to decide on your choice of location and neighbourhood that has properties for sale and these properties and locality will offer the kind of lifestyle you always desire to have.
- (b) **Type of Property**. Secondly, you have to decide on the type of property you wish to purchase. There are many types of properties in the market, such as apartment, condominium, terrace house, bungalow, semi-detached house, town house, court yard house, and the list goes on.
- (c) **Affordability**. You also have to determine the amount that you can afford to spend on your first home or property. Do not over commit yourself financially.
- (d) **Checklist**. Before choosing the property for viewing or inspection, you should run through your own checklist to determine whether this particular property satisfies your requirements or lifestyle.
- (e) **Communication**. Communicate to your agent about what are your preference, taste and dislike. This will greatly assist your agent to refine the property search and speed up the entire process.
- (f) **Listings**. After understanding your requirements and lifestyle, your agent shall start compiling all listings for your consideration. Go through all the listings and only inspect those properties that meet your basic requirements and do not let emotion influences your decision making process.

- (g) **Inspection.** Request to view all the properties that meet your requirements and lifestyle, and your agent will arrange for the inspection.
- ◆ It is always fitting to bring along your spouse or other family members to inspect the properties and second inspection on the same properties is always encouraged.
 - ◆ Take a closer look at all the master bedrooms, bathrooms, kitchen, flooring and finishes, ceiling, roofing, electrical wiring, etc. Take your own sweet time to inspect every area and go through the entire property.
 - ◆ Take note of which items you are concerned with or would require some repair works to be done. However, please bear in mind that all properties will have some faults and minor defects.
- (h) **Decision to Buy.** It is also wise to go through a few homes or properties before you decide on the right property. Every time when you are going through the properties, make sure you compare this property with your checklist and your list of priorities. If this property turns out to be the right home or property, **BUY** it now. Otherwise, there might be another interested buyer ready to make an offer for the property.

4. **NEGOTIATION AND FINALISATION OF TERMS AND CONDITIONS**

- (a) **Ranking Properties.** You have to start ranking the inspected properties and inform your agent about your preference. If time permits, you can find out more details about the inspected properties and the seller or owner's terms and conditions.
- (a) **Seller's Terms.** Before making any verbal commitment or offer, you have to request your agent to revert to you the seller or owner's best terms and selling price.
- (a) **Loan Financing.** In the meantime, you can check with your bankers on your eligibility for a loan and also which banks offer the best package or which loan package is most suitable to your financial status and ability.
- ◆ You should take a quick check on your total monthly financial commitments (inclusive of your monthly loan repayment) which do not exceed Thirty-five (35) percent of your total monthly income;
 - ◆ The amount of loan you can borrow depends largely on your total monthly income, other financial commitments and the initial cash deposit you had paid for your home or property; and
 - ◆ On top of the above, you need to make available a certain amount to cover those expenses incurred in buying your property, such as solicitor(s)' fees and disbursements, stamp duty, processing fee from bank, valuation fee, etc.
- (a) **Letter of Offer and Acceptance.** Once you have made a decision to buy your first home or property, you should proceed to finalise the salient terms and conditions in writing. Any agreement to buy the property must be made in writing and your agent will provide the needed assistance for you to complete the Letter of Offer and Acceptance.
- (a) **Earnest Deposit.** In addition, it is common for you to pay an earnest deposit of at least 2% to 3% of the purchase price together with the signing of the Letter of Offer and Acceptance.

- (a) **Solicitor(s)**. The Letter of Offer and Acceptance, which is duly executed by both parties, will become a legally binding contract on the seller or owner and you.
- ◆ Your agent will be in touch with the seller or owner's solicitor(s) and your solicitor(s) to proceed with all the relevant documents and to expedite the matter; and
 - ◆ Your solicitor(s) will undertake legal searches so as to ensure your interest on the property is secured and your name will eventually be registered in the individual Title. The process of transfer and charge (if any) on the property can be very complex and tedious and your solicitor(s) will give you an indication of the time involved.
- (a) **Final Inspection**. Through your agent, you should request for a final inspection of your home or property so that there is no contentious items or issues after the finalisation of the terms and conditions.

5. DOCUMENTATIONS

(a) **Sale and Purchase Agreement ("SPA")**

- ◆ Usually, the Sale and Purchase Agreement ("SPA") is to be signed within Fourteen (14) days from the date of the Letter of Offer and Acceptance;
- ◆ If everything is in order, you can now sign the Sale and Purchase Agreement and make a down payment of 10% on the purchase price less the earlier earnest deposit paid; and
- ◆ As a dedicated and professional agent, the agent will assist and guide you accordingly. After signing of the "SPA", your solicitor(s) will monitor the progress in accordance to the terms and conditions of the "SPA".

(b) **Facilities Agreement and Charge Document**

- ◆ When the "SPA" had been executed by both parties and your loan application had been approved by your banker, your solicitor(s) will proceed to prepare the loan agreements and charge documents for you and your banker to sign;
- ◆ When the loan agreement is signed your solicitor(s) will send the document for stamping and later to the Lembaga Hasil Dalam Negeri (LHDN) for adjudication (assessment of stamp duty). This process will take approximately Two (2) to Four (4) weeks; and
- ◆ Upon payment of the stamp duty, the transfer and charge documents will be forwarded to the relevant land office for presentation. This process will take approximately Three (3) to Six (6) months depending on the respective land office.

6. SETTLEMENT ON THE BALANCE PURCHASE PRICE

- (a) When the legal requirements on the transfer of ownership on your property had been completed and the charge on your property (if any) had been perfected by your solicitor(s) you have to settle the balance 90% of the purchase price.
- (b) There is an usual term in any "SPA" in which you are given a time frame of Three (3) months (without interest charged) to settle the balance purchase price upon the perfection of the transfer and charge on the ownership of the property.
- (c) However, if you are unable to settle the balance payment, normally you are given a One (1) month grace period to settle with interest chargeable to you.

7. VACANT POSSESSION

- (a) Upon full settlement of the purchase price, the seller or owner will have to deliver vacant possession of the property to you.
- (b) If the seller or owner of the property is unable to deliver vacant possession to you when full settlement of the purchase price, you are entitled to claim late delivery charges from the seller or owner. However, this is dependent upon the terms and conditions of the "SPA".