



SINGAPORE ACCREDITED ESTATE AGENCIES (SAEA)

# BUYERS GUIDE FOR PLEASANT EXPERIENCE



# First-Time HDB Flat/Home Buyer – Common Mistakes Encountered

It is quite common that as their first time experience,

## Buyer don't:

1. ask right questions when choosing servicing agent/salesperson.
2. ask for clarification of HDB Checklist requirements so as to better appreciate the sequence of events for public housing transactions.
3. ask enough questions of their lender and end up missing out on the best possible mortgage deal.
4. act quickly enough to make a decision and someone else buys the flat/house.
5. get the right agent or salesperson who is willing to help them through the home/HDB flat buying process.
6. do enough to make their offer look appealing to a seller.
7. think about resale before they buy.

Be sure you work with an Accredited real estate Agency/Agent/Salesperson who can discuss different options and address your questions and concerns! Then, you would have a pleasant and wonderful buying experience.

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## Eight (8) Tips to Guide for Your Home Search

### 1. Research before you start your SEARCH.

Decide what features you most want to have in a home, what neighborhoods you prefer, and how much you are willing to spend each month for housing/accommodation.

### 2. Be REALISTIC.

It is fine to be picky, but don't be unrealistic with your expectations. There is no such thing as a perfect home and there is always pros and cons. Use your list of priorities as a guide to evaluate each property.

### 3. Review your finances before making the MOVE.

Review your credit situation and be sure you have enough money to cover your down payment and completion costs. Then, talk to a lender and get prequalified for a mortgage or looking at your loan eligibility and repayment scheme that is offered by HDB (public housing). This will save you the heartache later of falling in love with a house that you cannot afford.

### 4. Do not ask too many people for opinions.

It will drive you crazy. Select one or two people to turn to if you feel you need a second opinion, but be ready to make the final decision on your own.

### 5. Decide WHEN you are moving.

When is your lease up? Are you allowed to sublet? How tight is the rental market in your area? All of these factors will help you determine when you should move.

### 6. THINK long term.

Are you looking for an initial 'nest' flat/home with plans to move up in a few years, or do you hope to stay in this home for a longer period? This decision may dictate what type of home you buy as well as the type of mortgage terms that will best suit you.

### 7. INSIST on a home/flat inspection.

If possible, get a warranty from the seller to cover defects for one year.

### 8. Get help from an Accredited Agent/Salesperson.

Hire a real estate professional who specialises in buyer representation. Unlike a listing agent, whose first duty is to the seller, a buyer's representative is working only for you.

# Financial Worksheet - Budgeting

The first step in getting yourself in financial shape to buy a flat/home is to know exactly how much money comes IN and how much goes OUT. Use this worksheet to list your income and expenses below.

## INCOME

Take Home Pay (inclusive of all family members)	
Child Support/Alimony	
Other Insurance	
Interest/Dividends	
Other	
<b>Total Income</b>	

## EXPENSES

Rent/Mortgage (include taxes, principal, and insurance)	
Life Insurance	
Health/General Insurance	
Vehicle Insurance	
Homeowner's or Other Insurance	
Vehicle Installment Payments	
Other Loan Payments	
CPF Contribution	
Utilities (gas, water, electric, phone)	
Credit Card Payments	
Vehicle Upkeep (petrol, maintenance, etc.)	
Clothing	
Personal Care Products (shampoo, cologne, etc.)	
Groceries	
Food & Beverage (restaurant meals etc.)	
Medical/Dental/Prescriptions	
Household Goods (hardware, lawn, and garden)	
Recreation/Entertainment	
Child Care	
Education (continuing education, classes, etc.)	
Charitable Donations	
Miscellaneous	
<b>Total Expenses</b>	
<b>Remaining Income After Expenses</b> <i>(LESS Total Expenses from Total Income)</i>	

# MONEY not Enough!!! - Review Your Finances Before Making The MOVE: To-Do List

## 1. Create a household budget.

Instead of creating a budget of what you did like to spend, use receipts to create a budget that reflects your actual spending habits over the last several months.

This approach will factor in unexpected expenses, such as car repairs, as well as predictable costs such as rent, utility bills, and groceries.

## 2. Reduce your debt.

Lenders generally look for a total debt load of a certain percentage of income. This figure includes your mortgage. So you need to get monthly payments on the rest of your installment debt — car loans, student loans, and revolving balances on credit cards — down to a lower percentage of your net monthly income.

## 3. Look for ways to save.

You probably know how much you spend on rent and utilities, but little expenses add up, too.

Try writing down everything you spend for one month. You'll probably spot some great ways to

save, whether it's cutting out that morning trip to Starbucks or eating dinner at home more often.

## 4. Increase your income.

Now is the time to ask for a raise! If that's not an option, you may want to consider taking on a second job to get your income at a level high enough to qualify for the home you want.

## 5. Save for a down payment.

Designate a certain amount of money each month to put away in your savings account.

## 6. Keep your job.

While you don't need to be in the same job forever to qualify for a home loan, having a reasonable stable job will put you in good credit standing.

## 7. Establish a good credit history.

Get a credit card and make payments by the due date. Do the same for all your other bills, too. Pay off the entire balance promptly.

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## Your Property Wish List

Thousand and one questions in your mind to answer. What does your future flat/home look like? Where is it located? As you hunt down your dream home, consult this list to evaluate properties and keep your priorities top of your mind.

### Neighborhoods

What neighborhoods do you prefer?

### Schools

What school do you want to be near?

### Transportation

How close must the home be to these amenities:

- Public transportation
- Airport
- Expressway
- Neighborhood shopping
- Schools
- Other

### Home Style

- What architectural style(s) of homes do you prefer?
- Do you want to buy a HDB flat/home, condominium, or landed?
- Would you like a single-storey or double-storey house/HDB flat/home?
- How many bedrooms must your new home have?
- How many bathrooms must your new home have?

### Home Condition

- Do you prefer a new home or an existing home?
- If you're looking for an existing home, how old of a home would you consider?
- How much repair or renovation would you be willing to do?
- Do you have special needs that your home must meet?

# Reasons to OWN Your Home

## 1. Tax and Government Incentives.

Grants by government for promoting of HDB flat ownership. Property tax benefit and other incentives

## 2. Appreciation.

Real estate has long-term, stable growth in value.

## 3. Equity.

Money paid for rent is money that you will never see again, but mortgage payments let you build equity ownership interest in your home.

## 4. Savings.

Building equity in your home is a ready-made savings plan.

## 5. Predictability.

Unlike rent, your fixed-mortgage payments don't rise over the years so your housing costs may actually decline as you own the home longer. However, keep in mind that property taxes and insurance costs will increase.

## 6. Freedom.

The home is yours. You can decorate any way you want and benefit from your investment for as long as you own the home.

## 7. Stability.

Remaining in one neighborhood for several years gives you a chance to participate in community activities, lets you and your family establish lasting friendships, and offers your children the benefit of educational continuity.

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# Seventeen (17) Tips for Effective Packing for the MOVE

Moving to a new home can be stressful, to say the least. Make it easy on yourself by planning far in advance and making sure you've covered all the bases.

## 1. Plan ahead

Develop a master "to do" list so you won't forget something critical on moving day, and create an estimate of moving costs.

## 2. Sort and get rid of things you no longer want or need

Have a garage sale, donate to a charity, or recycle.

## 3. Don't throw out everything

If your inclination is to just throw it, you are probably right. However, it is possible that you go overboard in the heat of the moment.

Ask yourself how frequently you use an item and how you'd feel if you no longer had it. That will eliminate regrets after the move.

## 4. Pack similar items together

Put toys with toys, kitchen utensils with kitchen utensils. It will make your life easier when it's time to unpack.

## 5. Decide what, if anything, you plan to move on your own

Precious items such as family photos, valuable breakables, or must-haves during the move should probably stay with you.

Don't forget to keep a "necessities" bag with tissues, snacks, and other items you will need that day.

## 6. Remember, most movers won't take plants

If you don't want to leave them behind, you should plan on moving them yourself.

## 7. Use the right box for the item

Loose items are prone to breakage.

## 8. Put heavy items in small boxes so they are easier to lift

Keep the weight of each box under 25 kilogram, if possible.

## 9. Do not over-pack boxes

It increases the likelihood that items inside the box will break.

## 10. Wrap every fragile item separately and pad bottom and sides of boxes

If necessary, purchase bubble-wrap or other packing materials from moving stores.

## 11. Label every box on all sides

You never know how they will be stacked and you do not want to have to move other boxes aside to find out what is there.

**12. Use color-coded labels to indicate which room each item should go in**

Color-code a floor plan for your new house to help movers.

**13. Keep your moving documents together in a file**

Include important phone numbers, driver's name, and moving van number. Also keep your address book handy.

**14. Print out a map and directions for movers**

Make several copies, and highlight the route. Include your cell phone number on the map. You don't want movers to get lost! Also make copies for friends or family who are lending a hand on moving day.

**15. Back up your computer files before moving your computer**

Keep the backup in a safe place, preferably at an off-site location.

**16. Inspect each box and all furniture for damage as soon as it arrives**

Having identified any damages, highlight them to the supervisor concerned for an immediate joint inspection and assess damages.

**17. Make arrangements for small children and pets.**

Moving can be stressful and emotional. Kids can help organize their things and pack boxes ahead of time, but, if possible, it might be best to spare them from the moving-day madness.

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## IT! Is your Home Ready?

If the latest technology or entertainment options are important in your new home, add the following questions to your buyer's checklist.

1. Are there enough sockets in every room for cable TV and high-speed Internet access?
2. Are there ample telephone extensions or jacks?
3. Is the home pre-wired for home theater or multiroom audio and video? Does it have in-wall speakers?
4. Does the home have a local area network (LAN) for linking computers?
5. Does the home already have wiring for DSL or another high-speed Internet connection?

# Why You Should Work With an Accredited Agent/Salesperson

Not all real estate practitioners are ACCREDITED. The term ACCREDITED is a trademark of SAEA that identifies a real estate professional who is a member of the SAEA (Agent or Salesperson) and subscribes to its strict Code of Conducts and Ethics.

Nine (9) reasons why it is important to work with an ACCREDITED Agent and/or Salesperson.

## 1. Expert guiding YOU through the process.

Buying or selling a home usually requires huge volume of documentation and paperwork to be executed and for HDB flat transactions, requirement for compliance of checklist that will ensure smooth process and experience. A knowledgeable expert will help you prepare the best deal, and avoid delays or costly mistakes.

## 2. Get OBJECTIVE information and opinions.

ACCREDITED Agent and/or Salesperson can provide information on utilities, zoning, schools, and more. They will also be able to provide objective information about each property. A professional will be able to help you answer these two important questions: Will the property provide the environment I want for a home or investment? Next, will the property have resale value when I am ready to sell?

## 3. Getting the BEST property in the market.

Sometimes the property you are seeking is available but not actively advertised in the market, and it will take some investigation by your ACCREDITED Agent and/or Salesperson to find all available properties that suit your needs.

## 4. Capitalizing on their negotiating experience.

There are many negotiating factors, including but not limited to price, financing, terms, date of possession, and inclusion or exclusion of repairs, furnishings, or equipment. Your agent/salesperson can advise you as to which investigations and inspections on the property are recommended or required.

## 5. Property marketing power.

Real estate does not sell due to advertising alone. In fact, a large share of real estate sales comes as the result of a practitioner's contacts through previous clients, referrals, friends, and family. When a property is marketed with the help of an ACCREDITED Agent and/or Salesperson, you do not have to allow strangers into your home. Your ACCREDITED Agent and/or Salesperson will generally prescreen and accompany qualified prospects through your property.

## 6. Real estate has its own language.

If you don't know a Comparative Market Analysis

(CMA) from an ACCREDITED Agent and/or Salesperson, you can understand why it is important to work with a professional who is immersed in the industry and knows the real estate language.

## 7. ACCREDITED Agent and/or Salesperson have done it before.

Most people buy and sell only a few homes in a lifetime, usually with quite a few years in between each purchase. And even if you've done it before, laws and regulations change.

ACCREDITED Agent and/or Salesperson, on the other hand, handle hundreds of real estate transactions over the course of their career.

Having an expert on your side is critical.

## 8. Buying and selling is EMOTIONAL.

A home often symbolizes family, rest, and security — it's not just four walls and a roof. Because of this, home buying and selling can be an emotional undertaking.

For most people, a home is the biggest purchase they will ever make.

Having a concerned, but objective, third party helps you stay focused on both the emotional and financial issues most important to you.

## 9. ETHICAL treatment.

Every member of the SINGAPORE ACCREDITED ESTATE AGENCIES (SAEA) - ACCREDITED Agent and Salesperson make a commitment to adhere to a strict Code of Conducts and Ethics, which is based on professionalism and protection of the public.

As a customer of an ACCREDITED Agent and/or Salesperson, you can expect honest and ethical treatment in all transaction-related matters.

It is mandatory for ACCREDITED Agent and/or Salesperson to take the Code of Ethics orientation and they are also required to complete a refresher course every four years or such intervals deemed fit.

# Questions to Ask When Choosing an Accredited Agent/Salesperson

Make sure you choose an Accredited Agent/Salesperson who will provide top-notch service and meet your unique needs.

Before you make your final buying or selling decision, you should have been guided by a professional. An accredited Agent/Salesperson can alert you to potential problems with a property and allow you to make an informed decision. Ask these questions to prospective agent/salesperson:

## **1. Is the services you rendered in line with industry standards meet the minimum recognized standards?**

Ask whether the agent/salesperson's experience and qualifications meet all industry/statutory requirements and comply with a well-recognized standard of practice and code of ethics, such as the one adopted by the SAEA (Singapore Accredited Estate Agencies)

## **2. Do you belong to a professional association?**

There are two associations for housing agency services providers.

Unfortunately, some groups confer questionable credentials or certifications in return for nothing more than a fee. Insist on members of reputable, nonprofit trade organizations.

## **3. How long have you been in residential real estate sales? Is it your full-time job?**

While experience is no guarantee of skill, real estate — like many other professions — is mostly learned on the job.

## **4. How experienced are you?**

Ask how long the agent/salesperson have been in the profession and how many real estate transactions they have completed. They should provide customer referrals on request. Agent/Salesperson also may be highly qualified, but they should describe their training and let you know whether they plan to work with a more experienced partner.

## **5. How do you keep your expertise up to date?**

Agents and Salespersons' commitment to continuing education is a good measure of their professionalism and service. Advanced knowledge is especially important in cases in which a home is older or includes unique elements or new government policies/legislations requiring additional or updated training.

## **6. Do you focus on residential property segment?**

Make sure the Agent/Salesperson has training and experience in the area of residential real estate agency, which is requiring different skill sets from those of commercial and industrial properties etc.. If you are buying a unique property, such as a conservation home, you may want to ask whether the Agent/Salesperson has experience with that type of property in particular.

## **7. What designations do you hold?**

Designations such as Accredited Agent (CEHA qualified) or Accredited Salesperson (CES qualified) — which require that agents/salespersons to take additional, specialised real estate training.

## **8. How many homes did you sell and buy last year?**

By asking this question, you will get a good idea of how much experience the practitioner has.

## **9. How many days did it take you to sell the average home? How did that compare to the overall market?**

The Accredited Agent/Salesperson you interview should have these facts on hand, and be able to present market statistics to provide a comparison.

## **10. How close to the initial asking prices of the homes you sold were the final sale prices?**

This is one indication of how skilled the Accredited Agent/Salesperson is at pricing homes and marketing to suitable buyers. Of course, other factors also may be at play, including an exceptionally hot or cool real estate market.

## **11. What types of specific marketing systems and approaches will you use to sell my home?**

You do not want someone who is going to put a For Sale sign and hope for the best.

Look for someone who has aggressive and innovative approaches, and knows how to market your property competitively. Buyers today want

information fast, so it's important that your Accredited Agent/Salesperson is responsive.

### **12. How long will be the period of your appointment?**

The market standard for an agent or salesperson's exclusive appointment is for a period of three (3) months.

### **13. What's the cost?**

Costs can vary, depending on the type of house (HDB or private), and the scope of services.

### **14. What type of advise do you provide?**

Ask to see samples to determine whether you will understand the Accredited Agent/Salesperson's CMA (Comparative Market Analysis) style.

### **15. Will you represent me exclusively, or will you represent both the buyer and the seller in the transaction?**

While it is usually acceptable to represent both parties in a transaction, it is important to understand where the practitioner's obligations lie. Your Agent/Salesperson should explain his or her agency relationship to you and describe the rights of each party.

### **16. Can you recommend service providers who can help me obtain a mortgage, make home repairs, and help with other things I need done?**

Because Agent/Salesperson are immersed in the industry, they are wonderful resources as you seek lenders, home improvement companies, and other home service providers.

Practitioners should generally recommend more than one provider and let you know if they have any special relationship with or receive compensation from any of the providers.

### **17. What type of support and supervision does your agency office provide to you?**

Having resources such as in-house support staff, access to a real estate legal advise, and assistance with technology can help an agent /salesperson sell your home.

### **18. What is your business philosophy?**

While there's no right answer to this question, the response will help you assess what is important to the agent/salesperson and determine how closely the Accredited Agent/Salesperson's goals and business emphasis mesh with your own.

### **19. How will you keep me informed about the progress of my transaction? What is the frequency?**

Again, this is not a question with a correct answer, but it reflects your desires.

Do you want updates twice a week or do you not want to be bothered unless there's a hot prospect? Do you prefer phone, e-mail, or a personal visit?

### **20. Could you please give me the names and phone numbers of your three most recent clients?**

Ask recent clients if they would work with this Agent/Salesperson again. Find out whether they were pleased with the communication style, follow-up, and work ethic of the Agent/Salesperson.

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## Pleasant Flat/Home Buying Experience without STRESS

Buying a home should be fun, not stressful. As you look for your dream home, keep in mind these tips for making the process as peaceful as possible.

### **1. Use only an ACCREDITED agent/salesperson who you can connect with.**

Home buying is not only a big financial commitment, but also an emotional one. It's critical that the Accredited Agent/Salesperson you chose is both highly skilled and a good fit with your personality.

### **2. Remember, there's no "RIGHT" time to buy, just as there's no PERFECT time to sell.**

If you find a home now, don't try to second-guess interest rates or the housing market by waiting

longer — you risk losing out on the home of your dreams.

The housing market usually does not change fast enough to make that much difference in price, and a good home would not stay on the market long.

### **3. Don't ask for too many opinions.**

It's natural to want reassurance for such a big decision, but too many ideas from too many people will make it much harder to make a decision.

Focus on the wants and needs of your immediate family — the people who will be living in the flat/home.

#### **4. The reality that NO flat/home is ever perfect.**

Make a list of your top priorities and focus in on things that are most important to you. Let the minor ones go.

#### **5. Don't try to be a Bargain Hunter out to KILL.**

Negotiation is definitely a part of the real estate process, but trying to “win” by getting an extra-low price or by refusing to budge on your offer may cost you the home you love. Negotiation is give and take.

#### **6. Remember your flat/home does not exist in a vacuum.**

Do not get so caught up in the physical aspects of the house itself — room size, kitchen, etc. — that you forget about important issues as noise level, location to amenities, and other aspects that also have a big impact on your quality of life.

#### **7. PLAN ahead.**

Do not wait until you have found a flat/home and made an offer to get approved for a mortgage,

home insurance, and consider a schedule for moving. Presenting an offer contingent on a lot of unresolved issues will make your bid much less attractive to sellers.

#### **8. Maintenance and repair costs in your post-flat/home be included in the buying budget.**

Even if you buy a new home, there will be costs. Don't leave yourself short and let your home deteriorate.

**9. Accept that a little buyer's remorse is inevitable and will probably pass.** Buying a flat/home, especially for the first time, is a big financial commitment. But it also yields big benefits. Don't lose sight of why you wanted to buy a flat/home and what made you fall in love with the property you purchased.

#### **10. Choose a home first because you love it; then think about appreciation.**

Flats/homes have appreciated over time, a flat/home's most important role is to serve as a comfortable, safe place to live.

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## Buying in an Upbeat Market

Increase your chances of getting your dream flat/home in a competitive housing market, and lower your chances of losing out to another buyer.

#### **1. Get prequalified for a mortgage.**

You will be able to make a firm commitment to buy and your offer will be more desirable to the seller.

#### **2. Stay in close contact with your real estate agent/salesperson to find out about the newest listings.**

Be ready to see a house as soon as it goes on the market — if it's a great home, it will go fast.

#### **3. Scout out new listings yourself.**

Look at Web sites, browse your newspaper's real estate classified section, and drive through the neighborhood to spot For Sale signs. If you see a flat/home you like, write down the address and the name of the listing agent. Your real estate agent will schedule a showing.

#### **4. Be ready to make a decision.**

Spend a lot of time in advance deciding what you must have in a home so you won't be unsure when you have the chance to make an offer.

#### **5. Bid competitively.**

You may not want to start out offering the absolute highest price you can afford, but do not go too low to get a deal. In a upbeat market, you will lose out.

#### **6. Keep contingencies to a minimum.**

Restrictions such as needing to sell your flat/home before you move or wanting to delay the closing until a certain date can make your offer unappealing. In a tight market, you will probably be able to sell your house rapidly. Or talk to your lender about getting a bridge loan to cover both mortgages for a short period.

#### **7. Do not get caught in a buying frenzy.**

Just because there's competition doesn't mean you should just buy it. And even though you want to make your offer attractive, do not neglect inspections that help ensure that your house is sound.

# Direction - Looking Out for the Perfect Neighbourhood

Your neighborhood has a big impact on your lifestyle. Follow these steps to find the perfect community to call home.

- **Is it close to your favourite spots?**

Make a list of the activities — movies, health club, church, etc. — you engage in regularly and stores you visit frequently. See how far you would have to travel from each neighborhood you are considering to engage in your most common activities.

- **Check out the school in the vicinity.**

This is especially important if you have children, but it also can affect resale value.

- **Find out if the neighborhood is safe.**

Consider not only the number of crimes but also the type - such as burglaries or armed robberies - and the trend of increasing or decreasing crime.

- **See if you will make money.**

A well-informed Accredited Agent/Salesperson or the government planning department also may be able to tell you about planned developments or other changes in the neighborhood - like a new school or expressway - that might affect value.

- **Make personal observations.**

Once you have narrowed your focus to two or three neighborhoods, go there and walk around. Are homes tidy and well maintained? Are streets quiet? How does it feel? Pick a warm day if you can and chat with people working or playing outside.

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## A Guide for a Final Walk-through

It is an important ACTION to be carried out right before closing, hence you should always make time for a final walk-through.

Your goal is to make sure that your home is in the same condition you expected it would be. Ideally, the sellers already have moved out. This is your last chance to check that appliances are in working condition and that agreed-upon repairs have been made.

The following is a detailed list of what not to overlook for on your final walk-through.

**Make sure that:**

- Repairs you have requested have been made. Obtain copies of paid bills and warranties.
- There are no major changes to the property since you last viewed it.
- All items that were included in the sale price - Blinds, lighting fixtures, etc. - are still there.
- Screens and windows are in place or stored.
- All appliances are operating, such as the washer and dryer, oven, etc.
- Intercom, doorbell, and alarm are operational.
- Hot water heater is working.
- Potted plants or shrubs have been removed.
- Air conditioning system is working
- All remotes are available.
- Instruction books and warranties on appliances and fixtures are available.
- All personal items of the sellers and all debris have been removed.



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