



# Talking Real Estate with Steve Slicker

Hi folks,

Thought I would aim this column at anyone thinking of buying a property whether as a first time buyer or selling to buy elsewhere. This may come as a surprise to regular readers of my musings but the real estate agents are not the most important cog in the buying wheel. We are the people to approach AFTER speaking with your bank or mortgage broker.

Most people are now aware that the banks are a lot harsher in lending money than they were in the rising market, in fact in 2007 some lenders were lending more than 100%, now banks are lending between 80 -95% and even then with extremely strict criteria.

The reason I raise this is that very recently I have had a couple of sales that have been problematic. One failed to go through as finance was not approved. I asked the prospective purchaser if they had spoken to their bank, the answer was yes but when the contract was finalised the bank would not deliver, digging a little more I discovered the purchaser had indeed spoken to the bank but neglected to mention existing credit card debt and student loans. This affected the figure they thought they had to spend down by \$15,000, this meant the sale could not progress.

Another recent sale that did go through but caused massive amounts of stress was caused by forgetting to speak to the bank again after getting the ok to borrow to buy a larger home. In fairness this wasn't a run of the mill purchase, there were 2 different parties involved in purchasing a large family home, one related sale with another property to rent out. All was fine with the bank initially but these things can be built on shifting sands and the bank criteria changed. We were left with a potentially homeless couple, a purchaser who had spent the best part of \$2000 on due diligence on a property that she may not have bought, a contract that had to be extended a number of times and a vendor whose alcohol intake shot up over a three week period. (Hi Paul☺) Very fortunately at the 11<sup>th</sup> hour a bank was found that would loan the money but not before a number of banks had turned the loan down. This was a hugely stressful time that could have been made a lot easier with ongoing communication with the bank or mortgage broker

If you are thinking of selling your home please call me on the numbers below or contact me via email [steve@steveslicker.com](mailto:steve@steveslicker.com) alternately fill in your details on my website [www.steveslicker.com](http://www.steveslicker.com)

Kind regards,

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