

JOURNEY GUIDE

From Tenant to Homeowner



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Abstract

Transitioning from a tenant to a homeowner in Perth is an exciting milestone that requires careful planning. Start by evaluating your finances and understanding the Perth property market. Save for a deposit, typically 20% of the home's price, and explore first-home buyer grants or incentives available in Western Australia. Research neighborhoods based on your lifestyle and budget preferences. Secure pre-approval for a mortgage to streamline the buying process. Engage a trusted real estate agent to find properties that suit your needs. Once you purchase, understand your legal obligations as a homeowner and prepare for ongoing costs like maintenance and rates.

1. Introduction

Embarking on the journey from tenant to homeowner in Perth is a significant and rewarding step towards financial independence and stability. Perth's vibrant property market, coupled with its laid-back lifestyle and stunning surroundings, makes it an ideal place to invest in a home. Transitioning from renting to owning involves understanding the property market, managing finances, and planning meticulously. This guide will help you navigate the process, from saving for a deposit and exploring government grants to finding the right property and securing a mortgage. With the right approach, you can successfully make the leap from tenant to proud homeowner.

2. Tenant Ending a Tenancy

The process to end a tenancy in Perth depends on whether it's a fixed-term or periodic tenancy and the reason for ending it.

Counting days page includes notice periods and helpful flow charts showing how to give notices. A tenant should give the landlord as much notice as possible to allow time to find a new tenant.

The agreement ends when the tenant has:

- removed all their belongings
- returned the keys or security devices to the landlord.

Ending a periodic agreement (no fixed end date)

If there is no set end date on the rental agreement it is a periodic agreement. Many fixed-term agreements become periodic when the end date has passed.

If a tenant wants to move out, they must let the landlord know:

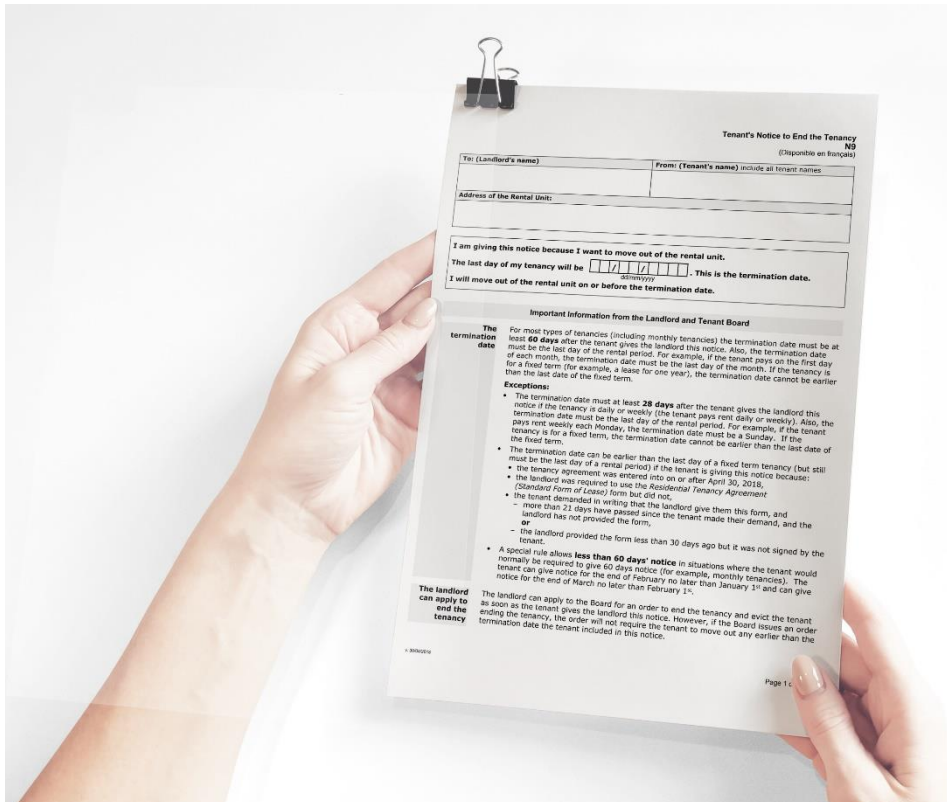
in writing by:

- email or letter or
- use the Notice of termination (Tenant to Lessor Form 22) form, and

at least 21 days before the agreement's end date.

Ending a fixed-term agreement (fixed end date)

Fixed-term agreements do not stop at the fixed end date. A fixed-term agreement automatically changes to a periodic rental agreement when:



- the end date passes and
- the tenant hasn't signed a new fixed term agreement and
- then landlord hasn't given a notice to move out.

If a tenant wants to move out on the agreement end date, they must let the landlord know:

in writing by:

- email or letter or
- use the Notice of termination (Tenant to Lessor Form 22) form, and

at least 30 days before the agreement's end date.

Ending an agreement early

- Fixed-term agreements can only be ended early by:
- mutual written agreement by all tenants and landlords
- family and domestic violence
- the home is unsafe or uninhabitable
- breaches of the agreement including not giving the tenant privacy

Landlord and tenant agree to end the tenancy

The easiest way to end the tenancy is by mutual agreement. This is when the landlord and tenant agree to end the tenancy.

This should be:

- in writing

- include the address of the rented property
- state the end date of the tenancy (the date the tenant will need to move out)
- include the reasons for ending the tenancy

Ending an agreement this way means there is no need to follow formal procedures, such as issuing notices.

Break lease

Breaking a rental agreement (breaking a lease) happens when a tenant leaves the property:

- without giving notice
- before the end of the rental agreement.

The tenant may have to cover some of the costs of ending the agreement early in a break lease situation. This may include paying for advertising and rent until a new tenant has moved in or the agreement end date.

A tenant does not have to pay for anything they are not responsible for, such as when the landlord:

- took a long time to advertise for a new tenant or
- decides to renovate.

Family violence

Tenants affected by family violence can end the tenancy with at least 7 days' notice and move out immediately.

They must give the landlord a Notice of Termination form (Form 2) and provide evidence, such as:

- a Family Violence Restraining Order
- or an official report from Consumer Protection.

See Safe tenancy page for more information.

A copy of the notice of termination will be given to any co-tenants and they will be given 7 days to decide if they want to stay or leave. If they decide to leave, they must give the landlord 21 days' notice.

Home is damaged or unsafe

Contact the landlord as soon as possible if the home is damaged because of:

- bush fire, storm, flood or other natural disaster
- traffic accident
- break-in

If the tenant can safely stay at the home, they will have to give the landlord proper notice according to their agreement.

To ask for repairs, see rental home repairs page.

If the house has been destroyed or declared unfit to live in by the local authorities, the tenant can end the tenancy:

- immediately with written agreement from the landlord or
- with 2 days' notice.

The landlord does not have to help you find somewhere else to live if you can't stay in your home.

Help for tenants

Tenants can get advice from Circle Green Community Legal (formerly Tenancy WA) for a fee, which may be waived for those on a low income or facing hardship.

Complete their online assistance form or call (08) 6148 3636, or for country callers, 1800 621 888.

3. The Legal Side Of Vacate Cleaning: Understanding Your Rights And Responsibilities



The end of tenancy is one of the crucial phases for tenants and landlords in Western Australia. Tenants are stressed because of their hard-earned bond money, while landlords expect the property to be in a pristine state to attract new occupants. Thus, it becomes imperative to understand the legal aspects of vacate cleaning to avoid unnecessary rental disputes.

Knowing your cleaning rights and responsibilities regarding vacate cleaning can help you pass the rental inspection and ensure a seamless move-out. According to the Residential Tenancies Act 1987 (Western Australia), tenants must perform certain responsibilities, such as returning the property reasonably clean before the rental inspection. Unfortunately, most are unaware of their roles and fail to save their bond money.

So, here is a complete guide to help you understand your rights and responsibilities related to vacate cleaning. This will help you stay confident and relaxed throughout the process.

Let's Get Started!

1. Understanding Your Rights As a Tenant

Ensure you know all your rights related to your tenancy to protect your deposited security. After that, you can hire professionals for vacate cleaning in Perth and impress your fussy landlord.

Right to Normal Wear & Tear

According to the residential tenancy laws in WA, daily wear and tear is acceptable. This means landlords can't deduct your bond money in case of faded paint, minor scuff marks on walls, loose doorknobs and hinges, or cracks on settlements at the end of your tenancy.

Right to Filling Out a Property Condition Report

Believe it or not! The Property Condition Report is one of the crucial aspects during a move-out. Tenants must check and fill out it at the beginning of their tenancy. Acknowledging and documenting existing damages before the start can help you avoid unwanted disputes.

Right to a Reasonable Bond Claim

Property managers or landlords can't unethically deduct your bond money. They are obligated to provide proof, such as photos of dirty walls, smudges on windows, etc. In simple words, tenants/renters have the right to receive full bond money if the property is left reasonably clean—according to the tenancy agreement.

Professional Cleaning is Not Mandatory

The tenancy agreement might include a specific cleaning clause and set standards, but landlords can't force you to hire professionals for vacate cleaning. If you have prior experience, expertise and time, perform the cleaning chores on your own.

However, tenants hire vacate cleaning Perth experts because they follow a pre-approved checklist and can meet the expected cleaning standards of landlords and real estate managers. You can breakdown the costs of cleaning services and book experts within your estimated budget.

Disputing Bond Deductions

Tenants have the right to raise a dispute if the landlord unfairly withholds their bond money because of cleaning. You can also apply directly to the Magistrates Court for full bond disposal. Make sure you provide the necessary evidence, such as existing property condition reports, images and videos of existing dirt and damage.

2. Tenant's Responsibilities Regarding Vacate Cleaning

The legal side of vacate cleaning mainly depends on the pre-defined responsibilities of a tenant. Have a look at the following:

Understanding Your Cleaning Clause

It is a tenant's responsibility to understand the specified cleaning clause mentioned in the lease agreement. Whether you are required to maintain the outdoor areas or kitchen appliances, knowing your cleaning responsibilities when moving out becomes imperative. This will give you clarity and help you perform tasks without missing important spots (already mentioned in your agreement) to pass your end-of-tenancy inspection.



Referring to the Property Condition Report When Cleaning

As mentioned above, renters get a copy of the Property Condition Report. Make sure you refer to it and compare the property's current condition. This will help you identify dirt-laden areas, new property damages, and other aspects that will help you prepare for a successful rental inspection process.

Tip: You can identify the spots that need detailed cleaned and attain desired outcomes.

Do Necessary Repairs Before Cleaning

According to the tenancy agreement, you are responsible for major property damages. So, after inspecting your property, make sure you fix the leaky taps, broken doors and windows, remove mould from walls and ceilings, etc. This will help you carry out end of lease cleaning more precisely.

Returning a Rental Property "Reasonably Clean"

This means you are obligated to remove visible dirt, dust, stains, grime and gunk from the entire property and return it to its pristine shine before the final inspection. That's where professional vacate cleaning Perth comes in.

Professionally trained experts follow a pre-approved checklist to cover all rooms, kitchen appliances, walls, bathroom fixtures, fittings, exterior areas, garage walls, and much more. Remember that half-baked cleaning or leaving dirt behind can deduct your bond money. So, be precise and take the cleaning task seriously.

3. Legal Assistance: How to Resolve Rental Dispute and Claim Bond Money?

Rental disputes are common in the residential tenancy sector. If both parties don't agree with the specific bond amount of the inspection result, they can contact the Western Australian Civil and Administrative Tribunal or SAT to resolve the issue.

Make sure you provide all the necessary documents and evidence, such as a copy of the entry condition report, videos, and photos. Legal experts will review the evidence, hear both parties and make a final decision based on the submitted evidence.

4. Additional Tips For the Best Vacate Cleaning

Below are some quick tips and tricks to help you spruce up the rental property to pass the rental inspection:

Follow a top-to-bottom Cleaning Approach: It is always good to start from ceiling walls, fans, and light fixtures and work your way down towards windows, carpets, and floors. This will prevent dust from falling on already-cleaned surfaces.

Wash Windows Inside and Outside: If you want to pass your rental inspection, remember to clean your windows, both inside and outside, if accessible.

Pay Attention to Kitchen Appliances: Use vinegar to remove burnt food particles, grease, and stains from your oven, microwave, dishwasher, and refrigerator.

Cleaning and Disinfecting Bathroom Surfaces: Clean showerhead, bathtub, toilet bowl, faucets, drains, etc. Make sure you disinfect germiest spots surfaces with rubbing alcohol.

Understanding the legal side of vacate cleaning is crucial for a hassle-free retrieval of bond money. With the help of this guide, you can perform your duties and responsibilities and seamlessly move out of your tenancy period.

4. Buying Vs. Renting: Is Now The Time To Become A Homeowner?

With the lowest mortgage interest rate environment in decades, many renters are asking themselves if now is the right time to become a homeowner. Purchasing a home is the largest financial decision most people will make in their lives, so it is important to weigh your options carefully to know if it makes sense for you to buy a home or if you are better off renting in Perth.

Both options have their pros and cons.

There are benefits to renting in Perth, such as the flexibility to move easily in a shorter amount of time. You also won't need to handle maintenance, which is paid for and dealt with by the owner. But there are also quite a few disadvantages to renting. There are major financial ramifications. For example, when you move out of your rental property, you walk away with nothing other than your security deposit — and that is the best-case scenario. You aren't building equity renting; you are building your landlord's equity. If the landlord decides to sell or perhaps increase the rent to more than you can afford, you may need to move. There is also no financial relief renting because you never "pay off" the property, so the monthly payments continue into perpetuity.



Unlike renting, owning a home in Perth allows home equity to accrue, helping you build wealth as home values typically increase over time. In addition to the tax benefits of owning, when you own the home, you make the rules — from owning pets of any breed to paint colors to hanging any décor on the walls that you please. And once you pay off your mortgage, you eliminate those monthly payments and free up additional funds. However, buying may initially be more expensive due to the down payment, though it can be less expensive than renting in the long run. Of course, it is very important to remember that the typical ongoing costs of owning include things such as property taxes, homeowners insurance, maintenance and repairs. These costs are the homeowner's responsibility, whereas in the case of renting, those expenses are borne by the landlord.

Are you ready to become a homeowner?

As you are weighing your options of renting versus buying a home in Perth, there are several questions to ask yourself to see if you are ready to make the leap into homeownership:

- Am I financially prepared and stable?
- Do I have a steady income?
- Am I committed to staying in a specific location?
- If I don't buy a home, am I prepared to handle any rise in rent?

These questions are important to consider because looking for a new home is exciting, but without proper preparation, you could make poor financial decisions. For example, you need to be financially ready to own a home. This includes having an emergency fund of three to six months' worth of living expenses set aside in the event of unexpected changes.

Another important thing to consider is how long you anticipate you will stay in the home. If you don't expect to be in the same place for an extended period of time, renting might make more sense for you. For example, if you frequently relocate for work or you are aiming to move into a larger space in the

near future, you might not want to commit to buying a home yet. Instead, set your financial goals, and begin to plan for the time you will be ready.

Taking advantage of the historic low interest rates can help make the dream of homeownership more attainable and cost effective. But be sure to know and understand all your options before making these financial decisions so that you make the best choice for your future.

The information provided here is not investment, tax or financial advice. You should consult with a licensed professional for advice concerning your specific situation.

5. Mistakes to Avoid When Buying a New Home

Prevent buyer's remorse and score the best deal possible on a new home in Perth with these expert tips.

The more experience you have buying real estate, the more you'll learn about this complicated process. Between confusing terminology and the logistics of buying a house, it's all too easy to make the wrong move or wind up with an unwise investment. If you're a first-time homebuyer, bypass buyer's remorse by knowing the most common pitfalls and how to avoid them with these tips from real estate experts.

Not Getting Pre-Approved Before You Shop

The last thing you want to do is fall in love with a house you can't afford. To prevent that, before you do anything, get pre-approved for a mortgage. "You need to know what you can afford and what the monthly payments look like," says Vicki Ihlefeld, vice president of sales at Al Filippone Associates/William Raveis Real Estate in Fairfield, Conn. "A good mortgage broker will figure this out for you. And while a bank will usually pre-approve you for a higher amount, you don't want to overextend yourself. Be realistic about what you can actually afford." You're a stronger buyer if you're already pre-approved when you make an offer on a house.

Not Seeking Advice From an Experienced Professional

Despite so much information available online, you should still seek the advice of an experienced professional early in the home-buying process. "Realtors educate people about the process, who they need to consult, if they need an attorney, [and] when they'll have to have their down payment ready," says Tracie Rigione, vice president of sales at Al Filippone Associates/William Raveis Real Estate. "And we can give valuable insights into the neighborhoods you're looking at." An added bonus: Sometimes real estate agents have access to a property before it goes on the market.

Finding a real estate agent to work with is important, so take your time to find one who's a good match for your personality and preferences. As Rigione points out: "You're going to be spending a lot of time together throughout the process!"

Not Making an Informed Offer

A common home-buying mistake is letting your emotions dictate the offer. Instead, only make an offer if you're really serious about buying a property, and make sure it's based on comparable sales rather than just how much you like the house. "Ultimately the price should reflect the market value of the home. The ideal negotiation is when the buyer and seller both feel like they've won," says Rigione.

"The negotiations between your opening offer and your ideal number is where working with a real estate pro really comes in handy."



Not Being Able to See the House Beyond Its Current Condition

This is potentially a two-pronged issue, and both can be problematic. This first scenario is finding a house updated with beautiful finishes, fixtures, and décor. "We call it eye candy," explains Ihlefeld. "People get so busy looking at superficial details and forget about things that they can't change about the house like the location, the yard, or that it's on a busy road."

On the other hand, shoppers may overlook a home that needs paint and cosmetic updates, but has great bones and a good location. When shopping for a house, be cognizant of cosmetic details that can be altered easily, as well as issues that are expensive or impossible to fix.

Making an Emotional Decision

You never want to fall so in love with a house that you're emotionally invested in the purchase. "If you love it so much that you feel like you'll do anything to get a property, you can end up overpaying for the home," warns Rigione. "That can lead to buyer's remorse and feeling like you didn't get the best deal. The buying process is emotional enough, and that's why you want someone on your side that can keep your emotions in check through the close. We've seen deals fall apart from something as small as a missing light fixture!" Stay levelheaded and remember that this is a serious commitment that you'll have to live with for years to come.

Only Looking at Mortgage Rates From One Lender

Ensure you do your due diligence when it comes to your mortgage. Speak to an experienced loan officer who'll find the best rates and mortgage products. "Talk to your loan officer about your personal needs so they can help steer you toward the best mortgage for you and your family," says Ihlefeld. "You can save a lot of money that way, especially if you're a first-time home buyer."

Applying for Lines of Credit or Making Large Credit Purchases

Buying a house is a big enough purchase, so just focus on that: You shouldn't simultaneously be shopping for a car, buying furniture, or opening a new credit card. "Your credit score gets dinged when

you open a new line of credit. It can impact your pre-approval, mortgage approval, and create a big mess for the underwriter," says Rigione. "It can even delay your closing. Once you've closed on the house, then make your next buying decision."

6. Tips for First-Time Homebuyers

Leaping into homeownership is always a big decision, whether you've been saving up for years or you're looking to take advantage of a first-time homebuyer program. The process is complicated, and it can become overwhelming if you're not prepared.

Let's take a look at some first-time homebuyer tips and common pitfalls you'll want to avoid so you'll be well informed before your purchase.

1. Prepare Your Finances

One of the most important tips for buying a home is that you must prepare your finances. Your new home is an investment, but a home loan is also an investment for your bank. It's looking for low-risk customers for loans, so you'll have to show financial stability.

There are a few things you can do to prep your finances before acquiring a mortgage, according to John Cabell, director of banking and payments intelligence at J.D. Power and Associates. Pay down debt, make your payments on time, and avoid opening new loans or credit cards. Cabell told The Balance by email that a common mistake is acquiring new debt, even if it's well in advance of your mortgage loan application.

New accounts don't show up instantly on your credit report. They'll usually take at least a few weeks to appear.

You'll also want to start saving for a down payment at this point, although the amount you'll need may be determined by the mortgage for which you're applying.

2. Determine Your Budget Early

Your budget will depend on several factors, including the size of your down payment and what mortgage programs you'll be using.

Banks will generally want you to maintain a debt-to-income ratio lower than 36% to ensure that you'll be able to pay back your loan.¹ Mortgage calculators can help you determine your monthly payment. Figuring out how much house you can afford based on your income is also important.

Don't forget to calculate the "invisible" costs of homeownership when you're determining your budget. These include maintenance expenses and property taxes.

Be wary of going over budget. This creeping trend has increased over the years. About 28% of buyers spent more on their homes in 2021 than their initial budget allowed.³

3. Don't Buy Solely Based on the Market

The housing market is always fluctuating. There will sometimes be more houses for sale than there are interested buyers. This results in a buyer's market. Properties will be snapped up quickly, and multiple-offer situations may become more common at other times.

Timing the market is the act of trying to predict the best time to buy and waiting until then. This could mean you'll save some money or face less competition, but attempting to time the market is something

you should avoid. There can be more than one downside to waiting for the market to change, including spending more money on rent or risking the continued rise of home prices.



4. Explore Your Mortgage Options

There are many types of mortgage loans out there, including specialized loans for first-time homebuyers. These often come with lower interest rates or reduced down payment requirements. Be sure you've thoroughly investigated all your options before you dive in with any one type of mortgage.

5. Look Into First-Time Homebuyer Assistance

Look into first-time homebuyer programs. These programs can provide down payment assistance or vouchers toward the purchase of a home. These can save you tens of thousands of dollars.

6. Compare Several Loan Offers

Each bank charges its own set of fees, and this can lead to some fairly significant differences in costs. You'll also find varying annual percentage rates (APRs) at different banks, so getting more than one offer is critical to finding the lender that suits you.

Don't neglect to get a preapproval letter from your bank once you're ready to start home shopping. Many sellers require that you have one before they'll accept an offer on a house.

The number one mistake that first-time homebuyers make is failing to prepare before going home shopping, according to real estate agent Jason Zaitz. "It's crucial in any market to ensure you have a preapproval letter with a local lender just in case you find the perfect home during your first time touring homes," he told *The Balance* by email.

7. Make a 'Must Have' Home Feature List

It can be easy to start adding things to your list of needs and wants when you begin touring homes. But you'll want to make sure that the list is true to what you really desire. Is location important to you? How about schools? Does the home need to be turnkey, or are you up for a renovation project?

Remember that there are many things you can change within a home, including the kitchen, backyard, bathrooms, and bedrooms. What you can't change is the location or the lot size. Keep this in mind when you're determining your "must-haves."

8. Hire an Agent

A real estate agent is an expert at their job, which is to find the house that best suits your needs. They'll be able to tell you if a home is properly priced, whether the neighborhood is good, and how quickly properties are selling. They'll also be able to negotiate on your behalf and prepare the required paperwork for you.⁵

It's possible to do this all yourself, but an agent is almost always a better option for a first-time homebuyer.

9. Don't Skip the Inspection

A home inspection is meant to uncover problems with the home's structure, plumbing, roof, and other parts that could be very expensive to repair. You may have a keen eye, but a professional is going to be better equipped to examine the property. You'll have to pay for it, but the inspector will send you a thorough report detailing the condition of the property when the inspection is completed.

10. Plan Your Offer Carefully

The offer you make will depend greatly on how the market is doing. You'll have more leeway to negotiate if there's less competition, but you may have to prepare for other offers if it's a seller's market.

According to Leo Esguerra, a San Diego, California-based agent, listening to your agent's recommendations is key when preparing an offer. There are tons of moving parts within real estate, and an agent's guidance can make the difference between failure and success.

This is especially true in hot markets, which commonly occur when interest rates are low, Esguerra told *The Balance* in a text message. You'll have to be flexible and creative to get your offer accepted. Consider writing a personal letter to the seller, stretching your budget for a dream home, or dropping contingencies.

11. Negotiate Thoroughly

Understanding how to negotiate is key, and this is another situation in which a real estate agent can be invaluable. You may have to negotiate if the seller doesn't accept your initial offer. You may also have to do so if the home inspection turns up issues. It's often possible to work with the seller to have these repaired before you purchase the property. You can also ask for a credit against the sale price so you can have the problems fixed yourself.⁶

Be ready and willing to negotiate with the seller in order to get the best deal, and don't be afraid to walk away if you can't come to an agreement. There's always another home.

7. Conclusion

In conclusion, transitioning from a tenant to a homeowner in Perth is a life-changing journey that offers both personal and financial rewards. By understanding the Perth property market, setting clear financial goals, and taking advantage of available resources like first-home buyer grants, you can make your dream of homeownership a reality. Perth's diverse neighborhoods and quality lifestyle provide endless opportunities for finding the perfect home to suit your needs. With careful planning and perseverance, you can confidently take the step toward owning a home in this vibrant city, securing a stable and fulfilling future for yourself and your family.

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