



Buying property with confidence

Invest time working on your wish list

Key things to consider are:

- proximity to your work and family,
- schools,
- shops,
- transport and
- hobbies and interests.

List the number and size of bedrooms you need, bathrooms, storage space, car parking, garden/balconies etc. How important are the neighbourhood and nearby streets/roads? Would you consider surrounding suburbs? **Be prepared to be flexible.**

Once you start looking you may find that you need to revise your list, price range or geographical area. Sit down again and clarify your requirements before you 'hit the road'.



close to family ✓
good schools ✓
shops nearby ✓
public transport ✓

Look past the glamour makeovers and trick photography

It is increasingly popular for sellers to 'stage' their homes for sale with rented designer furniture and quality photography for advertising. Expect to be a little disappointed with the reality when you arrive at the open inspection. **Look past the presentation.** Focus on the layout, actual room sizes, kitchen, bathroom and the priorities on your wish list. Don't forget to listen for traffic noise and to observe the entry and exit to the property.

Keeping properties clear in your head

Open inspection times can be short and often overlap. Make the most of your time at each property.

- take detailed notes,
- use checklists and
- take photos if permitted.

Try the free Dragon Dictate iPhone app to make notes on properties. In between open houses, use the voice recorder to automatically type your notes on each property and email it to yourself.

A closed mouth at open houses

Experts advise keeping your cards close to your chest. If your emotional attachment to a home is obvious it will work against you because the agent will expect you to be more negotiable. Definitely ask questions and let the agent know you are interested so they will call you back, but use your poker face.





Make the most of your time - look at properties in your price range

Home loan preapproval gives you peace of mind about your budget and also means you can act quickly when you find the right property. If you need to sell your current home first, consider getting a professional independent valuation to ensure you are doing your calculations on a realistic sale price. You can also arrange **bridging finance** that allows you to purchase your new home while you are waiting to sell your existing one. **Call the office for more details.**

Is there something better around the corner?

It can be tempting to look above your price range out of curiosity. Be aware though that you may then be dissatisfied with the homes you can afford. Use this simply as an information gathering exercise and perhaps motivation to step higher on the property ladder in future.

A building and pest inspection - removing your rose coloured glasses

Your own inspection will probably focus on the positive aspects of the property. A building inspector's job is to look for negatives. You can expect the report to show a few current or potential problems, particularly in older homes. In most cases buyers are not deterred. Instead they are armed with knowledge about the likely cost to rectify problems and use this as bargaining power in price negotiations. You will hopefully agree to a lower price and use the savings to tackle the repair 'to do' list after you move in.

Note: Be wary of sellers promising to rectify problems themselves. Insist on verification by your building inspector before settlement.

How much should you be paying?

Try to separate your practical, lifestyle and emotional requirements in a home. Be careful not to pay too much for emotional elements which may not have broad appeal to future buyers when you eventually sell the house.

Research the local market online. Consider obtaining property value reports for suburbs you are interested in.

Should you wait for a better time to buy?

No one has a crystal ball but you can certainly review current industry reports on the market before you decide. Make your decision with a long term view. If you have found your ideal property, paying an extra 5% now won't really make much difference to your future wealth as you can expect around 5-10% capital growth each year¹. The important thing is your 'time in the market' rather than trying to 'time the market'.

Buying in spring also has its advantages. There is generally a higher volume of properties offered for sale, giving you more choice and potentially more bargaining power.

Negotiate based on facts

Always start low and use your research.

Key negotiating points include:

- current property values in the area,
- how long this and similar properties have been on the market,
- if the seller has to move quickly,
- competitive properties and
- repairs needed etc.

It's not only about price. Offering more favourable settlement terms may swing the deal in your favour (eg longer settlement, renting the house to current owners until they are able to move etc). Put your offer in writing and ensure the seller knows you are serious.

Don't be surprised if you experience some buyer's remorse

No home is perfect. There are likely to be some repairs required and of course you'll never know if you could have negotiated an even better deal. Will these things matter in the long term? Probably not. It is more likely that you will look back in a few years time pleased that you have done well repaying your mortgage, benefiting from capital growth and now have enough equity in your home to invest or access to renovate and improve your home.

How we can help

Ask us to arrange preapproval for your loan amount so you can go shopping knowing exactly what you can comfortably afford.

We can also direct you in the right direction to access a property report for the property you are looking at purchasing.

Ask us to send you our handy property checklist to use during your inspections

¹ RP Data statistics for the past 30 years show that Australian house prices have increased at an average annual rate of 8.4%. This implies that property has doubled on average every 8.5 years. © 2011