



common

# mistakes

buyers make

Just Listed asked EPS Property Search co-founder and the author of *The Insider's Guide to Buying Real Estate*, PATRICK BRIGHT, to outline some of the common mistakes people make when purchasing a home or investment property.

The biggest mistake people make is not doing enough comparable market analysis (detailed research) before they buy. Most people are just too busy to do the necessary research that will ensure they don't pay too much and more often than not save themselves tens of thousands. At the end of the day you just have to do your research. There's no way around it if you want to be sure you're getting a good deal.

Good questions to ask real estate selling agents when doing research are:

- How did you come to the asking price?
- Are there any recent sales in the street or surrounding streets that are comparable to this home? If yes, make sure they show you the evidence of this.
- What are the offers so far on the property?
- How long has it been on the market?
- So \$650,000 is the asking price, but what are the owners really hoping for?

These questions will assist you in gathering important information when trying to establish a property's market value and the vendor's likely flexibility on price.

Another common mistake is searching without finance approval. The last thing you want to do is watch the home of your dreams slip through your fingers while someone else is exchanging contracts, especially while you're trying to arrange an interview with a mortgage broker or your local bank. It can be a very emotionally draining experience.

## Inspections are vital

Termite infestations, dodgy wiring, sub-standard renovations...there are many potential problems with any home that you're not likely to pick up yourself. Most solicitors I speak with tell me that less than 50 per cent of their clients obtain all the appropriate inspections. For your peace of mind just get the inspections done. I have seen first hand homes that are less than six years old riddled with termites.

## Factoring in running costs

Unfortunately the price you pay for your home or investment property is only the first in a series of home ownership expenses. Before you rush off and make an offer on a property, you should check out whether you can afford the running costs on top of the mortgage such as council rates, water rates, and land tax. If you're buying an apartment, find out how much the strata fees are and how much money is in the sinking fund. Strata fees typically range from \$250 to \$3000 a quarter sometimes even more.

EPS Property Search is a Sydney-based agency that purchases homes, investment and commercial properties for its clients. It was founded by former real estate agents Patrick Bright and Debbie Upward. Patrick is also the author of *The Insider's Guide to Buying Real Estate* which is available in all good book stores or you can purchase a copy off his website [www.epspropertysearch.com.au](http://www.epspropertysearch.com.au) or by calling 1300 SEARCH.

