

High price for buyer blunders

Too many buyers are guilty of the same mistakes, writes **Joanna Tovia**

BUYING a property is one of the biggest purchases people ever make so messing it up can have wide-reaching ramifications that can take years from which to recover.

The key to making a wise buying decision is avoiding some common mistakes.

Buyers agent and author of *The Insiders Guide to Buying Real Estate* Patrick Bright knows all the tricks of the trade when it comes to finding a good property and negotiating the best price.

Mr Bright says the biggest mistake people make is not doing enough detailed research before they buy and says comparative market analysis is essential.

He says most people are just too busy to do the necessary research but such a mistake could mean they are paying tens of thousands more on a house than they should be.

"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."

Mr Bright suggests potential buyers ask real estate agents the following questions during their research:

- 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 the answer is 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 be of great help when you are trying to establish a property's market value and how flexible the vendor is likely to be on price.

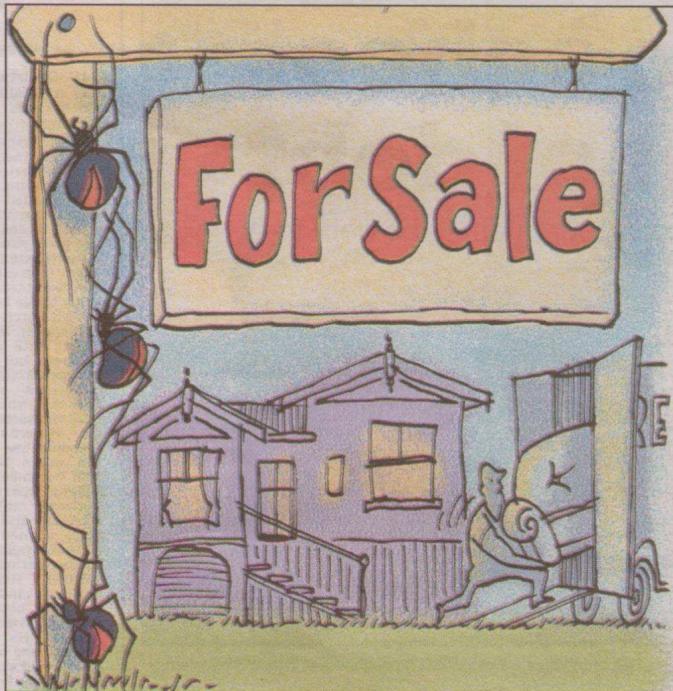
Another common mistake is looking for a house without getting finance approval first.

"The last thing you want is to watch the home of your dreams slip through your fingers while someone else is exchanging contracts while you're trying to arrange an interview with a mortgage broker or your local bank," Mr Bright says. "It can be a very emotionally draining experience."

Inspections are vital but it can be tempting to skip this step when you fall in love with a house and want to sign on the dotted line before anyone else.

But houses have plenty of potential problems you may not be able to pick up on yourself — termite infestations, dodgy wiring and sub-standard renovations, for example.

Mr Bright says less than half of buyers get



Rushing into a property purchase can leave you with more than a bad case of regret

all the appropriate inspections done.

"For your peace of mind just get the inspections done," he says. "I have seen first-hand homes that are less than six years old riddled with termites."

People also make the mistake of failing to factor in running costs when they buy a house.

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, Mr Bright advises buyers to check out whether they can afford running costs such as council rates, water rates and land tax on top of their mortgage repayments.

"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.