

Beware of the

Real estate author and buyer's agent **Patrick Bright** says investors should be careful to use technology wisely

With our busy lifestyles it's only natural to want to use all the tools available to make house hunting quicker and easier. As real estate internet sites become more popular, people who are looking for new homes or investment properties are now placing more importance on online information.

While this approach can certainly save you time it's important to remember that real estate websites are only a starting point. They can't do the property hunting work for you.

Using technology effectively

The internet is a fantastic place to begin your research in order to get a feel for what's on offer. The major real estate websites quickly give you a snapshot of the properties for sale, in and around your area of interest, while providing tips, related links, articles and other information on the property buying process.

Unlike newspapers and other more traditional advertising methods which have limited information, the real estate internet pages allow you to access more details

about properties of interest such as floor plans, a range of photos and descriptions of the interior and exterior. However, you should never forget that the properties on these internet sites are being carefully marketed. The information presented is marketing material that will show the property in its best possible light. After all, the vendor and selling agent want to make the property appear more saleable and will highlight the property's best features while playing down or omitting any negatives.

Whilst it's easy to jump online and pull together a short list of properties to look at, don't be fooled into thinking that you're able to access the entire property market through internet searches alone. Not every property that is up for sale will be listed on the web. In order to make sure that you're accessing the entire market you will need to view the properties advertised in major newspapers, community newspapers and magazines that operate in your chosen suburbs. You should also drive around your select location to

develop a good idea of the streets you like while also noting down any new signboards that advertise private sales.

Of course you should supplement all of this information by contacting all the selling agents in the area to check whether they have additional stock for sale which is yet to feature on the market or where an owner is selling a property but doesn't want it publicly advertised. Based on my experience, by going through this process it should allow you to inspect around 30% of properties before they hit the public market. Whilst this is a more time consuming process, remember that

technology trap

by being lazy you could miss your dream home if it's not featured on the internet or if you don't get to it first.

The real estate internet sites also provide options for you to view properties that have sold in your choice suburb including their sale price. It's important that you evaluate this information with caution as it simply doesn't give you an accurate picture of comparable sales. To truly develop a good understanding of what a property is currently worth you need to personally view around 100 comparable properties over a two to three month period and note their features, floor plan, condition and what they sell for.

You also need to be very careful when supplementing your personal research with data sales reports that you can buy over the internet. For example the sale price of a 2-bedroom unit with knockout views, great balcony, lock up garage and a single second bedroom cannot be easily compared to a 2-bedroom, fully renovated unit in the same or neighbouring

street with no view, no balcony and no parking. The sales and data reports don't have floor plans attached, don't allow you to compare view and aspects and don't advise you of the condition of the properties. While they do give you data such as land size, the reports can't tell you if the land falls towards the street or away from it, the shape of the block and how much of the land is useable. All of this information has a significant influence on property value, which is why physical inspections are so important.

The danger of sight unseen

Real estate internet sites are a good starting point but they cannot replace physical inspections. Unfortunately there seems to be more and more people who believe that the online photographs and information give them enough details to be able to get an accurate understanding of what individual properties have to offer and their current values.

For starters, the photographs used will show the property in the best possible light. Wide angle lenses may be used and the so called view may not

be directly out the living room window but only visible when standing on your toes while leaning over the edge of the balcony! By looking at the photographs alone, how will you know if your neighbour looks directly into your kitchen window or if you have a private or exposed back yard? And how will you get a good feel about the neighbouring properties and the overall suburb?

You will only get a good understanding of this if you go and look at the property yourself. The internet sites only go so far - don't make the mistake of buying sight unseen as many do by thinking that everything you see and read online is truly reflective of the property you're interested in.

Remember the importance of your purchase

While it's tempting to want to speed up the process and remove the tedious activity of going to open homes for weeks on end, the reality is that by taking short cuts you're much more likely to buy an inferior result on price or property quality. Don't forget that buying a home or an investment property is a significant financial purchase. By doing your research properly you're far more likely to secure a solid result that will benefit you in the long term. **WM**

