



5 Property Tips for Buyers

Most buyers get their real estate knowledge and experience at a hefty financial price.

They are so busy earning money that they don't have the time to research and save money.

These few brief hints, in today's fast-paced world, may save you several thousand dollars if you are buying today.

1. Use a Lawyer
2. Building Inspection
3. Valuation
4. Allow for Hidden Costs
5. What price, pride or ego?

1. Use A Lawyer

One of the most dangerous acts done by buyers is to sign legal contracts without consulting a lawyer. Agents may not be interested in the welfare of buyers. Commission only agents tend to focus on their commissions.

Signing a contract with an Agent before having a solicitor check it is like going for medical treatment and having the doctor's receptionist do the operation in the stationery cupboard.

Take care of your financial health and consult a lawyer - either before you sign a contract or include a clause in your agreement. Make sure you choose someone independent of the agent who is selling you the property.

A good lawyer is a great property investment.

2. Building Inspection

Ask your lawyer to recommend a reputable and qualified building inspector to check the property – either before you sign a contract or include a clause in your agreement.

Amazingly, people are more inclined to get a mechanical inspection when they buy a car than to get a building inspection when they buy a home.

If something arises from the report (that was not pointed out to you before you ordered the report), you can go back to the agent (or the seller) and ask for the price to be lowered to compensate for any repairs that are needed.

The few hundred dollars you spend on a building report could save you thousands of dollars.

3. Valuation

Do you really feel you have the knowledge and expertise to know if you are paying the right price? What if the price you pay turns out to be \$50,000 (or more) than the true value of the property? Will you be okay with this discovery?

If not, then hire an independent valuer before you sign a contract to buy or include a clause in your agreement.

Again, when it comes to the value, it is best to obtain an opinion independent of the company that is trying to sell you the property.

4. Allow For The Hidden Costs

No matter what anyone tells you – or no matter what you believe – buying a home is going to cost you more than you think. You will discover fees and expenses that you never knew existed. To be safe, always allow that you are going to need SEVEN per cent of the price of the property to cover hidden costs. Yes, it's often less. But if you use the seven per cent rule you will end up with more money instead of less.

5. What Price Pride Or Ego?

Before you buy, ask yourself which is more important to you: Having a home that looks great and you worry about the repayments or having a home where you don't have to worry about the repayments? Always consider buying a smaller home for a cheaper price or in a less salubrious area. It's much cheaper to buy extra beds for visitors than it is to buy empty bedrooms. Remember, excess debt is a major cause of unhappiness.