

## 6 expert tips for buying your next home

The Australian property market is virtually flat, providing would-be buyers with plenty of opportunities to bag a bargain.

But just because the market is currently tipped in the buyer's favour, that doesn't mean you can afford to get cocky.

It's when people are over-confident that they often make the biggest mistakes, warns Meighan Hetherington from Property Pursuit in Brisbane – and when it comes to real estate, mistakes can be costly.

With the average house price now sitting at around \$500,000, Hetherington points out that over-paying for your next property by just 5% could cost you "the equivalent of an overseas holiday, a year of private schooling for two children, a new car or a significant share portfolio."

So before you sign anything, check out these expert tips to help you get the best deal when buying your next home.

### Do your research

Look at properties in your price range in the areas you like, and in the surrounding suburbs. "See what's happening in the local market by talking to real estate agents about properties that have sold, and go to some local auctions," Hetherington advises. Once you've found the home you're interested in, you may want to engage a valuer to determine the market value of the property.

### Set a financial limit

It's important that you set an upper limit and actually stick to it, otherwise you run the risk of tying yourself to a burdensome debt that you'll struggle to repay. "Don't allow the emotion of the negotiation get the better of you, but also be careful not to put the owner offside with an insulting offer," Hetherington says. "If you are making a low offer make sure to provide information about why you believe the offer is genuine."

### Go where the vendors are

Look at suburbs where there are lots of properties for sale, as there will be less competition from other buyers –

but more competition between vendors to secure a deal. "This will give you a stronger negotiation position with a seller who is competing with other homeowners in the area," says David Hobbs, CEO, Professionals Real Estate Group.

### Be realistic

Keep in mind that there's no such thing as the "perfect" home, so you may need to "set priorities," Hobbs says. "Determine what you're willing to sacrifice, especially if you have a limited budget, and go from there."

### Learn the vendor's reason for selling

Have they already committed elsewhere? Are they financially over-extended and desperate to sell? Or is it an investor who is keen to liquidate their assets? Ask the agent plenty of questions, as this information can be extremely valuable during negotiations. "Sometimes a seller will take a lower price if the terms and conditions are more favourable to their own situation," Hetherington says.

### Prepare yourself for auction

Auctions are aimed at putting buyers in direct competition with each other in order to generate the highest price for the seller. In other words, they're firmly tipped in favour of the vendor. "If you're planning to buy a home that is going to auction, then spend some time understanding the psychological process that the agent will be using leading up to and during the auction itself," Hetherington says. "At auction you'll be buying on a cash unconditional basis so you must have your finance approved, building and pest inspections completed and have spoken to your solicitor about the contract before auction day." Also, remember that there is no cooling off period if you buy at auction.

Source: Your Mortgage