

Ten traps for the unwary

Purchasing a property, especially your first property, is one of the most important decisions you'll make in your life. There are unexpected pitfalls that can turn your dream home into a money pit - and not doing enough research is all it takes to find yourself stuck in one. Read on to discover the most expensive mistakes you can make when buying a home.

Not questioning the agent or the price

You have to remember that real estate agents have two roles. The first is to be as friendly and accommodating to you as possible, to encourage a purchase. The second is to get the vendor the highest possible sale price.

Just because the agent says a property costs a certain price, doesn't mean it actually does. Property transactions involve enormous amounts of money, and you should always be willing to negotiate or question a price.

We offer free RP Data Reports which will give you the recent comparable sales in the area. This is powerful information as it tells you what people actually paid for properties, as opposed to what vendors want.

Not undertaking price and market research

With the level of information available about properties online, it is easy to review past details, like previous sales history and prices. This makes estimating a reasonable current price a simple endeavour. By not doing this research, you run the risk of paying more than a property is really worth, which could cost you tens of thousands of dollars.

We have buyer's agents who can assist with negotiation.

Ignoring poor or unapproved work

Any major renovation, like adding new decks, garages or rooms, need to have council permission, and a council certificate. If they don't, not only will it make a property more difficult to sell, but the council could order the renovations to be reverted - at your cost.

Another thing people often fall victim to is overlooking poor workmanship. Even if you are planning to fix it at a later date, you should raise any concerns before committing to the purchase. Poor workmanship could indicate further issues. For example, a poorly installed ventilation system could be leading to mould growth without you knowing.

Not commissioning inspections

A combined building and pest inspection only takes approximately 2 hours and costs as little as \$500. This is an incredibly small price to pay considering the inspections could reveal infestations or building defects that could cost tens of thousands of dollars to fix.

Only attending scheduled viewings

Real estate agents are trying to sell you a perfect looking home - and will go to great lengths to make it look that way. Try returning to a property on a weekend or at night for a quick drive-by visit. If the place is suddenly in disarray, or the neighbourhood is messier, the real estate agent may have cleaned the house or street just to hide the reality of the area.

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Not checking boundaries

In older neighbourhoods, boundary reports may be confusing or disputed. Don't simply trust that what you are being told is correct. Hypothèque provides free RP Data Reports on request which can help you clarify the boundaries of a prospective purchase.

No easement checks

If you have intentions to change or enhance the property, like installing a deck, shed or pool, make sure you enlist the help of a conveyancer. They can review the contracts for any easements that may prevent you from achieving your vision.

A lack of neighbourhood research

The home you buy isn't just the building itself, it's also the neighbourhood it's in. If you have particular needs, like having to be close to schools, medical facilities or public transport, you need to consider how close these services are to the property you are looking to buy.

Not talking to locals

The real estate agent isn't going to tell you the gritty details of the area you are considering. Your first stop should be the police station. They can tell you about crime levels in the area, including the most common crimes. Next, the council can tell you about planned developments that could lower the price, or your enjoyment, of your new home.

Don't forget to speak to locals. Neighbours can tell you about the atmosphere of the street. If you love a sense of community, unfriendly neighbours can be a sign to move on. On the other hand, if they are very friendly and overly talkative, but you like to keep to yourself, you might not want to move in either.

Know what lifestyle you want

Many people go for price without considering the impact location can have on their lifestyle. For example, if you love the hustle and bustle of the city, cheaper regional house prices may be attractive, but are they worth giving up your lifestyle for? Or if you enjoy the peace and quiet of small town life, getting a fancy inner-city apartment might not be as great as it sounds.