

REPORT 5

9 BUYER TRAPS AND HOW TO AVOID THEM

- 1. Blind Negotiations**
- 2. Buying in the Wrong Area**
- 3. Unclear Title**
- 4. Re Survey the site**
- 5. Non Approved Extensions Etc**
- 6. Not Getting Mortgage Pre-approval**
- 7. Out of Contract**
- 8. Hidden Costs**
- 9. Rushing to Settlement**

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9 BUYER TRAPS AND HOW TO AVOID THEM

This important report discusses the 9 most common and costly of these homebuyer traps, how to identify them, and what you can do to avoid them:

1. Blind Negotiations

What price should you offer when you start negotiations on a home? Is the seller's asking price too high, or does it represent a great deal. If you fail to research the market in order to understand what comparable homes are selling for, making your offer would be like negotiating blind. Without this knowledge of market value, you could easily pay too much, or insult the owner with a low offer, resulting paying too or missing out on the purchase due to a higher offer coming in knowing that it was excellent value.

2. Buying in the Wrong Area

More than one buyer has been swept up in the emotion and excitement of the buying process only to find themselves the owner of a good home that is in the wrong suburb. Maybe they're stuck with a longer than desired commute to work, or school zone that's not acceptable for their children's well being. The local surrounding suburbs may regard that where you purchased is on the "wrong side of the track" looked great value and a great home however the other homes in the area are less well maintained

and it is a high rental area. Do your own home work, the seller and his agent are trying to sell that property, and are going to give you any negatives about the area.

3. Unclear Title

Before you make an offer on any property make sure that you will own your new home free and clear by having a title search completed. The last thing you want to discover after settlement is that there are encumbrances on the property such as, easements, right of access, leases or the like.

4 Re Survey the site

As part of your offer to purchase, make sure you request an updated property survey which clearly marks your boundaries. If the survey is not current, you may find that there may be a neighbour's new fence may well have moved onto your property.

5. Non Approved Extensions Etc

Don't expect every seller to know if everything has shire approval they may have bought the property as is and have been living for years in a property with an extension a SPA or a Swimming POOL not approved or non compliance to safety regulations in that shire. You need to ensure that all the buildings and improvements have approval. Make this a condition on your contract. Ensure that you conduct a thorough inspection of the home early in the process and a building structural and or condition report is made by a qualified person. This report should cover all approvals required and any item that needs to be fixed with associated, approximate cost.

6. Not Getting Mortgage Pre-approval

Pre-approval is fast, easy and free. When you have a pre-approved mortgage, you can shop for your home with a greater sense of freedom and security, knowing that the money will be there when you find the home of your dreams.

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7. Out of Contract

If a purchaser fails to comply to the letter of the contract by neglecting to attend to the dates due for the deposit, finance due date or some other time related clause or it could be the sellers requirement some repair issues, the situation could lead to either party declaring that the contract is no longer valid, "out of contract" nul and void. The seller may have been approached with a better offer and is waiting for a breach of your contract.

8. Hidden Costs

Make sure you identify and uncover all costs - large and small -far enough ahead of time. When it come to the settlement you don't want to find extra fees for this or that Solicitors and settlement agents have additional charges other than their fee for attending settlement. Also Bank and Mortgage loan establishment and disbursement charges. Insurance on the property must be in place prior to settlement etc.

Understand these in advance by having your lender and settlement personnel project total charges for you in writing.

9. Rushing to Settlement

Make sure that the property is in the same condition as when you purchased it with all Plumbing, Power, lights, hot water system and appliances included are in sound working order at a pre settlement inspection Take your time during this critical part of the process, and insist on seeing all items functioning before you go to settlement. Make sure all documentation is correct with full names and the spelling is correct with the transaction, and that nothing has been added or subtracted. Don't rush the paper work, you may run into a last minute snag that you can't fix and delay the settlement.