



real estate update.

### NEGOTIATION SKILLS.

Knowing how to negotiate is one of the most important skills you'll need in the home buying process. Not all of us are negotiation experts, especially if it's your first time buying so it is natural to worry about how to make your best offer. ***Just keep a few simple things in mind and it'll be smooth sailing.***

#### Know your budget

Before you enter any price negotiations, you should have a clear idea of how much you can spend. If you don't have a clear budget, you could commit to spending a lot more than you can actually afford.

If you are pre-approved for a certain amount, and negotiations push the price above that amount, you'll know to walk away.

Obtaining pre-approval can also let vendors know that you're a serious buyer and they are likely to give your offer stronger consideration.

#### Negotiation has changed

As both buyers and sellers become more educated on property value we now see more full price sales and only slight negotiation. If a buyer sees value in a property they will purchase it, if they do not they will tend to just walk away rather than make cheeky offers.

#### Pricing

Research previous sale prices of other properties that are similar to the one you are looking at, comparing similar attributes such as number of rooms, same age and so on. When gathering as much information as you can, you are more educated on estimated value.

#### Finding additional value

Further to physical attributes of a property it is more important than ever to consider the ongoing running costs of the property you are purchasing. With energy costs continually rising you may consider paying more for a property that has cheaper ongoing running costs. Things to consider include the properties orientation, cross-ventilation, solar system, insulation and efficiency of heating and cooling devices. There are 17 Liveability features that can increase comfort and reduce the running costs of a home that you can read more about [liveability.com.au](http://liveability.com.au)

#### Know the area

There are a few things that can increase a property's value, including:

Being close to schools, child care facilities, having shops, restaurants and cafes nearby, being within walking distance of public transport; and being close to parks or beach.

#### Negotiate conditions

You may think that negotiation is just about settling on the best price, but that's not true. The vendor may get several offers of the same price (or similar), but be inclined towards the one that includes favourable conditions. This could mean a shorter settlement period, or – if there are any repairs or upgrades needed – accepting the house as-is and tackling those yourself.

#### Be friendly

This is especially true if the property you like is in high demand. Vendors and agents don't want to deal with aggressive or rude buyers, so if they're not comfortable with you, they'll keep negotiating with someone else.

#### Don't be put off - Re-negotiating

It is not uncommon for things to come up in a pest and building inspection that an agent or seller was unaware of. Depending on how serious the issue is you may still want to buy the property. It is important to keep communication open as there are options. The seller may fix the problem as part of the conditions of sale or they may consider making a price reduction for you to address the issue yourself.

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