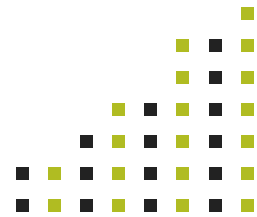
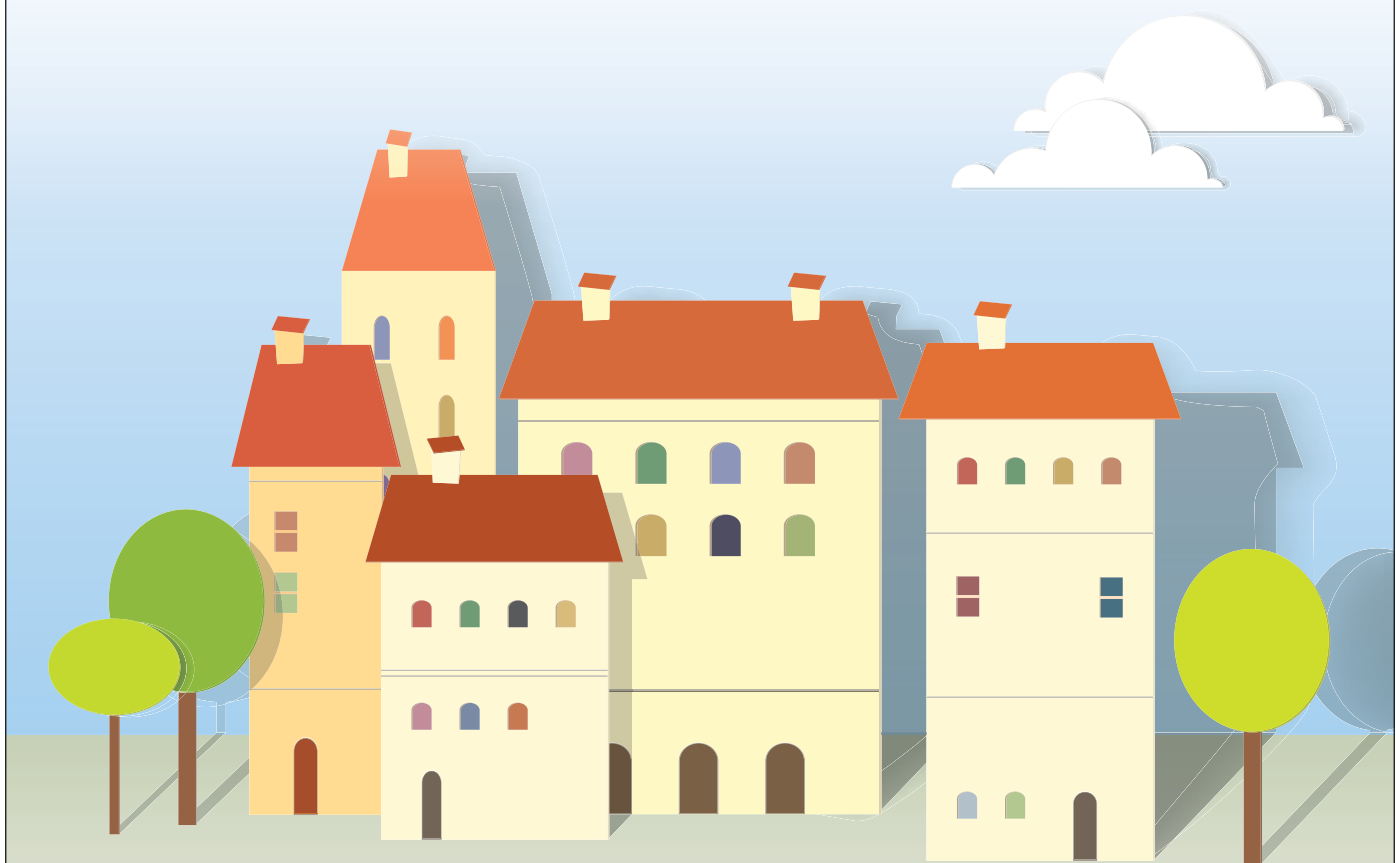




7 COMMON MISTAKES HOME BUYERS MAKE AND HOW TO AVOID THEM



PROPERTY MAVENS®



INTRODUCTION

Hello!

Finding the right home in an expensive city like Melbourne can be a real challenge.

Home buying may look easy, but it is anything but simple. Having worked in the industry for over 15 years, I see home buyers making the same costly mistakes over and over again.

When it comes to buying your dream home, large sums of money are involved, complex legal processes are required and lots of conflicting advice is available. It can be really hard to cut through all the noise and confidently know that you are buying your dream home in your preferred location which will fit your lifestyle and budget.

This guide is all about helping you to avoid the common mistakes others have made. By understanding the potential pitfalls, you will gain a better understanding of what makes a successful and prosperous home buyer and how you can make better buying decisions to secure your dream home.

Go forth and prosper!

Miriam Sandkuhler

Accredited Property Investment Advisor, Buyers Advocate and Author



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*The content of this guide has been extracted from the book:
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How can you avoid this mistake?

By understanding your current and future needs, you have the greatest possible chance of avoiding a buying mistake and purchasing a home that will fit your lifestyle and budget.

Property Mavens can help you clarify your needs and create a home buying strategy to suit. We provide you with clarity and different options for you to consider in the marketplace, to ensure that.



MISTAKE 1

NOT THINKING AHEAD

Understanding your and your family's current and future needs is CRITICAL to home buying success.

- Have you thought about what your needs are now versus what they will be in ten years' time?
- When it comes time to buying a house you need to consider;
 - Will you transition from being single to a couple or a couple to family?
 - If you are planning a family, how many children are you likely to have?
 - Do you want your new home to be close to your friends, family or school zones?
 - Is proximity and travel to work a consideration?
- These questions need to be *considered and addressed before you buy.*
- By better understanding your needs, you are likely to make a better buying decision. For example, if you can only afford a one bedroom apartment in your preferred suburb now, but are likely to start a family in the next 3 - 5 years, the cost of getting in to and out of property is expensive, so you may need to reconsider the location and/or type of property you want to buy.
- Buying mistakes can be minimised through careful consideration of what your needs are and research of what property your budget will allow you to secure; including the style, type and location.
- When it comes to your needs, it's a case of one size definitely not fitting all, so it is important be clear about your personal circumstances.
- Understanding your needs from the outset will stop you from losing tens of thousands of your hard earned savings by buying the wrong property now, only to have to sell up and search again in the future.



How can you avoid this mistake?

The only way to truly protect yourself is to seek independent advice and representation from an industry professional.

In the real estate world these professionals are known as **licenced buyer's agents or buyer's advocates**, who work solely on your behalf so that you get the best property at the best price and with terms and conditions in your favour.

Property Mavens works in your best interests and provides impartial and unbiased advice and guidance. As Licensed Buyer's Agents, we work *exclusively* for you and protect you from being misled or overpaying for property.

We are able to understand all of the contract legalities and sales and pricing strategies used to trick you into paying too much for a property and we ensure your anonymity.



MISTAKE 2

TRUSTING THE SELLING AGENT

It is important to know the person you are liaising with and understand whose side they are on. Not everyone has your best interests at heart, so buyer beware.

- There is a common misconception amongst home buyers that the buying process is easy and that you can trust the real estate agent and the paperwork they put in front of you.
 - But real estate agents always have an agenda - and ensuring you get the best deal is rarely part of it.
 - Remember, the selling agent works for the interests of the Vendor (Seller) and it's their job to sell the property for the highest possible price the market is willing to pay.
 - Part of their strategy will be to learn as much about your circumstances as possible, to qualify you as a buyer and see how deep your pockets really are.
 - At open inspections, agents will ask you seemingly innocent questions about your likes and dislikes, what you looking for and how much you're willing to spend.
 - This is done to see how much money you have and work out if you are a serious buyer, but they are also gleaning information should they need to use it against you during the negotiation phase!
- For example, if you've told the selling agent that your budget is \$500K yet the value of the house is only \$450, they will try and negotiate to get the additional \$50K because they know that is how much purchasing power you have.
- When you are represented by a Licensed Buyer's Agent, who works for your interests only, they will use their knowledge of the market and agents' tactics to keep the price down and make sure everything about the property is as advertised.
 - **Your best protection against agent's tactics when buying a property is to have an unbiased and independent Licensed Buyer's Agent or Buyer Advocate on your side.**

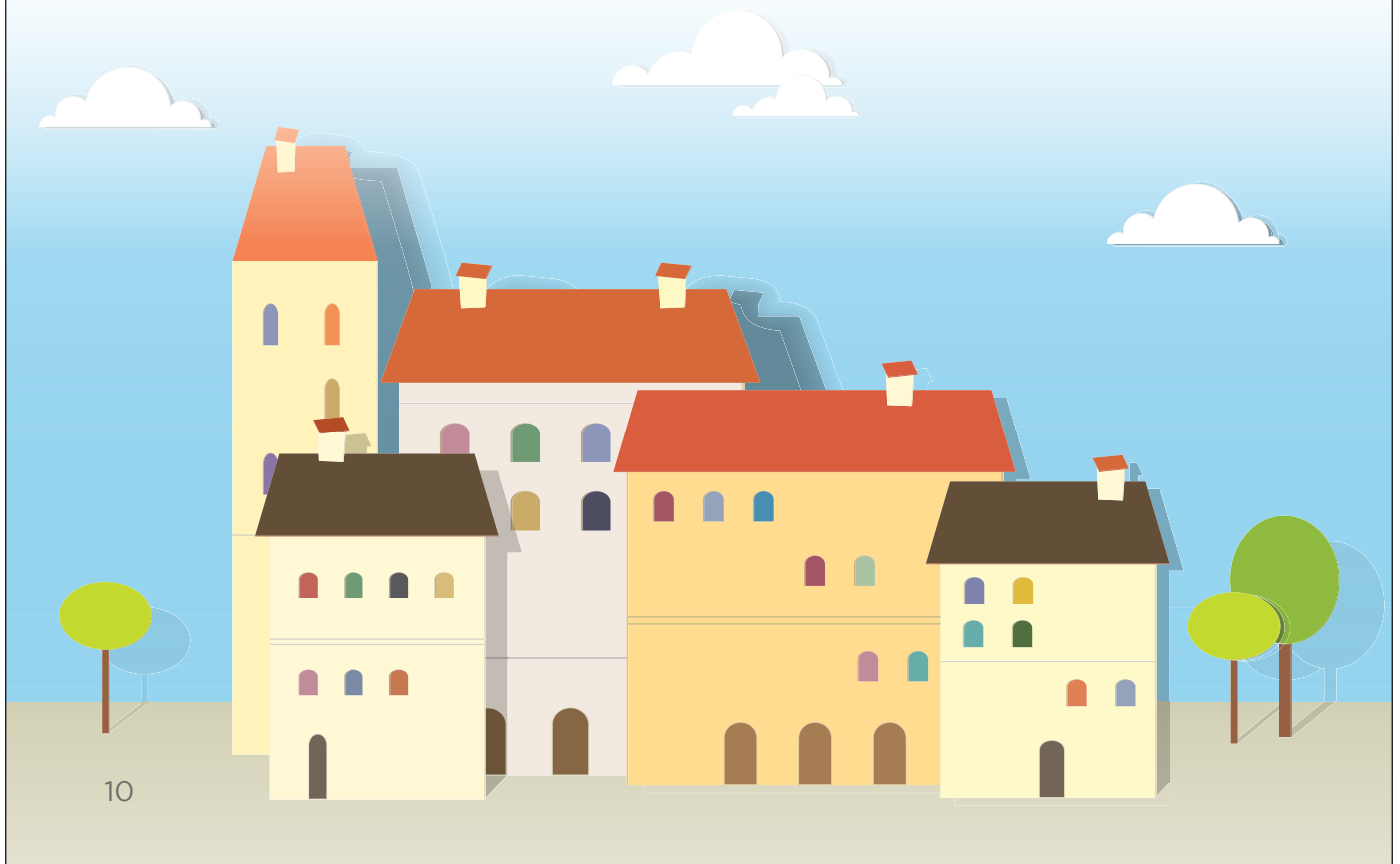


How can you avoid this mistake?

By starting with your end goal in mind, you can set a realistic plan to work towards; enabling you to buy your dream home.

At Property Mavens, we can help you develop a home buying 'blueprint' which is the first step in the buying process. This will help you ensure you start your home buying journey with a 'reality' check, which can save you valuable time and money.

At Property Mavens, we provide clients with clarity around all factors to ensure your home buying outcome is successful and that you only buy property to match your lifestyle and budget.



MISTAKE 3

NOT HAVING A BUYING PLAN

‘If you fail to plan, you plan to fail’. Buying property without a strategy is like trying to build a house without a set of plans. You need a tailored strategy that leads you all the way to securing your home.

- A buying plan will allow you to clarify your budget and lifestyle needs.
- Your plan should take into account your lifestyle objectives, your purchasing timeframes, borrowing capacity and incorporate areas of flexibility in case what you want to buy doesn't match the reality of what you can afford.
- Your plan can allow for a change of buying location, property type, land size or budget.
- Is this a 5-10 year plan or a 10-20 year plan and what factors do you need to take into consideration in each instance?
- If you have a short timeframe to act, you need to be clear on what you are trying to achieve, or readjust your timeframe to achieve your goals, especially if your income and budget are limited. It's always better to overestimate the purchase price in your plan and factor in all the purchasing costs resulting in a financial safety buffer.
- If you have been searching for a long time and keep missing out on securing your dream home, then you need to modify your plan to ensure you achieve your desired outcome.
- And if this purchase is just the first of several, ensure your plan has entry, hold and exit strategies.

For example, how long do you plan to live in this property and what type of buyer will be interested when you are ready to sell?
- These questions should be assessed before you purchase, so that you buy your dream home in your preferred location that matches your lifestyle and budget and has the best capital growth potential as well.

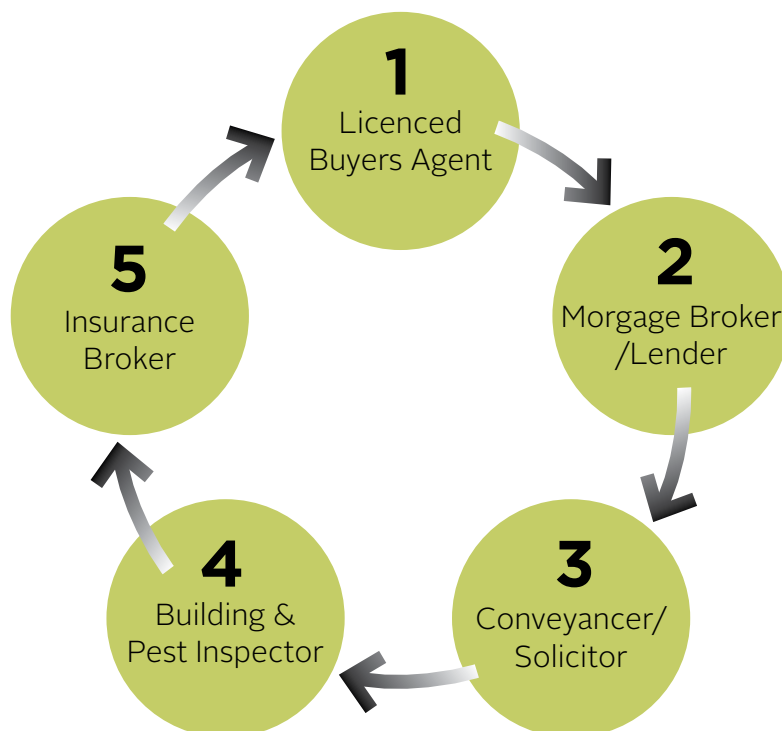


How can you avoid this mistake?

By understanding which experts to engage, when to engage them and the role they play, you can save yourself an enormous amount of stress, time and money.

Property Mavens can work alongside you as one of your nominated experts. As Licensed Buyer's Agents with over 15 years' experience in real estate, we know how to find, assess and negotiate the purchase of the right home in your preferred location which will fit your lifestyle and budget. We do this while providing anonymity and protecting you from over paying or being misled throughout the buying process.

Property Mavens makes the buying process easy and stress free, while generating successful outcomes for our clients.



MISTAKE 4

NOT ENGAGING A TEAM OF EXPERTS

One of the greatest mistakes home buyers make is not seeking expert advice throughout the whole process. Experts can help you to maximise the purchasing opportunity and minimise the risks, while collectively they combine to increase your success.

- When it comes to buying a home, you need to surround yourself with a team of experts.
 - Neglecting to engage these experts before purchasing your home could cost you thousands of dollars and cause much heartache!
 - Which experts do you need?
- 1. Licensed Buyer's Agent** (Advocate) is an independent advisor who can carry out due diligence and source, assess and negotiate to buy your property; reducing risk and removing the workload from you. If the property is going to auction, they can do the bidding for you, so you can be sure to get the best price.
 - 2. Mortgage Brokers** can assist you to secure the best loan with not just the best rate, but the best features to suit your needs.
 - 3. Conveyancers/Solicitors** can assist you to reduce the risk associated with buying your home by scrutinising the contract of sale and advising you about the contract's legal terms and clauses.
 - 4. Building and Pest Inspectors** can assist you reduce risk by assessing what structural or pest problems may exist at the property which could cost you thousands of dollars to repair or rectify.
 - 5. Insurance brokers** ensure that you have the right policy in place to meet your lender's requirements, and ensure you settle the property in time.
- As you can see, you need to engage different experts at different stages. Some of them need to be engaged simultaneously and in advance of buying your property. Why in advance? Because after the purchase it's TOO LATE!



How can you avoid this mistake?

Simple, engage us to do all the research for you.

Property Mavens have access to the same industry data as real estate agents, so we understand the real price a property will sell for.

We know how to recognise property which will be in high demand due to its location, features and attributes.

Our access to off market properties (silent listings) gives our clients an advantage over all other buyers - allowing us to secure your dream home without having to compete at auction.

We remove all of the stress and confusion that can overwhelm you when it comes to buying your home, due to the massive amount of conflicting information in the market place.



MISTAKE 5

NOT DOING ADEQUATE RESEARCH

After engaging your team of experts, the next step is go about researching and assessing opportunities. Start with assessing the different property types that may suit your needs. The location is up to you to determine, based on your personal requirements

- The three main residential property types you can buy are apartments, villa units and townhouses or detached houses. These can be purchased in the established market, or newly built off the plan.
- When buying a home there are some things to consider. For instance:
 - Location – is it close to public transport, schools and supermarkets?
 - Transport – can I walk to the nearest station or tram/bus stop?
 - Schools – are they in walking distance and would they suit our children?
 - Local amenities – is it easy access to local shops and cafes?
 - Medical – where are the nearest medical centres, hospitals and ambulance stations?
 - Recreation – what leisure and recreation facilities are located nearby?
- The **Local Council** is a great place to carry out your research to understand the plans for the surrounding area
- Make sure you investigate if there are any new developments planned, such as road works, new transport links, new schools or shopping centres.
- These could point to capital growth outcomes in the area and have a significant impact on the value and desirability of a property over time. It's also important to understand the local demographics.
- Speak to the neighbours in the street and get a feel for the community you are buying into and make sure you do the research to understand who owns the property next door.
- Then consider the features of the property and if it meets your needs? Do you really need a big backyard or off-street parking and how much extra will it cost you in the suburb of your choice?
- Not doing this level of research can have severe consequences.



How can you avoid this mistake?

Simple, engage us to do all the negotiation for you.

Property Mavens have access to the same industry data as real estate agents, so we understand the real price a property will sell for, as opposed to the price range a selling agent is quoting.

We are expert negotiators and buying strategists, representing our clients at auctions and private sales, using proven strategies to secure you a fantastic result. Our in-depth knowledge and skillset keep the agents on their toes and ensure you don't overpay for your home.

Our access to off market properties (silent listings) gives our clients a big advantage over all other buyers - allowing us to secure your dream home without having to compete at auction.

Ultimately, we leave you feeling overjoyed to have purchased the home of your dreams.



MISTAKE 6

NOT UNDERSTANDING NEGOTIATION

Real estate is a game. The rules on pricing property are complex and vary from state to state. Some states strongly favour the auction method of sale whereas others don't. Ensure that you are familiar with pricing, auction and private treaty sale guidelines in your state so that you can be better informed on matters such as under quoting.

■ So, what do buyers need to know?

1. "Property advertising must not be misleading or deceptive. It is illegal for a real estate agent to misrepresent a property in any way when advertising or marketing a property for sale, whether verbally, in writing or in photographs." *
2. "It is illegal for an agent or 'adviser' to advertise or inform you of a price that is less than the seller's reserve price or asking price, or the agent's current estimate of the likely selling price". *

This is known as underquoting.

- And some states are rife with agents who are prosecuted infrequently.
- Knowledge is power, so inform yourself of market prices and the rules regarding bidding at auction

and/or placing an offer via private treaty sale. When agents know they are dealing with savvy and informed buyers, they are less likely to try and get away with poor or ILLEGAL practices.

- The success or failure of buying your home can often come down to your ability – or inability – to successfully negotiate the price AND conditions in your favour. Remember, you are up against experienced and professional negotiators, so don't take this lightly or underestimate the selling agent.
- Always make sure you have had the contract reviewed BEFORE you place an offer on the property and always include a clause for building and pest inspections or attend to these BEFORE the auction.

* Consumer Affairs Victoria – Guidelines for real estate sales people 2013.



How can you avoid this mistake?

At Property Mavens, we specialise in taking the emotion out of the buying process for clients, to enable you to make better informed decisions to achieve your dream of buying your own home.

We work with you to understand your desired outcomes, while providing the balance of a 'reality' check if needed. We help you to overcome any obstacles that prevent you from securing the home of your dreams, while presenting solutions to ensure outcomes you are happy with.

We are your partner in property and we hold your hand through the entire process, providing anonymity and protecting you every step of the buying journey – saving you time and money, while eliminating all of the risk, stress and frustration that comes with buying property.



MISTAKE 7

BECOMING EMOTIONAL

Homebuyers often don't realise the level of skill they are up against when dealing with real estate agents. If you are buying a home to live in, it's important to not let your emotions get in the way. Becoming emotional usually leads to poor decision making, such as acting under pressure at an auction or over paying due to frustration. This can result in you paying thousands of dollars more than you need to. Skilled agents will leverage your emotions too in a negotiation – whether at auction or by private treaty sale, which can prove very costly.

- Agents have all sorts of tricky methods to extract information from buyers that can be used against them at a later stage.
- It is important to only give superficial information when looking for property and nothing that will 'give away' your situation and make you vulnerable.

NEVER

- 1 Disclose your full budget, as the agent will know how much money they can extract from you, even if the property isn't worth it!
- 2 Identify it's for you to live in, as the agent will play on your emotions. This is what they are trained to do – so remain detached.
- 3 Walk into a property and start talking about where you will place your furniture, Ideally don't take your children with you if possible or at least don't tell them you are looking at a new home, as in their excitement they often let the cat out of the bag!
- 4 Allow the agent to coach you how to bid at auction. They DO NOT work for you and will play on your emotions to get you to overpay. Ask them politely to stay away while bidding and engage a Licensed Buyer's Agent if you need help.
- 5 Buy at any price due to the frustration of missing out. Emotional buying leads to costly mistakes, including your pre-approved finance being declined! The costs of exiting and re-entering the property market are substantial, so these need to be taken into consideration before taking steps to purchase.



ABOUT US

Property Mavens is a specialist property advisory firm that helps home buyers successfully secure the home of their dreams, while saving time, money and protecting you from being misled or overpaying in the process.

Our area of expertise is providing successful outcomes by researching, sourcing and negotiating to secure the home of your dreams. We provide you with anonymity and have access to a large supply of 'off market' property due to our strong relationships with agents.

We protect our clients by eliminating all the risk, stress and confusion that comes with buying a home, which ultimately leaves our clients feeling empowered and financially in control.

Our services include:

■ Property Advice ■ Buyer Advocacy ■ Property Portfolio Review

Call now for an obligation free consultation 61 3 9988 2266



We know that home buyers often:

- Feel overwhelmed by information
- Don't know who to trust or where to find impartial and unbiased help
- Struggle to understand pricing due to commonplace underquoting by agents
- Don't have a clear buying or bidding strategy in place
- Are concerned about paying too much for a property
- Are concerned about wasting money needlessly on building inspections and contract reviews
- Have bought poorly previously and don't want to make the same mistake again

To support home buyers we offer:

- Impartial and unbiased solutions for home buyers
- Full service property research, sourcing, analysis and negotiation solutions via our Buyer Advocacy service
- Access to off market property
- Bidding and Negotiate only solutions

To learn more about creating your own prosperous property portfolio, visit **www.propertymavens.com.au** to rate your property expertise and access a suite of free property investment resources, as well as Miriam Sandkuhler's book ***Property Prosperity***.



THANK YOU

Thank you for taking the time to read this guide – I appreciate that your time is valuable.

I am passionate about helping home buyers to achieve their dream of home ownership.

This guide has been designed to provide you with information and tips that you can implement for your benefit immediately. It should result in making a positive difference to your home buying journey, so you can enjoy **property prosperity** in your lifetime.

Wishing you a prosperous property outcome,

Miriam Sandkuhler

Founder, Accredited Property Investment Advisor, Buyer Advocate and Author

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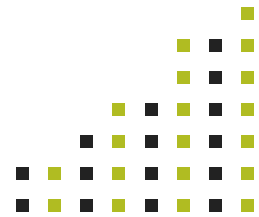
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