

Aussieproperty.com represents a growing number of Aussie Expats seeking to purchase property in existing residential markets within Australia. Majority of property sold in this market is done through public auction or private treaty, with a small minority being sold by 'express sale', 'tender' or 'sale by set date'.

So, what are the common traps to avoid when attempting to buy from abroad? Here are some tips....

ARRANGE AN INDEPENDENT INSPECTION

The presentation of a property on the internet can truly transform its true appearance. If you just rely on the selling agent's presentation of the property without your own physical inspection you can be opening yourself up to some unknown surprises. An independent inspection is essential, we refer to this as 'an eye's on inspection' and one that looks at the property to make sure that all is as has been presented to you. Please remember that in most cases 'Google earth and maps are old', so the actual presentation of the property when cross checking can be different. An inspection should include a video walk through, and the testing if possibly of all the appliances along with cross checking what is and not an inclusion in the properties sale.

ALWAYS CROSS CHECK FOR UNPLEASANT SURPRISES

During the independent inspection, you should also cross check if the property is leased and if not what it would lease for as well as looking for any defects present within or externally at the property. Also cross check the neighbouring properties making sure the neighbourhood is good and there will be no unpleasant surprises, like say a future development or neighbours that may not be the best to be beside. We find many clients after conducting an inspection quickly change their minds as the actual condition compared to what is on the web is very different. Do remember the selling agents will present the best side not worst of the property and hide any faults.

DON'T ALWAYS FOLLOW THE SELLING AGENTS PRICE ADVICE

In the case where a property is not being sold with an actual fixed price (Private Treaty sale) then usually no price or a price guide is provided. Depending on the State the guide will vary and in the majority of cases the actual price being sort by the selling agents is from 10 to 15% above the lowest price in the guide, e.g. Auction guide \$1,050,000 to \$1,100,000, in this instance buying in the lower end of the range is all but impossible and the selling agents will be seeking a price in excess of \$1.1 Million. In some capital cities the term 'price under quoting' is rampant. Agents use a bait mentality in trying to get in as many buyers to view the property with their vendors in most cases actually seeking a lot more in the price than the lowest figure indicated. All types of excuses are used by the selling agents when asked to comment on price. These include, but are not limited to:

- We have not yet had our first open house and not received any buyer's feedback on price;
- Other recent sales in the area or block indicate interest in x range; or
- Are you familiar with the area and where to you see value?

QUESTIONS TO ASK BEFORE MAKING AN OFFER

If you have a buying budget your best to bear the 10 to 15% above range when looking, otherwise you can spend considerable time and money on due diligence only to see the property sell far above your budget and well

beyond the agent's guide price. To avoid being upset your best to ask the following price questions and always seek a reply in writing.

- Can you provide recent comparable sales that support the price your hoping to achieve for this property;
- Have you received any offers to-date that have been rejected and if so at what price level were they; and
- We are interested in making and offer today of \$1.1 Million based off this guide, can you confirm if this would secure the property, then pause and wait for the agents reply, you will be surprised in most cases at their reply. Just based off the guide beside price comments well above the guide in most cases will be provided, then straight away you will have an indication at the price they are really seeking. (Auction guide \$1,050,000 to \$1,100,000).

ENSURING SUITABLE CONTRACT DUE DILIGENCE

At the earliest opportunity your best to engage a solicitor or property conveyancer to look at any property contracts well before you either attend an Auction or consider making an offer. Only after they have been over the cos – contract of sale, would you consider making an offer or attending an Auction, because in the case of an auction the sale 'at the fall of the hammer' is final and allows you no time to suddenly negotiate terms. A solicitor or conveyancer will carry out respective searches; these may include but not be limited to the following

- RTA – Roads and Traffic Authority search to check on any road widening or future road expansion in the immediate area;
- A Strata search, to check the body corporates history and management of a strata building and where recent money has been spent, this is essential if buying into a strata titled property;
- Title search, to confirm the sellers are the owners; and
- A building and pest inspection, usually in the case of the purchase of a home, or town-house, just to check on the structure, roof, footings, floor, etc.

Make sure that your deposit is not being released to the sellers at exchange of the contract and that the seller is paying for their land tax at settlement and not asking that you bear the adjustment. Also ensure that you can legally buy the property in-case you're a foreign buyer or your partner is not an Australian citizen.

If you're considering buying an Aussie Property for either investment or as your future home Aussieproperty.com will help you avoid common traps for purchasing property from abroad.

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