

Buying a Property?

Discover the top 10 things
Real Estate Agents *won't* tell you!



"Where it's all about you..."

Proudly brought to you by Hot Property Specialists Buyers Agency
Written by Nicole Marsh & Liz Wilcox

Discover the top 10 things your Real Estate Agent *won't* tell you...



A word from your Property Gurus...

Dear Reader

It's great to see that you are interested in purchasing a new family home or looking to start or add to your property investment portfolio.

The whole process can be extremely exciting, time consuming, frustrating, very challenging (and usually all at once too) but hopefully, in the end rewarding for you, both financially and emotionally.

Based on our personal experience as property investors, as buyers agents (helping people to purchase in excess of \$37,000,000 worth of property in the past two years) and prior to that, on the other side of the fence as "selling" real estate agents, we have put together this report which we hope will assist you in making some good decisions, and help to make you aware of some of the things to watch out for, and questions to ask when purchasing property.

It's safe to say, we've seen some amazing things in our time in the real estate industry:

We've seen people experience incredible capital growth and maximise their personal wealth by making the right choices when purchasing property. We've also seen some people miss out on great opportunities by not being able to look at a property objectively – thinking with their hearts and not their heads. And.... we've seen some people that have made some terrible mistakes that have cost them dearly. Mistakes that could have easily been avoided if they had have known what to look for and the right questions to ask.

This report will help you to ask the right questions, and will make you really LOOK at a property when you next inspect that potential new home or investment - heading you in the right direction towards making wise property purchasing decisions.

Until next time,

A handwritten signature in blue ink, appearing to read "Nicole Marsh & Liz Wilcox".

Nicole Marsh & Liz Wilcox
YOUR Property Gurus
Hot Property Specialists Buyers Agency

P.S. If this all sounds a little overwhelming, and you would like the 'Property Gurus' on your side, call us now on **(07) 3299 6004**. We would love to discuss this with you further.

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Discover the top 10 things Real Estate Agents won't tell you.....

1. That you can work the contract in your favour...

This is very important as a buyer - An agent isn't about to tell you that you can write the contract in your favour. This isn't the agent's job – their obligation is to the seller and therefore are paid by the seller to secure the highest possible price on the sellers terms. If you want certain inclusions or terms on the contract – make sure that ask for them and write them on!*

If the agent tells you the vendors want a 60 day settlement, but you want 30 days, ask for it. If you like their outdoor setting, see if you can include that in the negotiations. Everything is negotiable!

2. The owners' real circumstances as to why they want to sell...

The owners may be alot more desperate to sell than the agent may tell you. Is it a divorce or relationship breakup? Or have they had a work transfer? Do some detective work during the inspection.....

Some clues to look for – Does the property look 'lived' in? Maybe the owners have moved out and left their furniture in the house, or hired furniture, to aid the sale. Did you notice that there is only womens' clothes in the walk in wardrobe and not mens? Did you notice the empty pantry?

Sometimes it can also be more about what's not said, than what is.

At no time do we condone unethical behaviour, so please respect the privacy of the vendor. Seek permission from the seller or the sellers agent before opening cupboards, wardrobes etc.

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The Gurus Tip:

Want to increase your bargaining power without paying more?

Here's how... Add extra inclusions into the contract such as the outdoor setting, or professional cleaning. That way when negotiations start to 'rock n roll' you can take more off your contract by way of inclusions without paying any more money.

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3. About paying a deposit...

Did you know that you can pay the deposit once the offer has been accepted, not when you actually submit the offer? Sometimes it can take a couple of weeks to get a contract together with a couple of counter offers back and forward – this money is much better off in your account earning you interest than sitting in the agent's trust account.

Of course the agent would also want you to pay the maximum deposit of 10% (Do you know why they like a 10% deposit? This is so they don't have to wait for their commission to be disbursed on settlement which can take a couple of days, they have access to their funds immediately) but this is not necessary. We have purchased million dollar properties with a five thousand dollar deposit.

Starting with a lower deposit on an offer and then going up can be a good negotiation tool too without having to offer a higher buying price.

Plus, there's no need to offer a 'Balance Deposit' either – the initial deposit will usually suffice*.

4. About any easements on the property.....

Ask the agent if there are any easements on the property. But don't stop at that... It's important to actually see the title search – this will give you an idea of the types of easements and where they sit on the block.

For example, there may be a sewage easement that runs right through the middle of the back yard. If that's the case, the beautiful swimming pool you've been dreaming about may not be able to be built in the yard – therefore there is no point wasting your time putting an offer in on this property until you find out more about the easements and how they may restrict you*.



The Gurus Tip:

If you plan on paying your deposit via internet banking: make sure you have increased your limit available to transfer with your bank prior to getting close to the 'Contract Formation' stage to ensure you can transfer the funds when required without delay. A delay at this point could mean the difference between securing the 'right property' at a great price, or missing out all together.

Another option is to consider including a 48 hour deposit payment clause* to ensure you have enough time to make the transfer the funds and for payment to hit the agent's trust account.

We would also suggest sending a copy of the transfer to your agent or buyer's agent as proof that it has been done to save any disputes down the track.



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5. About any negatives of the property...

An agent will make inspection or open home times at the optimum time to see the property. An agent isn't about to tell you that, if the property is located near an airport, that it sits under the flight path or that if its located near a school, that you won't even be able to even get in your driveway at school pick up and drop off times because the traffic will be so bad.



So, if you've found a property you really like, go back a couple of different times throughout a day to be aware of what happens at the other times. Are there negatives you aren't even aware of yet? It's too late after you move in!

6. About council and final approvals for the property...

If the property has had improvements done, for example a deck or garages added or has been raised and built-in underneath; ask the agent if you can sight the council approval for the additions. Too many times we come across properties that have had improvements done but have not been finished off to the council legal requirements and therefore have not been approved. This can affect your insurance, the resale and the 'rentability' of a property. For example: a house cannot, by law, be advertised as a 4 bedroom property, if the 4th bedroom has been added and not been built to the council's legal requirements, and therefore without approvals.

Also, check that the property has 'final council approval'. Recently we went to purchase a property for a client, only to find that even though the property was over 12 years old, it had never been finally signed off by the council after it was built. This could cause on-going problems for you should you ever decide to sell. We delayed settlement until the problems were rectified by the current owners and the council gave it the final tick of approval.

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The Gurus Tip:

Quite often you see a property advertised with a 'Teenager's Retreat' or 'Rumpus Room.' This can sometimes be a dead giveaway that it is not built to the council's legal requirements and does not have the approvals in place. We're not saying don't buy a property that may have these issues, it's just something to be aware of. After all, you don't want to be paying the price of a four bedroom house, when in fact you are only getting three bedrooms and a 'teenagers retreat'.

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7. That the electrical appliances don't work...

It is expected, as a buyer, that all of the included electrical appliances will be in good working order at time of settlement - but it is not uncommon to come across properties that the oven, air conditioners or other electrical appliances don't work. Mostly the agent is not even aware of it either.

The best way to make sure is to turn everything on and check when inspecting the property, even before putting the property under contract. This way you'll know in advance if you have to factor in any additional expenses or need to allow any additional time (or holding costs) before a tenant can move into the property and you can build this into 'your buying price' accordingly. Try before you buy!

8. About the remote controls.....

It's not uncommon, after settlement to find that the sellers have moved out and accidentally packed the air-conditioner, garage or alarm remote controls with them. Most sellers are very co-operative and return them (after they've finally found them at the bottom of that last box they just unpacked), there could be a chance that you'll have to replace them. These can be really expensive to replace, and not to mention extremely inconvenient to you or your tenants to be without them.

If this is a concern for you, it may be worth putting a clause on the contract stating that all remotes are to be left behind in the property at settlement*.

9. If the dishwasher stays.....

In some peoples' minds, the dishwasher is a fixture, in other peoples' minds, it isn't and quite often this isn't disclosed until you get the contract, or the sellers may just take it with them when they move and you find out once settlement occurs. The best way to make sure you're not left with a \$600 or so bill and a gaping 'void' in your kitchen is to ask the question and make sure it is noted on the contract accordingly as an inclusion or not.



The Gurus Tip:

Consider including a "Break Down" Clause in your contract. That way if you do happen to miss something on your inspections, your Break Down Clause will cover you.

It would simply state something along the lines of... "all included electrical appliances are to be in good working order at time of settlement*."

This will then cover you should something breakdown before settlement, as it is still the responsibility of the seller, not yours until such time as settlement occurs. Make sure you test their operation again at your pre-settlement inspection.



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10. About your neighbours...

An agent isn't about to tell you that the property next door is a housing commission home or that a developer has bought the neighbouring properties and plans on putting a block of units up next door, casting a shadow over your potential new home or investment all day- if it is going to jeopardise the sale. For this reason you must do your own homework to avoid any 'nasty' surprises. Remember, a little bit of time and leg work spent now, could make a HUGE difference to your hip pocket and emotional well being should you need to sell or lease the property in the future. You wouldn't want to be stuck with a 'White Elephant' that became a burden, would you?

And one more that is way too important to not be included...

11. If there have been any recent repairs done to the property...

This could indicate that there has been some past termite activity at the property, the roof leaks or there are some other major structural problems that you need to be aware of.

Some clues to look for are:

- A recent paint job in parts of the ceiling and not through the rest of the house which could indicate a roof leak.
- Newly replaced flooring in parts of the house and not others could indicate past termite activity that has been repaired.

It's well known among real estate purchasers and investors that you actually make the money when you buy a property– not when you sell and that's why we've seen it so important to put this report together for you.

It's all about the right property in the right location and purchasing it at the best possible price.

If we've made you look at the next property just that little bit differently and we've raised a few questions in your mind for you to ask the agent - then we've done our job!

****At all times we also suggest you seek professional advice, before signing anything!**

In our experience as buyers' agents – we've found that it's not about simply looking at a property but more about really LOOKING at a property with your eyes wide open. And that it's more about what's not said, than

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what is. You need to learn to read between the lines and unfortunately, if you don't ask, mostly you don't get told.

It's about seeing a property for what it truly is. It's about seeing the evidence of the ceiling that has been repaired and not being surprised with the next down pour of rain, why your lounge room is flooded.

The information is there, you just need to be able to see it, know where to find the answers and which questions to ask and the clues to look for.

We're not saying don't buy these properties with issues – just be well informed, think rationally and not emotionally and make sure you are only paying what the property is 'truly worth'. For example, get a quote on what it is going to cost you to have the roof repaired properly and build that into 'your buying price,' even before you put in an offer. **It's all about 'BUYER Be Aware!'**

And whilst this can be overwhelming, daunting and sometimes even intimidating, there is help available, in the form of Buyer's Agents – like us, Liz and Nicole, from Hot Property Specialists Buyer's Agency .

We both come from customer service backgrounds and hate, with a passion, to see people unknowingly taken advantage of, or simply being sold a product that's not right for their needs.

That's why we founded Hot Property Specialists.

A Buyer's Agent is the total opposite of a 'selling' real estate agent – we work only in the buyer's best interests at all times, protecting the buyer as much as possible, foreseeing any problems before they arise and ensuring the most favourable outcome possible on the buyer's terms, not the sellers. We use our experience and knowledge to ensure you get what you want, at the price you want to pay, and on the terms you're looking for.

That's our difference! **At Hot Property Specialists... *It's all about YOU!***

We do not list or sell property and don't receive any commissions or kickbacks from any selling agents. We work for the buyer and are paid by the buyer, and therefore can access all properties that are on the market, including those much talked about 'Silent Listings' – we know where to find them.

For more information on how we can help you to secure the perfect property, at the right price, and on your terms, call us on **07 3299 6004**. **We'd love to be able to help YOU!**





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BUYERS AGENCY

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