

Buying Property#Overview and Tips

There are many reasons for buying property. You may be starting a family or taking a new job. Your purchase could be an investment, or simply to signify your independence. Whatever the reason, buying property is one of the largest financial commitments of your lifetime, so be sure to give your decision time and careful consideration.

With multiple offers being extremely common and the number of suitable homes on the market diminishing, you need to position yourself to have the best chance of having your offer accepted. A few basic steps will help to increase your chance of success:

Get pre-approved for your mortgage. Most lenders will review your situation and set a mortgage amount before you make your offer. You will know the price range in which you qualify, and best suits your lifestyle. Mortgage pre-approval takes little time and is of great value in your home purchase process.

Submit a strong and competitive offer. Don't lowball the seller just for the sake of playing the real estate "game". Assume that there will be multiple offers.

Make a substantial deposit. Acceptance of your offer may be determined by the amount of your cash deposit. Larger sums can signify a more serious commitment to the seller.

Go easy on the conditions and contingencies. Most sellers are interested in a fast closing, and want to worry about as few conditions as possible. Don't worry about whether the blinds are ceiling fans are included in the purchase price. Fewer contingencies will make your offer appear much more attractive.

Create a buyer profile. Some sellers will be interested in knowing a few things about you. Be prepared to share your profile, with certain details like the amount of time you've been employed at your current job, and the reason you're purchasing the seller's property.

Be ready and waiting to preview new properties. In real estate, time is gold. Be sure that you are always accessible and ready to go when a new property becomes available. When the market is hot, homes will sell very quickly, sometimes in hours, and you've got to be ready. Be prepared to make decisions quickly, and be accessible to changing terms instantly. Sellers will not want to wait while you hedge over details.

Make yourself available at all times. It is essential that you are accessible at all times during negotiations. Your agent must be able to access you instantly through office phone, email, voice mail, fax, pager or cellular phone.

Whether you are buying property for investment, or as your personal residence, do what you can to make the experience as stress free and low risk as possible. Here are some ways to be aware of and avoid the pitfalls of buying real estate:

Don't let emotions push you into a rash decision. Consider why you wish to purchase the property. If you intend to live there, be sure that the home and neighborhood suit your needs. If you have young children or elderly relatives living with you, you might wish to avoid homes with multiple levels. If you would you like to install a swimming pool in the future, be sure that the property is big enough and zoning laws will allow it. Is the garden too big, or too small? If your family is growing, make sure there are enough bedrooms.

Do your homework. Before making a commitment to purchase the property, be sure to review reports for building and pest inspections. If the property has undergone recent renovations, check with the local council to ensure planning or building permits were approved and obtained by the contractor or seller.

Know your neighbors. If you are buying a villa, apartment, condo or townhouse, you'll likely be sharing a common wall with your neighbors. If possible, check noise levels before you commit. Try to meet your new neighbors to see if they share similar values and lifestyles.

Be informed. Research the overall real estate market in your particular area of interest. You'll be better informed on property values and neighborhood trends, and in a stronger position to make a wise decision.

It can be difficult to determine how much to offer. You can make your best offer up front, or start with a lower amount and be prepared to negotiate up. However, other potential buyers who make higher offers might secure the property without giving you the opportunity to increase yours.

To avoid someone else purchasing the property you have decided to buy, be prepared to exchange the contract with a cooling off period.

The estate agents need to regard you as a serious applicant. Show a willing attitude and be eager and available to view. Call your agent regularly, and you'll be at the top of the list when a new property comes on the market.

Gazumping is a term for outbidding rivals at the last minute. This is a real estate horror that real estate agents are powerless to stop, even if they wanted to. Unless you're lucky enough to live in Scotland where there are laws to protect the buyer, gazumping is a fact of life that you need to be prepared to deal with. Under the Estate Agency Act, estate agents are obligated to pass on all offers they receive, although a determined buyer may well go straight to the vendor.

There is little that can be done to repel a determined bidder, but there are ways to lessen the chance of it happening, or reduce the impact if it does.

When making your offer, agree to the full asking price and request the property be removed from the market. Have respect for the seller, be flexible and don't quibble over minor points. Make it clear that you are willing to complete the deal on their calendar, not yours. If you've established some kind of relationship with the seller, it may be harder for them to let you down. But just to be safe, consider taking out insurance even before you instruct your solicitor. This will ensure that you're refunded the cost of various fees in the event that you are gazumped.

The home of your dreams can soon be yours if you know the rules, understand the legalities and work with an agent that you trust.