



What to pay for your next home

From the desk of ...

Paul Kounnas, Director of Hudson Bond Real Estate

BUYING a home should not be undertaken without proper research and evaluation.

It is easy to believe other people's opinion about what a property you are considering buying is worth. The problem with this is that it's just their opinion, their perceived value which is often based on vested interest or ignorance.

Advice often comes from family and friends who have bought and sold before. This doesn't make them experts on property values. Prices are affected by type of property, location, size, quality and more importantly supply and demand. The real estate agents may have more market knowledge than you, but many down play the likely selling price in order to increase the number of interested buyers and create the perception of greater competition at an unrealistically low price which the vendor will never sell at.

How do you find reliable information to help you assess how much a property is worth?

The usual way to work out a property's market value is by researching sale prices

of comparable properties. These should be recently sold properties with similar land size, style, number of bedrooms and bathrooms, location, age, condition and overall presentation.

Most sales results are published in the Sunday and Monday newspapers or can be found on various websites.

As a last resort, if you are unsure about how much you should pay for a property, it may be wise to get a valuation from a sworn valuer. An expert valuation may not reflect what the property actually sells for, but it will give you a good indication.

Once you have a good idea of market prices you then set a realistic, but financially comfortable limit and don't exceed it.

Finally, the key to successfully buying property is to be realistic about market values, otherwise you will find yourself chasing the market and paying more than you have too.

■ www.hudsonbond.com.au,
751 Doncaster Road,
Doncaster 3108. Ph 9840 7700

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