

Buying property in a *hot* market

A property purchase is not done until it's done! That means that two copies of the Contract of Sale have been signed, dated and exchanged – one for the purchaser and one for the seller.

Until this occurs, the property has not been sold; everything is still up for negotiation, counter offers and gazumping is still a possibility. Gazumping is when a purchaser believes they have bought a property due to a deposit been paid, an offer been made via the Contract of Sale and maybe even a verbal acceptance by the vendor BUT, another buyer swoops in, outbids your offer and the vendor signs, seals and delivers / exchanges contracts and you are 'gazumped'.

To ensure you are in the best position to buy a property in a high demand market, you should take the following steps:

- Ensure your broker has provided you with a pre-approval or loan approval; subject only to the Contract of Sale. Contact Chocolate Money on 1300 137 539 to arrange your pre-approved loan.
- Get the Contract of Sale & Section 32 to your Conveyancer asap
- Conduct pest and building inspections up front so you can put in an offer with confidence
- You may also want to ask for proof of other offers but it is not common for the agent to comply with this.

If you are sure you have found the right property you wish to buy, you need to move fast:

1. Ask the real estate agent if the vendor will accept your offer.
2. If the Agent confirms they will but want a written offer, ask for confirmation as to the vendors timeframe for accepting or rejecting the offer. (e.g. 2 hours)
3. Have a sunset clause in your written offer and point this out to the agent advising there are alternate properties you wish to buy. This puts pressure on agents to get the vendor to accept or reject your offer rather than give time to the agent to 'shop your offer' with other prospective purchasers and start an unofficial auction.

Be prepared to spend money on building and pest inspections but not securing the property – it's all part of buying an established and usually older property; it's usually worth knowing what you have purchased and prospective maintenance costs.

Unless you are very experienced dealing with agents, it may be advisable to work with experienced and reputable Buyers Agents who work on your behalf to purchase properties.