

# Identity Property Buyers

NEWSLETTER #021

## What is Your Risk Profile?

**Welcome back** to the next instalment in the IDentity Property Buyers Newsletter series. Today's chat is a look into some of the key risks when buying residential property and how to minimise them.

Life in general is a constant balance between weighing up the cause and effect of every decision we make. Should we ride the bus to work or drive the car in? Can I make it safely across this intersection before the oncoming traffic arrives? Should I swim in the surf today even though the waves are a little bigger than usual?

Human beings are programmed to assess and avoid risky situations where possible, it's in our DNA.

### So how does this apply to property?



We need to think about risk as being uniquely specific to each and every individual. Jumping off a one meter high wall may be perfectly safe for fit adults & kids but to an elderly person it will surely end in damage & pain.

So when it comes to buying property here is a list of areas that attract different risk levels to different groups of people:

**1. Inspecting & selecting the right property** - The average Joe & Jane buyer often will not be able to spot or pickup on major defects in a home. These issues could be extremely costly and if known could deter you from buying this particular property or completely change the offer you present.

For the tradesman, experienced renovator or building inspector, spotting and quantifying the buildings defects will be much more probable. For these type of purchasers the risk levels in this situation will be significantly reduced.



**2. Buying & negotiating on property** - As you can imagine for the everyday mum and dad buyer this can be extremely risky. Experience level is low as they may have only purchased 1 or 2 properties before. They will most likely be emotionally invested in the home as they will be looking to live there. The agent will be reading them like a book and rubbing his hands together as he knows he could easily squeeze another 25k or even 50k more out of this type of buyer.

However for an experienced property negotiator or Buyers Agent the risk of overpaying is significantly reduced as he/she is not emotionally invested and he/she also knows lots of Selling Agents tactics.



**3. Ongoing financial obligations** - Meeting your ongoing loan obligations are extremely important and can be risky for a lot of property owners. For some people earning a decent income the risk of failure here can be extremely high. For others on more modest incomes the risk of failure here could be much lower. This is an area we touched on in an earlier newsletter regarding money management.

Plain and simple, build yourself a financial buffer so you can minimise this risk to cater for unexpected immediate expenditure and ensure you are spending less than you earn.

### Yes many people spend more than they earn!



So in summary - Assess your risk profile **before** buying a property, and if you don't fit the lower risk profiles then you should seriously consider employing the necessary tactics to get you there. Remember this is a high valued transaction that is extremely important to get right and very easy to get wrong.

### So why risk it going bad?

Let our professionals at IDentity Property Buyers help you avoid all those costly mistakes and provide you with a fantastic experience and an exceptional end result....

Make contact today and schedule in a **Free, No Obligation** chat with one of our Buyers Agents & Property Strategists.

**MAKE CONTACT**

Don't get left behind when the market is moving, take control with your very next steps in a professional way today!

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