

# Make the first one count!

by Gavin McPherson (Oasis Property Director)

I am fortunate to have been around long enough to have experienced many secondary property purchases for clients. A recent purchaser of mine secured his 8th property. I was excited that it was one of my favourite clients who allowed me to build his portfolio around my advice. However, what about the Owner Occupiers? Those that rely on the family home as their biggest investment.

My aim is to meet the needs of the client and their family and find the right property for them, in the shortest period of time and for the best price. They usually deliver me a brief which I am mandated to fulfill. However, some of the most rewarding professional experiences I have had purchasing for owner occupiers are those that consult me in the formative stages of them purchasing. Here is some of the advice that I share with them, given the opportunity.

Ensure your first purchase is a pragmatic one (non emotional) that is purchased at a good price. If you are thinking that it is just academic that any purchase will appreciate in value in 5 years....think again. I can still remember purchasing some property in 2008/09 cheaper than it last traded for in 2002!

#### Buying your first property (to live in)

- Get into the property market and adjust to the pressures of a mortgage and other stresses that home owner duties bring you;

- Have enough time to make a significant dent into the mortgage and potentially make some improvements to the property to

suit your living needs while also increasing the value of the property.

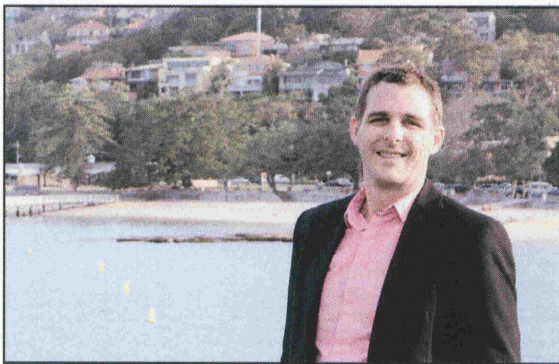
Of course there will be significant issues that life throws at us, but whether they are children, marriage and layoffs, the objective of the first property should be the same - own it long enough to make a difference.

One of my major disappointments are clients returning to me after, say 1-2 years declaring: "Thanks, we love the place and you bought well, but we are outgrowing this now and need to buy a new one." While this wasn't disappointing to my bottom line, as I purchased for these clients again, it did make me start to look at the behavioural traits of first home purchasers. I could only come up with one conclusion - buy sooner, buy larger and for longer.

The lost monies sunk into stamp duties, legal costs, renovation and mortgage costs are large enough without having to endure the experience twice in 3 or 5 years. If this means taking longer to save a deposit, so be it. If it means making some sacrifices, my advice is to do this also.

This could mean buying a small semi instead of a small 2 bedroom unit. Maybe you could rethink that luxury town house (with lots of stairs and minimal yard) and find a freestanding home on a large block in a great location in the school catchment zone if you were thinking for your children.

The above advice doesn't only assist us in making the most of our financial capacity, but it also encourages a good investment.



Gavin McPherson - Oasis Property Director

Simple good investment philosophies tell us that we should be buying property that is:

- a) well priced
- b) with margin to improve on, and
- c) for the long term. Ten (10) years is considered one full market cycle demographically and financially) and this is the ideal minimum time to hold a property.

Of course, I regularly get purchasers who cannot compromise on point b) above, and need the property to be fully renovated and ready to live in. All the same if they can apply both principles a) and c) - then, as Meatloaf sings: "2 out of 3 ain't bad!"

For any purchasers that need a helping hand, feel free to give any of our staff a call on (02) 8705 3252, but at all costs - make the first one count!

Gavin McPherson is owner/director of Oasis Property Buyers, one of Sydney Premier Buyers Agents. He is also a professional property investor and local resident. Oasis was the Winner of the 2009 Business Achiever Awards for Real Estate.

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Our staff are here to help and we look forward to helping you with any of your upcoming property purchase enquiries. (02) 8705 3252



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