

SmartProperty Investment

The magazine by investors, for investors

Investors warned not to overpay as market heats up

Written by Staff Reporter

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Investors have been cautioned not to fall victim to 'overheated' property prices as confidence returns to the market.

A recent CommBank Home Loans report revealed that one in five homebuyers went over budget on their last property purchase.

Property Wizards buyers' agent Liz Sterzel said property buyers can't let the 'fear of missing out' take precedence over their budget.

"Buyers must learn from previous mistakes made as the heat returns to the property market," she said.

Ms Sterzel said the CommBank report showed property buyers simply panicked in the face of competition and were scared they'd miss the boat if they didn't act quickly.

"First time buyers also believed that even paying an overheated price would be cheaper than renting.

"It also uncovered that more than half of the buyers surveyed negotiated the price before they had undertaken their due diligence."

Ms Sterzel said that during the 'post election' scramble to get back into the property market, buyers needed to be careful not to overpay – particularly with days on the market and vendor discounting decreasing.

"These are all signs that prices will continue to creep upwards," she said. "Buyers need to be prepared to act quickly but not naively this time."