

The Seven Most Expensive Mistakes that London Property Buyers Make

It's very easy to waste a lot of money when buying a property. You can buy a poor property, pay too much or throw money away by paying tax unnecessarily – in the worst cases people do all three. Fortunately, avoiding these mistakes is very simple; here, Jeremy McGivern, founder of London's leading luxury property search agency, Mercury Homesearch, reveals the seven most expensive mistakes that London property buyers make and what you can do to avoid them.

Whether you are born and bred in London or if you're based overseas, the London property market is rigged against buyers for one simple reason – the estate agents actually work in direct conflict to what you are trying to achieve, i.e. buying your ideal home or investment for the lowest price possible. Consequently, some buyers throw away hundreds of thousands of pounds, and in many cases millions, by making a few simple mistakes. However, many of these mistakes are extremely easy to avoid. Here are the seven most expensive mistakes that London property buyers make and, most importantly, what steps you can take to avoid them.

Step One: Preparation

Most buyers do not treat the purchase of their home as a business transaction and are consequently ill prepared. It's vitally important that you do not make the same mistake and are in a position to act swiftly to secure the most advantageous terms. To achieve this, make sure that you have your finances in place prior to making an offer, instruct a solicitor and surveyor – but most importantly, make sure you are available before you embark on your home search, to ensure that you can keep firmly on top of the market.

Step Two: Refine your property criteria

Buyers will waste huge amounts of time when searching for a property, because they are not truly focused on what they want. If you don't have a clearly defined picture of what you require, you will spend hours looking at unsuitable houses. You obviously need to know the basic requirements of your property, however, you will also need to consider the condition of the building, length of lease, views and orientation, architectural styles, service charges and what you require in terms of facilities – i.e. will you need a garage, lift or swimming pool? It's also important to ask yourself whether your criteria are realistic, as too many buyers waste months searching for a 'needle in a haystack', when in fact the needle never existed in the first place.

Step Three: Do not rely on estate agents or the internet

Although the majority of properties are sold through estate agents, buyers forget that this immediately puts them at a disadvantage. After all, estate agents are employed by sellers, which means they are legally obliged to achieve the best terms possible for the sellers and not for you. This in turn means that the agents are not trying to find you your ideal home, but are simply trying to find the person who they can persuade to pay the most for their client's home. Nevertheless, the agents will be your main source of properties so you must ensure that you are at the top of their list of "preferred buyers". To achieve this, make sure you register with every estate agent in your target area and contact the agent at least once a week to be the first to see the best properties. During this process it's also important to avoid relying on the internet, as although it may seem like the most efficient way to source properties, the best properties that come to market will be snapped up long before they make it onto the websites.

Step Four: Source off market properties

London's finest and most exceptional homes rarely reach the open market, but there are strategies which you can employ to give you a competitive edge and help you to see these properties first. For example, placing an advert in a suitable publication, writing a letter to existing home owners (if you have a very specific area that you're covering) or talking to a concierge, porter or even property developer may lead to you sourcing homes before they reach the market.

Step Five: Arguably the biggest mistake you can make

Accurate information is essential if you wish to make an astute acquisition. If you have a good feel for values then you will spot the bargains and be able to move before anyone else. You will also avoid unwittingly overpaying. Because of this, it's important to remember that estate agents are paid to achieve the highest price possible for their clients, so you must take the information they provide with a pinch of salt. A useful tip to help you accurately gauge the market is to double check all the information you can obtain and find as many comparisons as possible. As soon as you have a good idea of what similar properties have sold for, you can start making an informed decision on what you should be offering too. However, the most important information can often be discovered from the owners of the property themselves, so don't be afraid to ask them questions if you're struggling to find answers elsewhere.

Step Six: Learn to negotiate

Negotiation is a skill which can be learnt, so don't worry if it doesn't come naturally to you. Although I'd strongly advise reading up on the topic, there are a few simple tactics which you can employ to give you an edge over most buyers. A good place to start is to ask yourself, "What can I offer the seller that would be of huge value to them, but little loss to me?" – for example, a swift exchange with a delayed completion, or paying with dollars rather than sterling. Also, try making any increases in your offer in decreasing increments, (e.g. £5m, £5.5m, £5.75m, £5.9m) to give the seller an indication that you're coming to the end of your threshold.

Step Seven: The agreement is not legally binding until contracts have been exchanged

Remember that agreeing a price is only the first phase. 25% of purchases fail between agreeing a price and the exchange of contracts. Ultimately, it is your responsibility to make sure everything proceeds smoothly. If you do not, you must be prepared for the frustration of losing your ideal home. You need to coordinate your financier, solicitor and surveyor, whilst ensuring that the other side is acting swiftly too. You need to ensure that your team is ahead of the game and that the seller's side is providing the information in a timely fashion.

If you would like to receive a free complete version of Jeremy's guide, *The Seven Most Expensive Mistakes London Property Buyers Make & How To Avoid Them*, please visit www.mercuryhomesearch.com



Jeremy McGivern is the founder of London's internationally renowned property search agency, Mercury Homesearch, with over 14 years' experience successfully acquiring prestigious central London homes for a broad range of international and domestic clients.

www.mercuryhomesearch.com