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Smart Money Property

Negotiation smarts

A fresh perspective

When Ian Nicolson and his wife decided to buy an investment property last year, they started scouring the internet to decide what sort of asset would suit their needs.

The couple, who live 80 kilometres outside Melbourne, thought an inner-city apartment, to be tenanted by their adult son, would be the way to go.

But they weren't sure, so after talking with friends, they engaged a buyer advocate.

"It was our first foray into investment property," he says.

"I had previously invested in the sharemarket and didn't feel I had intimate expertise or knowledge in the market.

"Part of the attraction was getting independent advice. Even the house we live in, we built, so we didn't go through an agent. And when you go through an agent, you feel they are not necessarily on your side."

Their adviser steered them away from the CBD and into the fringe suburbs, where they felt capital growth would be greater, given the supply and demand dynamics.

After a few weeks, they ended up with a two-bedroom apartment in Richmond, bought for \$30,000 below the \$600,000 asking price.

"They knew the agents involved, they knew the market and talked to us very openly about it," Nicolson says.

"You could say anyone could [get that kind of discount] by negotiating. But when you don't feel you have expertise, you don't feel you can."

Ainslie Chandler