



# Making a sound investment

## Anna Sparrow explains how home hunters can avoid common pitfalls

### Location, location, location

Buying in a sought-after area is a low-risk venture. "This is because you will always have stronger demand than in a less desirable area, meaning that prices should increase faster during the good times and hold up better in the bad times," says Spencer Cushing, at John D Wood & Co estate agents in South Kensington. "A good location in London could be near to a Tube station, whereas in the country this could mean a secluded location with good access to amenities," says Richard Sharples, associate director of Property Vision, a buying agent.

### Adding value

Can you add value to the property? Does it need renovating? Cushing says: "A safer bet is to buy something that needs improvements, and where the price reflects this. You will be able to add value and so cushion yourself against a fall in prices."

Another factor to consider is whether it will be large enough to accommodate your family five years down the line. Is there room, for example, to extend or add another bedroom? Justin Bhoday, of Kinleigh Folkard & Hayward (KFH) in Kennington, says: "Consider how your needs will change and try to buy something you can expand in the future."

### Do your homework

Check local prices before committing to a purchase, says Rob McLaughlin, regional sales manager at KFH. Buyers should also get a thorough survey done, which should identify major defects.

### Get to know the area

You should research the area before purchasing. "Find out previous 'sold' prices on the street. Check out local transport links, good schools and future plans for the area, such as building work and redevelopments," Cushing says.

Daren Haysom, at Foxtons in Islington, agrees. He recommends that buyers seek out areas where funded improvement works are being carried out, or where building projects are planned — on railway stations or libraries, for example. "This often happens in regeneration areas such as King's Cross or the Olympic site," he says.

### Be practical

"Don't get carried away and buy a home based on emotional factors. Make your decision on practical considerations such as proximity to schools, the railway station and the size of the third bedroom," says Julian Peak at KFH.

### Be wary of short leases

Buying a property with a short lease, particularly if it is less than 80 years, is problematic, says Giles Cook, of Chesterton Humberts in Chelsea. "Not only does this limit your resale market, the lease extension process can mean hours of work and huge legal fees." He also advises buyers who want to buy property in an apartment block to find out about the building's management. If it is inefficient, or very expensive, this can lead to disputes about service charges and building maintenance issues.

### Avoid blighted properties

"Buyers should remember that noise pollution and road congestion are factors that can go unnoticed when first visiting a property," Cook says. Bhoday adds: "Don't buy a property with a bus stop outside. Buses attract noisy people and litter, and the buses are frequent, noisy and make your house vibrate."

### Find out about the sale history

Ask the agent how long the property has been on the market and how many viewings it has had. "If you want security in a challenging market, avoid houses that are languishing on the market — it's possible that there's a good reason why," says Lindsay Cuthill at Savills in Fulham.

Cushing adds: "If a property has been on the market for ten months with only ten viewings, alarm bells should sound. Remember that you will want to sell it yourself one day."

### Look for the best property

"I'm a firm believer that if you're investing in property, go for best in class," says Andrew Grice, of Strutt & Parker in Salisbury. He says that buyers will receive a far better return and have a more liquid asset if they purchase a smaller property in a good location rather than a larger home in a less desirable area for the same price. "I would certainly suggest quality over quantity," he adds. "Go for the worst property on the best street."

Buyers are also advised to consider a property's potential. "You can change the property, but you can't change the street," Haysom says.

### Be cautious about price reductions

It pays to be wary when it comes to "bargain" properties that have been reduced in price. They may be flawed, warns Mark Jamieson, of Strutt & Parker's national country house department.

However, Andrew Grice insists that buyers shouldn't judge such properties too hastily. "Don't necessarily assume that if a house has had a price reduction that there must be something wrong with it. A house that is unsold and has been reduced could simply have had an overambitious price to begin with and may well present an excellent opportunity at the reduced price."