

Video transcript – Gavin Hegney: First Home Buyer event

Gavin Hegney: Who's buying their first home? Considering buying their first home? Is that why we're here tonight?

Yeah. Exciting time. Unnerving time. Uncertain time. All those factors rolled into one. Every emotion you've got just about gets rolled into one point.

So why am I here talking to you about this tonight?

I suppose I've been in the market now for over 30 years. I'm a trained valuer. Valuer by trade.

So you have to be licensed in the state of Western Australia, to be able to operate as a valuer.

I've seen all the market cycles, I've seen all the mistakes people make, I've seen all the things that people do right, and hopefully tonight I'll be able to communicate a lot of that to you, to help you make your decision.

On that note, I'll start by saying: property is a very individual thing. It is a very unique thing.

So you're thinking about all the things that you want. Even if you're in a partnership or if you're in a couple, she wants this, he wants that.

Okay and you got to try and melt the two together.

You might be getting parent advice. You might be getting friend advice. Your friends might have bought something. You're reading some data, you're reading headlines. You're hearing all the noise. Challenging isn't it?

Then you talk to somebody else who gives you input, and accountant maybe. Maybe you get some professional advice and they tell you something different.

The advice can only go so far. You have to know what you're looking for, what you want.

So the first point I'd like to make is that you need to be clear with a few non-negotiables on what's important to you, when you're buying your first home.

I bought my first home in 1983. In 1983 we're in the back end of the 1980's recession and 1983 the market started to recover.

Now buying your first home is a big financial step, and it's great if you can be buying at the right time in the cycle. And markets do go in cycles.

So for those of you who have nodded off already, wake up for that, the first point is markets will always go in cycles.

Where are we in the cycle?

But don't underestimate the power of just looking at real estate yourself. Go out and have a look, you're smart people, just have a look.

Don't be put off by looking at a lot of property and not having bought something.

That really good intellectual property, so when you see the right one you'll know and you'll know the price to pay for it, you have some degree of confidence.

As distinct you've just stepped off the plane, walked out, first time open, I'll buy it full price, there you go. Now you could be in for a bit of a shock.

Have you got non-negotiables?

Now, I was helping someone buy a property the other day in John Street Cottesloe, beautiful street. One of the best streets.

Andrew Forrest lives in the street. Beautiful street in Cottesloe right near the beach.

You know, you've got the Norfolk pines, a little café, walk down to the beach. Lovely street.

She didn't like the home, he liked the home and the location. So in which case we walked to the other side of the road.

I said quite simply, "Just put your hand up in front of the property so you block the view of the property. This is what you are buying here. Do you like this?" They both went "Yeah, we love it!"

Well that's what you're getting at the moment, you can do anything you want to that. Paint it green if you want, I don't care. But that's what you're really buying, your location.

So, buy for the next 10 years. So don't buy your need immediately today because life changes quicker than property investment decisions.

Try to look at the next ten years in to life. Not the last ten years, but the next ten years. What's going to happen? How old are you going to be?

What sort of things do you think you'll be doing? You don't have to know exactly, but at least build some flexibility in to what you're buying.

If you're buying something that you know meets your needs to today. Well maybe you could add-on, maybe you could renovate, or maybe you could, whatever it is.

Just have some flexibility, because you don't want to be in a position where you go "great property, bought it."

And three years later you go "Well that's no good for us anymore." "It doesn't suit our needs, we're going to have to sell."

Because change over cost are relatively high.

There are plenty of people that will tell you that "yeah, okay we're not going to do that, can't do that."

"I'm waiting for this, just waiting for this to pass and then it's all okay."

Maybe that might be good. I've seen a lot of people waiting and waiting, for this, for that.

There's no perfect situation. I've basically come to the conclusion that the person that insists on seeing with perfect clearness before they decide never decides.

So you've got to have a little bit of fear and doubt in there.

If you've got a little bit of fear and doubt in there, it's good. That keeps you at your edge, at your best.

You're not missing anything. If you're absolutely fearless and your buying "Hey, ears pinned back, go hell for leather."

Chances are we're at the top of the market and you're your own worst enemy.