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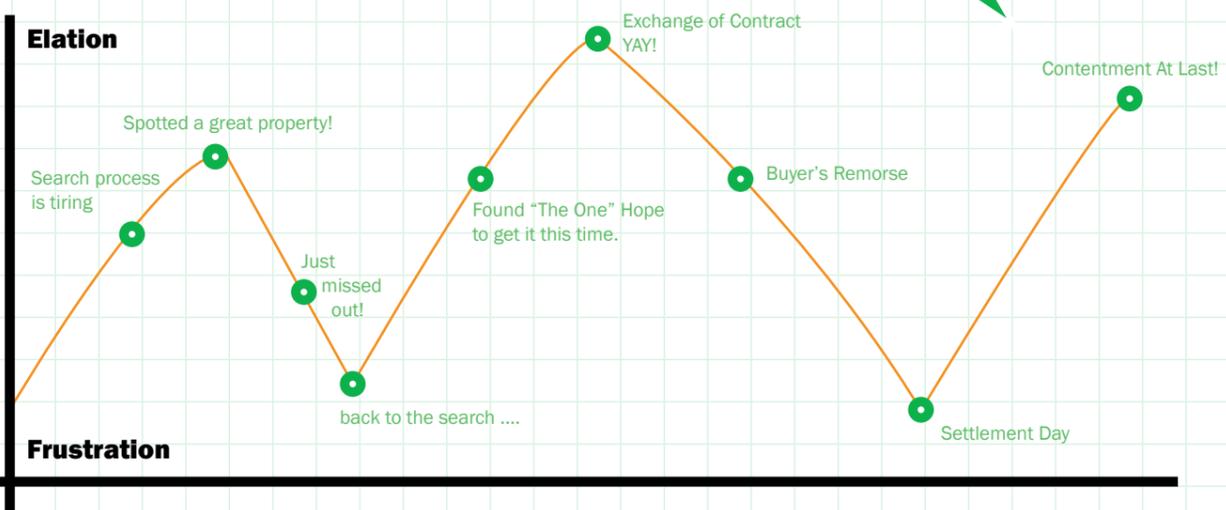
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Coping with Buyer's Remorse

By Oliver Stier

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Have you ever purchased something (usually a big ticket item) and then feel a twinge of regret? If so, what you are experiencing is quite normal and it's called 'buyer's remorse'. Although excited at the time of the purchase, once they've spent a lot of money, many people feel a deep regret and concern that they made the wrong decision, referred to as buyer's remorse. In this article, I'm going to specifically discuss the buyer's remorse associated with buying a property.

Buying a property is an emotionally-charged process. I tried to briefly capture this range of emotion in the chart above.

During the initial search process, many buyers may go from feeling excited to frustrated when they realise the constraints of their budget. After some time, it is not unusual for many buyers to see a property they like but then miss out on it for one reason or another. This may result in a feeling of disappointment and loss.

When buyers eventually exchange contract on a property, many may feel a sense of relief and euphoria.

However, this feeling of elation often does not last long, as many buyers naturally begin to feel a sense of remorse over their purchase as they grapple with a series of fear and anxieties such as:

- fear of having made the wrong choice;
- fear of having over-paid;
- fear of over-indulgence or living beyond one's means;
- fear that other people may later question the purchase or claim to know better alternatives;
- fear of buying at the wrong time;
- fear that a better/cheaper property is around the corner (also known as Fear of Missing Out or the FOMO factor);
- fear of the financial implication to ensue (i.e. debt); or
- fear of having been pressured by the sales agent.

It is also not uncommon for buyers to compare their purchase with those of their friends and families. Buyers need to be careful when doing so because no two properties are like.

For example, just because a friend/family purchased a property at \$800,000 as opposed to your \$850,000 does not automatically mean that they got a bargain whilst you over-paid. So be cautious not to have a knee-jerk reaction to price only.

Another common trigger for buyer's remorse is the pre-settlement inspection. Many properties have been scrubbed clean, landscaped and styled within an inch of its life just prior to sale. So it comes as a shock to many buyers to see the property empty, slightly dirty and with overgrown yard for example. The gloss of the marketing campaign is over and buyers are faced with the reality of a vacant property which does not seem as glamorous as in the brochure.

The good news is that, based on our experience, buyer's remorse doesn't last too long. Acceptance and contentment soon follow - especially once the buyers are able to start putting their personal touches to the property (such as painting).

So if you are a property buyer experiencing buyer's remorse, just stay calm and have faith that all your due diligence and research will stand the test of time.

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About the Author

Oliver J. Stier is the Director of OH Property Group, a leading Sydney Buyers Agency. He studied Quantitative Economics and Finance at Cambridge University (UK), University of Toronto (Canada) and Princeton University (USA). In addition to being a licensed real estate agent, Oliver is also a Chartered Financial Analyst (CFA).

OH Property Group
OH Property Group is a licensed Australian property Buyers' Agency based in Sydney specialising in the search, negotiation and purchase of residential and commercial real estate in Sydney for both local and overseas buyers. We are an independent advisor and trusted advocate for home buyers and investors alike.

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Important: The contents of this article are the personal views, research and opinions of the author, Oliver J. Stier.