

# Buyers pay premium for dream home

**POTENTIAL** interest rate rises are not enough to stop some home buyers paying above the asking price to snare their dream home, as a new survey reveals some will fork out up to 20 per cent more.

The [realestate.com.au](http://realestate.com.au) survey found nationally that about one in six home buyers (16 per cent) were willing to spend 10 per cent or more above the asking price and 6 per cent would pay 20 per cent more. In Queensland 14 per cent were prepared to pay 10 per cent more.

The research found many believed rates would rise in the next three months, but were still prepared to pay a premium.

It comes as data released yesterday showed there was a modest pick-up in demand for home loans during May, with growth stifled by rising interest rates since last October.

Mortgages approved to owner-occupiers grew by a seasonally-adjusted 1.9 per cent in May to 48,818, according to the Australian Bureau of Statistics, higher than expected.

Mike Wilkes and Amanda Lay actually paid under the asking price for their Balmoral property, which will settle next week.

But Mr Wilkes said there was a property they missed out on where the successful buyer paid \$1000 over the asking price.

Ms Lay said they had a firm budget and had not been prepared to move on it.

Mr Wilkes said he was surprised at how many homes did not have price guides and that they were often misinformed by agents on what sort of bids sellers were expecting.

One of the most common reasons buyers gave the survey for being prepared to pay more was they believed there was a shortage of properties for sale.

Figures released last week by RP Data showed there were more properties on the market in Queensland at the moment than since December 2008.

According to Peter Wright of realestate.com.au the survey was about people's perceptions.

Mr Wright said those willing to pay more would only do so for the right property.

John McLeod of Harcourts Bulimba said it was generally those who had been looking for a while who resorted to offering over the asking price.

The report also found about 32 per cent of respondents thought home prices were rising in Queensland.