

A luxury property developer highlights 3 pitfalls homebuyers should avoid

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You've finally built up a nest egg and are [ready to buy](#) the home of your dreams. Great. The hard part is done — but you're not out of the clear just yet.

Buying a home, especially a luxury home, comes with a [thicket of obstacles](#) and potential mistakes.

Robert Gladstone, CEO of [Madison Equities](#) in New York City, is an expert in navigating the thornier issues of homebuying.

The developer of luxury real estate said one of the biggest mistakes new homebuyers make is letting someone else make decisions for them. "They move into something, and let some great architect, some great builder decide how they should live," he told Business Insider.

Here are some other potential pitfalls and common mistakes new homebuyers should look out for and avoid, according to Gladstone:

1. Overpaying for a place that won't have high resale value

Don't just buy the biggest and most expensive house on the block, Gladstone said. If you're paying 30% to 40% more than all of your new neighbors for a property that's of similar style



"A home needs to have flexibility to it," says Robert Gladstone, CEO of [Madison Equities](#), a luxury real estate developer in New York. [Flickr / pfly](#)

and quality, you're going to have trouble turning a profit when you eventually try to sell.

Instead, aim to buy something that offers longevity and will increase in value over the time horizon you're considering.

Gladstone said you should ask yourself, "Am I buying in a building that will season well, or one that will have a lot of turnover and lots of incremental increases and decreases in sale?"

You want a property that other people will admire, Gladstone said. If the design and flourishes lack inspiration and are carbon copies of everything else on the market, you'll have a tougher time making the investment worthwhile.

But, if others "can't replicate it," then the building will likely have low turnover "and prices are going to go up," Gladstone said.

2. Buying something *too* over-the-top that will go out of style after a few years

At the same time, you can go too far; the key is finding a balance. Older buildings can offer character and flair that are tough to replicate — but that's only good if the charm is enduring and practical.

"There's good iconic and bad iconic," Gladstone said. "Sometimes iconic things don't make sense — they're hard to live in."

It is important to think about what will be trendy or "edgy" in five or 10 years, not just the current moment. Gladstone cautioned to remember the 1970s: lots of apartments with carpet on the walls and unorthodox designs that were just plain difficult to live in.

"No serious people bought them — they couldn't move their furniture in!" he said.

3. Not planning your family's needs well into the future

New homebuyers tend to be young. So, if you are starting a family or have one and are planning to grow, be careful to think about the future and what you'll need to live comfortably. One of the most crucial errors Gladstone sees is people buying a place that only suits them for the short-term.

"They're young, they see themselves in a certain sense, and then they have a kid and they say, 'How did we choose to live here? This doesn't work for us,'" Gladstone said.

"A home needs to have flexibility to it," Gladstone continued. "Lives change, people grow."