

RealEstateNews

INFORMATION TO HELP YOU WHEN BUYING OR SELLING | February 2012 |

Who Pays the Advertising Costs?

GARY PITTARD

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The way typical real estate agents advertise is a waste of money. Make sure it is not your money.

Many agents advertise to promote themselves, and not your property. In the past twenty years, real estate advertising has increased as much as twenty times. In most areas, the number of sales being made today is the same as twenty years ago.

Home sellers are often pressured to pay thousands of dollars for advertising. This is a needless expense because very few properties are ever sold because of advertising.

Be reasonable about advertising

Advertising will rarely sell your property. Too often home sellers make the mistake of demanding advertising for their properties.

The previous hint for selecting an agent advised you to not pay advertising costs, but this does not mean that you should make unreasonable demands upon your agent for needless advertising. Be reasonable about advertising.

Buyers who want to buy in your area know the area. It is the area that attracts them, not advertising. It is a waste of time, money and energy to place advertisements in publications that reach thousands of people who will not buy in your area.

Buyers who want to buy in your area know the area. It is the area that attracts them, not advertising.

The media your agent chooses to expose your property in is also important. Many buyers are now Generations X and Y, and these people do not read newspapers nearly as much as do 'Baby Boomers'. Agents who rely on newspaper advertising are quickly becoming old fashioned.

Your agent needs to be an expert in Internet Marketing, and should not necessarily 'follow the crowd' by advertising heavily on third-party websites, either.

Here is what your agent should be doing to find a buyer for you:

- Your agent's office should be open 7 days;
- Your agent should be sending email Home Alerts to thousands of buyers every week;
- Your agent should have large numbers of signs in the area;
- Your agent should be an expert at directing enquiry to his or her agency's website.

This will bring the best buyers to your agent and your agent will then qualify the buyers and bring the right ones to your property. That's how most properties are sold.

If your property is not selling there are usually only two reasons: the agent is incompetent or the price is too high.

If you keep advertising your property, people may start wondering what is wrong with it. ■



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Investing in the Current Market

PAUL KOUNNAS



The combination of years of strong capital growth and the negativity and uncertainty about the world economic turmoil have finally put our property market in a slump.

Property markets are generally driven by the country's economic fundamentals and market sentiment. Australia's fundamentals are strong, which means for the long term, property should remain strong but in the short term, market performance will be largely influenced by market sentiment.

Some investors will do well in the current market. In times of market change there are always some investors who do well, while the rest of us become paralysed with indecision and inaction, and sit on the sidelines.

The type of investment strategy that will always be a winner in any market is buying a well located property and adding value to it. Choosing a property with renovation potential or one with development potential gives you the opportunity to add value and improve its capital growth.

If you don't have any experience with property developments you will need the help and advice of someone who does.

But when it comes to renovations most people think they can do as good a job as anyone.

Here are a few tips you may want to follow anyway:

- 1. Overcapitalizing** – Do not spend more than you need to, the surrounding houses can influence your resale value.
- 2. Quality of renovation** – The renovation work should be in keeping with the existing building style.
- 3. Quality of fittings** – The use of expensive fixtures and fittings does not automatically mean you will be able to sell for a higher price. What is far more important is quality workmanship and functionality.
- 4. Current lifestyles** – embrace the needs of modern living and offer large functional living areas that allow the indoor living area to naturally flow to the outdoor entertainment area.
- 5. Plan your renovation carefully**, get professional advice and use good tradespeople, not only will they do a better job, but they will also save you time and money.

LETTER FROM EDITOR

As 2012 is well under way it's encouraging to see the enquiries and the sales still increasing .

Also what typically increases is the amount of vendor paid advertising – with some advertising campaigns costing thousands of dollars.

Recently at one huge 'in rooms' auction event (with twenty sellers having to pay advertising costs regardless of selling or not) resulted in only one sale – that's a 95 % failure rate!

Properties are selling, without the risks and costs that can be associated with some selling methods, so if you would like a cost effective selling approach – we'd be happy to offer you some free advice. Our fees are only due if your property sale successfully completes.

Until next issue

Best wishes

Tim Altass

Quote the Price You Want, Not a 'Bait' Price An IMPORTANT WARNING to Home Sellers

GARY PITTARD

It sounds good in theory – quote a low price to 'lure' purchasers in, and then work to get the price up from there.

But if this is such a good idea, then why do NO negotiation EXPERTS favour this method?

Bait prices trap sellers as well as buyers.

Never allow an agent to use a low false price to 'bait' buyers. If you use a price range or guide or a 'by negotiation' strategy, you are encouraging buyers to offer you less. Your 'bait' price will 'hook' you more than the buyers!

Sure, a lower 'bait' price may attract more buyers but it attracts the wrong buyers. The lowest price the buyers see will become the highest price they want to pay.

And never tell anyone – including your agent – the lowest price you will accept because that too can quickly become the highest price you will get.



This article is adapted from the seller booklet, How To Get the HIGHEST PRICE for Your Property. To have a complimentary copy home delivered, please contact the agent who sent you this newsletter.

Selling with Tenants

PAUL KOUNNAS



When a seller puts their property on the market they more or less work in partnership with their agent to present and market the property for the best price possible.

When the property is occupied by a tenant the sales process may be a little more complicated.

Most tenants are co-operative and very helpful but even the most accommodating tenants can sometimes be tested by the additional demands that come with living in a property that is on the market.

The law requires that once a property is on the market tenants must allow the marketing agent to show prospective buyers through the property, provided the

tenants are given 48 hours notice.

The tenants can take comfort knowing that their lease cannot be broken. The landlord has no legal right to break the lease, nor does the prospective new owner, but once the lease expires the new owner is not obliged to renew it. If the new owner intends to occupy the property they must give the tenants no less than 28 days notice to vacate.

Although every property is different, from an ideal marketing perspective, it is better for a house to be on the market without tenants occupying it.

However if you have a tenant with beautiful furniture and the property presents well you may be better off marketing the

property with the tenants in it rather than vacant.

The presentation of the property can make a big difference to the price your agent can achieve. If your property is predominantly land value or requires a major renovation then the presentation may not make much difference to the price you receive.

Many sellers can't afford to have the property sitting vacant during the sales campaign, because it may take three to four months by the time it settles. So there is a financial advantage in selling with tenants because there is no loss in rental income. That is why most sellers choose to sell with tenants rather than vacant. ■



Hire a Specialist...

If you are considering selling your home
Hire a Specialist!

If you follow this advice you will seek out a professional salesperson - a trained negotiator - who uses the **Buyers' Price Declaration*** as a means to obtain the highest possible price for you.

** Based upon an idea developed by an economist, the late William Vickrey - one of several ideas that earned him the Nobel Prize for Economics - this negotiation tool is demonstrably better than auctions for sellers, buyers, and agents.*

Ask questions. Discover whether your preferred choice of agent understands the principles of negotiation and the Buyers' Price Declaration.

**A Private Treaty specialist seldom does auctions.
He or she is a specialist in negotiating high prices,
face to face.**

Call us about negotiation with a Buyers' Price Declaration.
We'll get you the highest price for your property with a Risk Free Sale

Are you looking to lease your investment property?



The Property Management team at Tim Altass Real Estate currently have quality tenants waiting for the right property.

To find out if any of these prospective tenants suit your investment property contact ☎ 3395 5002

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Maximum return with Minimum of stress

- Best Market Rent
- High Quality Tenants
- Experienced property management team
- Regular monitoring of your investment
- Stress free management



Contact Tim Altass Real Estate to discuss what we can offer you in the management of your property.

☎ 3395 5002



“I would like to say thank you to the team at Tim Altass Real Estate. Melanie did a good job at selling my house at a price a was very happy with- especially no advertising costs. Your efforts are very much appreciated ”

C & L Cannon



REAL ESTATE CAREER

\$110,000 secure salary and bonuses

- Our sales people enjoy the best in support, ethical training and teamwork. One team now sharing three eastern suburbs locations, all the enquiry and 2 days off per week.
- This is the way real estate should be - NO auctions, NO bait pricing, high salaries and bonuses and enough time off to enjoy a life outside of work.
- Having earned “Approved” accreditation from the Jenman Group we’re extremely busy.
- We’re looking for mature minded people with no real estate selling experience, who own their own home and have a proven history of stability.
- Qualifying period starts at \$77,000 and bonuses and 11 day fortnight roster.
- If you believe you can sell and would like an income over \$150,000 (this is the lowest income in our sales team) within 12 months - we’d like to hear from you.

Perhaps you too can join us for many years.

Please email your resume including a letter of introduction to: mary@timaltass.com.au

Tim Altass Real Estate | Morningside, Bulimba & Carina | 07 3395 5955

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