

RealEstateNews

INFORMATION TO HELP YOU WHEN BUYING OR SELLING | Edition 11 |

High or Highest?

Getting a sale or getting the best price.

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The greatest losses occur during the times of greatest gains. Getting a sale and getting the very best possible price is not always the same outcome for many property sellers. The irony of real estate is that sellers are more likely to undersell in a strong market than they are in a soft market. The reason being that in a soft market, sellers tend to fight very hard to protect the downside of the sale. They hold out for every possible dollar and really work towards getting the best possible result in the market.

In a strong market, seller's minimum price expectations are achieved quite easily, therefore there tends to be a lack of focus on the buyers maximum. It is such an obvious (and expensive) point that can be overlooked when selling in a good market.

We have some simple advice for anyone selling in the current market, "Focus on each of the interested buyer's maximum price, not your minimum price. Keep your minimum price confidential, even from your real estate agent."

"The moment you disclose your minimum price, that is likely to be the highest price you will get."

Reserve Price

The most common term used to describe the seller's minimum price is "reserve price". The reserve price is the minimum price that must be achieved for the property to be sold under the hammer at the auction. The property is then sold to the "highest bidder" over the reserve price.



Question – If you are selling, do you want to just sell to the highest bidder above your reserve? Or do you want to sell to the highest bidder for the highest price the bidder is prepared to pay for your property?

These are questions that sellers should consider before going on the market.

When the market is strong, the sellers' reserve price is met much easier than in a soft market therefore the auction clearance rate is higher.

Auction clearance rates are a true reflection of what percentage of buyers were prepared to pay the sellers minimum price or better, on a given weekend. They do not factor in what buyers were prepared to pay for these properties. Potential sellers should be wary about using

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WHEN SHOULD I SELL?

JIM GRIGORIOU



A truly excellent question debated over many a dinner party. Some say spring, as the flowers are out and gardens sparkle in the warm sun. Others argue autumn, with cool sunny days and tree lined streets boasting the colours of autumn.

Many will say winter is a terrible time to sell and Christmas is even worse. Christmas is that time of year you are snowed under with end of year, end of school, Christmas shopping etc, etc, its crazy!

Who's right?

Who's wrong?

Who knows?

Spring and autumn seem logical times to sell when your property looks its best. Conversely, you could be one of many more properties being offered at the same time which may reduce your chances of getting a high price. Be aware of the herd mentality, many astute investors do the opposite of what the masses do, choosing the contrarian approach.

If we apply the same contrarian approach, winter and Christmas appear to have some merit.

When it comes to answering the question of "When should I sell"? There is no right or wrong answer. You should focus on two relevant points.

POINT 1. You should sell when it suits your plans and try to present your property in the best light in the season you're in.

POINT 2. Residential real estate is closely linked to the cycles of life. People get married, divorced, have babies, die regardless of the time of year, hence the demand for good quality housing is there 24 hours a day, 365 days a year.

**Real estate
is a year round fruit
that when presented well,
will be picked
from the vine.**

LETTER FROM EDITOR

This months edition is ideal for the seller who is most interested in selling for the highest price, deciding on which method and how to pick a specialist negotiator.

As the market is still in favour of the buyers at the moment the last thing sellers need is selling for less than what they could have received.

If you would like some advice on selling safely in this market we would love to hear from you-either at our Carina/Carindale office on 3843 0060 or Morningside and Bulimba on 38991265

Until next time

Tim Altass

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auction clearance rates as a determining factor when deciding upon the best way to market their property.

False Success

If you were prepared to accept \$750,000 for your property and sold it for \$792,500, would you consider the sale a success? On the surface, most people would call that a great success. But what if the buyer who bought your property for \$792,500 was willingly to pay \$825,000?

Would you still consider the sale a success?

An initial success can be quite rubbery if a few probing questions are explored.

Due to the market strength, sellers are happily accepting "good prices" not realising they could have sold for a "great price".

Our advice to sellers concerned about underselling is to "Always insist all interested buyers submit their best offer private and confidentially. Then you can choose the right offer based on the highest price with acceptable terms."

Never disclose one buyers offer to another interested buyer as the buyers focus then becomes outbidding the competition by \$1000, as opposed to submitting their best price. This is what takes place at most auctions every weekend – buyers trying to buy a property for \$1000 more than the competition.

Selling above the asking price

There is a common misconception that you cannot achieve more than the asking price using private treaty.

The right agent with the right strategy will deliver the highest possible market price. Given that you will only get one chance to sell your property, attaining the highest possible price is imperative. If you are selling to buy elsewhere, the next seller won't do you any favours on price, so you owe it to yourself to get the highest possible price in the marketplace.

PETER O'MALLEY

The Importance of Negotiation in Real Estate Sales

GARY PITTARD

The agent's negotiating skill is essential if he or she is to obtain the highest possible price for the home sellers he or she represents.

And just because agents have undergone real estate courses in order to receive their real estate qualifications, this does not mean that they have mastered the art of negotiation. Far from it.

Most real estate courses concentrate on 'cover your derriere' subjects such as risk management and property law. They do not teach negotiation to the degree where graduates can truly claim mastery.

Incredibly, almost unbelievably - most real estate salespeople have never studied negotiation. Research indicates that less than five percent of real estate salespeople have read a book on negotiation. This is disgraceful.

Throughout the world, home sellers are losing millions of dollars due to their agent's lack of skill in the crucial role of negotiation.

If an agent sells a property to a buyer for anything less than the buyer could have paid, would have paid or should have paid, the agent has not done the best for the client.

Agents do not deserve to be well paid unless they obtain the highest price possible, every time.

When agents sell a property and obtain the absolute maximum price, they have truly earned their fee.

When your time comes to sell, the agent you should be looking for should be more than the typical real estate agent - he or she should be a highly skilled negotiator.

Such agents are the most sought after people in real estate, or they should be.



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
www.timaltass.com.au

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**

Dear Peter

Allow me to express my congratulations and gratitude for your service in selling my Morningside property.

I found your conduct to be impeccable, from your appraisal process (which I found fair and realistic) to your recommendations regarding the sales and marketing process as well as your negotiations on my behalf with the buyers.

The result is a sale within 10 days of listing, at the actual asking price. Your newsletter marketing is obviously effective and your communications with me were reliable, friendly and dignified.

Thank you and the team at Tim Altass for a great result in a challenging market.

Regards, Gregor D.



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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