

RealEstateNews

INFORMATION TO HELP YOU WHEN BUYING OR SELLING

Houses Do Sell in Winter

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No-one is going to argue that Winter hasn't arrived with a vengeance.

With frosty and foggy mornings, cosy fire, electric blankets and hearty winter soups, you certainly don't need an excuse to snuggle up and keep warm at the moment.

And along with the chilly weather comes an old misconception - that Winter is the wrong time to try to sell property.

Many potential sellers put their moving plans on hold once the colder months arrive, firmly believing that they should wait until the warmer months of Spring before placing their home on the market.

Whilst it is true that more homes sell in Spring, there are still plenty of genuine buyers looking to buy during the next couple of months, and with fewer properties available overall, demand for good homes can be excellent at this time of the year.

Just a couple of tips - If you have your home on the market and your agent is bringing some buyers through, make sure that you present it in the most inviting way you can. Turn on the inside lights to contrast the dull weather outside and make sure the heater is going and the house is warm and welcoming.

Consider having a couple of umbrellas handy in case it is drizzling and your buyers want to have a look at the back yard. A wise investment would be a couple of good quality door mats which will encourage people to wipe their feet before entering your home.

If you are genuinely considering selling, don't wait until the Spring to compete with dozens more sellers who have the same idea. Call the Walter & Irvine team available 24 hours a day on 82729277 and take advantage of our **FREE, APPRAISAL SERVICE** to find out what your home is worth in the current market.

WALTER
& IRVINE

Letter from the Editor



Welcome to the August edition.

This year has been particularly challenging and interesting for the real estate market. Figures have shown many houses are selling for same or similar prices since before the GFC in late 2007.

Earlier this month the Reserve Bank of Australia decided to leave interest rates on hold at 4.75% despite much speculation of a rate hike after stronger than expected inflation figures. The challenge the RBA faces is trying to balance rising inflation in a two speed economy (mining boom against a downturn broader market).

Only days after this announcement, the world economy took a hit with an 'aftershock' from the GFC. Some economists believe that the RBA will need to keep interest rates steady amid the market turmoil. Further speculating that the RBA isn't going to tighten in the current market.

We can only wait with bated breath.

Until next time.

Best Wishes
Kevin Walter

Why a drop in the \$AUD would be good for Aussie housing

PETER O'MALLEY

When a currency moves as dramatically as the Australian Dollar has in the past two years, there will be winners and losers within the domestic economy. In Australia the impact of the rising dollar on the real estate market has been underestimated.

With the dollar at all time highs against the US dollar, Euro and the GB pound, a lot of international purchasers have held off buying in Australia in the past 12 months. Their absence is not significant enough to change the course of the market, but it is another overlooked factor weighing on the market.

Many would be home-buyers who have immigrated from overseas are shocked to learn how little their once strong currencies buys them in the Aussie housing market. In turn, many of these potential buyers are renting a property and parking their money offshore or in term deposits in the hope that the equation improves for them in the future. Likewise, expats working abroad to earn a "stronger" currency with a view to buying back in Australia, have declined in numbers as the once appealing currency benefit of buying has evaporated.

Many commentators point to interest rate rises as the main reason that the market began cooling in late

2010. As the rates went up, so did the \$AUD, impacting on domestic and international buyers desire to buy, albeit due to different factors.

If the Aussie Dollar were to head south, there would be some losers, such as those importing goods etc. The real estate market could be a winner though as expats, newly arrived immigrants and local investors currently buying offshore, turn their attention back to the merits of Australian housing.

The real question now is, 'what will the Australia dollar do over the next 12 months after seeing it reach new record highs in July?' Any further rise is likely to negatively impact on the real estate market and any fall is likely to open the market up to a new pool of buyers that are currently sitting on the sidelines.



Would the REAL Clearance Rates Please Stand Up!

Would you consider an auction sale as one where the property is actually sold at the fall of the hammer? We would!

We believe that more often than not, you are given incorrect figures. We have analysed the auction clearance rates for July and this is what we found.

Week 1:
2 - 3 July

reported: 48.6%
actual: 23.5%

Week 2:
8 - 10 July

reported: 51.6%
actual: 33.9%

Week 3:
16 - 17 July

reported: 48.5%
actual: 31.2%

Week 4:
23 - 24 July

reported: 34.6%
actual: 13.6%

Reported figures include properties- sold at auction, ones sold prior and after auction **AND** withdrawn properties (can you believe it)!

Actual figures based on - number sold at auction divided by total number of auctions (excluding withdrawn).

Next time you see clearance rates be sure you are getting the whole truth!

THE IMPORTANCE OF NEGOTIATION IN REAL ESTATE

GARY PITTARD

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



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Look After Your Tenants and They Will Look After You!

There is nothing more frustrating to a property manager than working for a client who simply does not listen to their tenants (or their property managers).

You know the ones - all of your phone calls fall on deaf ears and they just don't seem to have the time to discuss any issues that arise or consider your pleas for necessary repairs and maintenance works to be organised. For this reason, I always make it clear to my landlords, right from the start that they need to listen to their tenants and look after their needs.

We know from experience that tenants who feel they are taken care of, will respond in kind and reward landlords with fewer vacancies and a well-maintained property. This point was brought home to me recently when the leases expired on two units I manage in the same apartment block. John, the owner of one of these apartments,

was what I would call a "switched-on" landlord, who was keen to look after his tenants. When any requests for maintenance were made he would promptly do what was necessary to make his tenants happy. For example, recently his tenant asked for fly screens to be fitted, so they could leave windows open for ventilation over summer. John kindly and quickly obliged.

Needless to say, when the time came to renew the lease on his property, John's tenant happily committed to a further 12 months and accepted a rent increase of \$20 a week. Paul owned another apartment that we managed on his behalf, in the same block. Over the past few years he was not as keen to attend to the little "reasonable" requests his tenant made. Interestingly, his tenant also asked for new fly screens. However, Paul was not prepared to pay the \$200 or so to install two fly screens.

Not surprisingly, when the lease came

up for renewal on Paul's apartment his tenant vacated.

Of course I can't guarantee that if Paul had addressed the maintenance issues and been more attentive to his tenant's needs they would have stayed put. But I can say that if a tenant is happy and the landlord undertakes to make the tenancy "easy", when lease renewal time comes up they are certainly less inclined to consider moving on or investigating other options. Why would a tenant bother with the hassle of relocating when they are being well looked after?

Over the years I have found that if landlords and property managers treat their tenants with the courtesy they deserve, everyone will be rewarded with fewer "headaches" and fewer vacancies. Therefore it's wise to consider that having properties vacant and paying a letting fee will usually cost significantly more than keeping tenants on side by carrying out small requests.

Author Pamela Yardney - Metropole Property Management



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