

RealEstateNews

INFORMATION TO HELP YOU WHEN BUYING OR SELLING

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.

May 2011
Issue 7



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LETTER FROM EDITOR



Glorious May is here.

If we look at the real estate road we have travelled so far this year we find that it had a sluggish start due to buyer uncertainty from the November 2010 interest rate rise, higher petrol prices and increased costs of living from floods, cyclones and electricity costs.

This has had an affect on sale prices for most home owners who had to sell. With interest rates on hold again in May (the sixth consecutive month), renewed buyer interest has been gaining momentum resulting in higher number of sales.

We expect this renewed activity to continue over the foreseeable future.

I hope you enjoy reading this edition of Real Estate News.

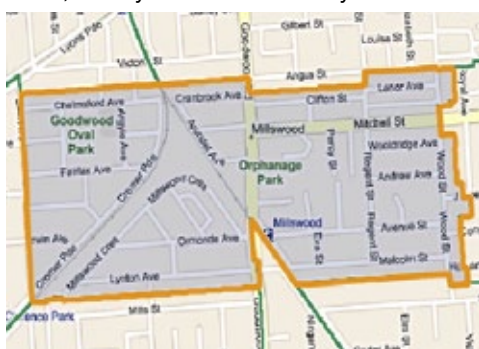
Warm regards,
Kevin Walter

P.S For tips on how to prepare your house for winter, visit www.walterirvine.com.au

Profile of Millswood

DID YOU KNOW....

In 1882 the owners of the land (messrs D. Tweedie and G. Howell) subdivided it into the suburb we now know as Millswood and was named after Samuel Mills, who arrived in South Australia by the ship 'Hooghly' in 1839. Suburbs that extended from the Showgrounds to Cross Road, including Millswood, were previously named 'Ravenswood Farm'. Samuel donated the land that the Goodwood Institute stands and his name still appears on the foundation stone, laid by him on 29 January 1887.



Millswood is bounded by Victoria Street, Angus Street and Lanor Avenue in the North, Wood Street in the East, Malcolm Street and Lynton Avenue in the South and East Avenue in the West.

QuickStats

Population - 1886

63% are aged 18 to 64 years

17% are aged 5 to 17 years

11% are aged 65 to 84 years

5% are aged 0 to 4 years

5% are aged 85 and over

Total number of dwellings: 746
Land area: 101 hectares

Source - 'Manning's Place Names of South Australia' by Geoffrey H. Manning, the City of Unley and Australian Bureau of Statistics 2006 Census.

Millswood

Suburb Snapshot

	2000	2005	2010
Median House Price	\$260,000	\$561,000	\$842,500
Median Unit Price	\$151,500	\$310,000	\$240,000
Highest House Price	\$860,000	\$2,590,000	\$4,555,000
Highest Unit Price	\$185,000	\$310,000	\$550,000
Number of House Sales	49	41	40
Number of Unit Sales	6	1	11

Source: RP Data

April's Edition of Real Estate News gave reader's the chance to win 1 of 3 Haigh's Chocolate Easter Hampers valued at \$100 each!

We are pleased to announce the winners are.....

Lou Gannon, Kristina Lawrie & Ingrid Sparrow

Congratulations!

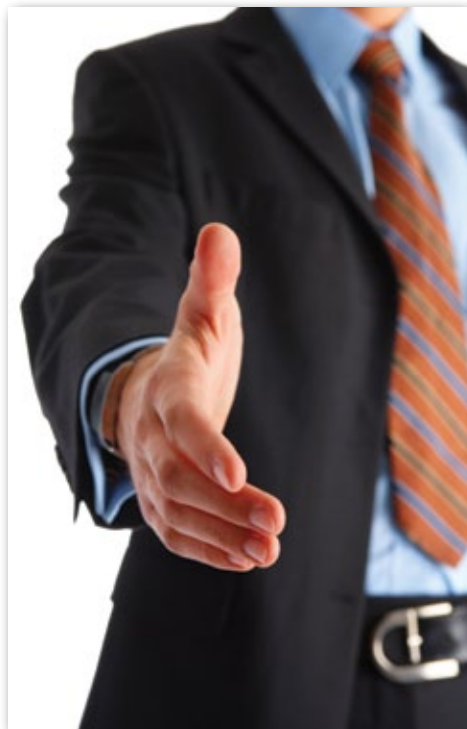


SELECTING AN AGENT

PAUL KOUNNAS

It goes without saying that it is very important to select a real estate agent who is not only competent, but also professional, reputable and ethical.

Most people are aware of some of the bad industry practices from first hand experience. However, there are certainly agents who operate professionally and ethically.



In looking for an agent that will work in your best interest, word of mouth recommendations are always a good way to start. If you don't have a recommendation you may consider talking to other vendors who have just sold with the agent you're considering.

Knock on their door and ask them about their experience with their agent. Most people would be only too glad to give you their opinion.

Treat the appointment of the real estate agent like a job interview. They should be able to provide you with information of recent sales of houses similar to yours in your area and of other properties currently on the market (your competition).

If you are interviewing more than one agent, you may be tempted to choose the agent who quotes you the highest selling price for your home. Although agents are obligated to substantiate their quoted price, they certainly are under no obligation to achieve the quoted price when selling it. Contrary to some peoples belief's, agents do not control the market.

Remember, if your selling price is too high, the right buyer for your home may buy something else and you'll miss out on selling for the highest price.

Agents' commissions are negotiable, so you can negotiate a fair commission. Most agents charge between 2% and 3.5% of the sale price. Although some agents will go a little lower and some as high as 4%. When negotiating commission be careful of what is and isn't included. Some agents have one 'all inclusive' fee, while others have a fee plus an amount for advertising and other costs which are payable whether you sell or not.

Treat the appointment of the real estate agent like a job interview.

Be aware of catches. A low fee may not provide the incentive required for maximum effort to be put into the sale by the sales team. They are more likely to put the majority of their effort towards selling a property for a vendor who is paying them a higher commission.

Don't rush into signing up with an agent to sell your most valuable asset until you have done your checks and are totally comfortable that they are the right people for the job. ■

**WHY DO
REAL ESTATE AGENTS
NEED ADVERTISING
MONEY TO FIND
BUYERS?**

It doesn't make sense...

Don't risk your money.

*Get the agent
to carry the risk.*

**FOR A
RISK FREE SALE
CONTACT
(08) 8272 9277**



Selling with Tenants

When an investor lists 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.

In instances where the property is occupied by a tenant, the sales process can 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 reasonable notice.

The tenants can take comfort knowing that their lease cannot be broken. The landlord and / or agent has no legal right or ability to break the tenants

lease. Neither does the prospective new owner. 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 60 days notice to vacate.

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

However if you have a tenant with complimentary and stylish furniture you may be better off marketing the property with the tenants in place rather than vacant.

The presentation of the property can make a massive difference to the sale price. It is worth factoring this in when it comes time to sell. If your property is predominantly land value or requires a major renovation then the presentation may not make as much difference to

the price you ultimately receive.

Many owners cannot afford to have their investment property sitting vacant during the sales campaign. It may take three to four months from the time the tenants are moved out until the sale has settled and completed. There is certainly a financial advantage in selling with tenants because there is constant income.

This is why most landlords choose to sell with tenants rather than vacant, if at all possible.



Renovate to Sell
Adding value vs overcapitalising

Many people make the mistake of renovating but not adding value

It is a challenge trying to work out what improvements will add value above and beyond the cost of the improvements. Will the buyers respond favourably to the proposed improvements? What is it that buyers are looking for?

When it comes to preparing a property for the market, there is not one right answer on what works are appropriate. It is very much a case by case basis. However, it pays handsomely to be aware of some certain facts.

For further assistance on what renovations and works would be worthwhile to your property prior to going on the market, or a FREE property appraisal contact Walter & Irvine Real Estate on (08) 8272 9277

Walter & Irvine Real Estate
232 Unley Rd, Unley, SA 5061
(08) 8272 9277

When it comes time to sell, many face the difficult to answer question - what should we do before putting the home on the market?



Open 7 Days | ☎ 08 8272 9277 | www.walterirvine.com.au
232 Unley Road, Unley | sales@walterirvine.com.au



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