

PROPERTY NEWS

Ideas to help you when you're Buying or Selling

SALES SECRETS



**Agent Trust Is Vital To Secure
The Best Price For Your Home**

How Vendors Can Lose Out By Over Estimating Home Value . . . Details P3

In this issue of *Property News*:

- **How Homes Are Sold Before They Are Advertised**
- **Agent's Negotiation Skills Key To Success**
- **Investing To Fund Home Ownership**

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House 2 Home
Realty

02 8883 3553

LETTER FROM THE PRINCIPAL

Dear Readers,

Many readers were excited about our revelation last month that rising property values could have given them enough equity in their respective homes to allow them to enter the property market as investors by borrowing against that equity.

Some saw it as an opportunity to buy a rental property while others saw it as a way of helping their children get a start.

Even if that article did not prompt you to start searching for a purchase, it should have prompted you to do one very important thing - look at our current home insurance.

The way values have soared, you could be under-insured by 10% or more.

Kind regards,
Stephen Lord
Principal



Street Address:

204, 10-14 Market Lane
Rouse Hill NSW 2155

(above the Medical Centre at Rouse Hill Town Centre)

phone:

02 8883 3553

fax:

02 9672 6740

email:

stephen@h2hrealty.com.au

web:

www.h2hrealty.com.au

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Does your agency have the contacts?

Do they have a database of potential buyers?

Sometimes properties sell swiftly because they are exceptionally priced and other times they are snapped up because of their prime position.

But how are buyers found when a property has only been on the market for a few hours?

The secret is database marketing.

When a buyer contacts the agent or attends an open home inspection, they are added to the database.

The moment a new listing is received, the database matches the property to prospective buyers.

An inspection with a qualified buyer can be organised immediately and the buyer can make an offer even before the property is advertised.

With the average homeowner purchasing once every seven years, a satisfied customer will return to use the services of the agent that helped them successfully buy a property last time.

The benefits of holding a large database are two fold - the agent can instigate inspections on behalf of the vendor in a very short time frame, often prior to advertising, helping to create competition and the purchaser benefits from the first bite of the cherry, allowing for early assessment of a property.

By using a database method potential buyers can be found quickly and inspections can be organised from day one - using a client database eliminates



the need to implement costly advertising campaigns and allows agents to sell to the right buyer.

It is so important that you appoint a selling agent with an established network of clients. Having sold a property once, if they feel your property will meet the buyer's criteria, a sale can happen extremely quickly.

Successful agents always try to match properties to purchasers before taking them to look at properties on their books. If they don't have a long list of clients the sales process can be extremely slow.

Plus, it is good to have an agent negotiating on your behalf who has already had the experience of selling to the buyer in the past!

REI Gains Pool Owners Certification Reprieve

Laws requiring owners of swimming pools and spas to have a certificate of compliance have been postponed 12 months until April next year.

Pool owners across NSW will now have more time to ensure swimming pools and spas are compliant prior to the sale or lease of their property.

The NSW Office of Local Government has announced that the legislation will now come into effect on 29 April 2015.

Real Estate Institute of New South

Wales CEO, Tim McKibbin, said inadequate numbers of inspectors made the extension of the transition period appropriate.

"Earlier this year we sought a deferral from the minister in order to avoid adverse consequences for the sale and leasing of properties captured by the legislation," Mr McKibbin said.

How To Choose Your Agent

House 2 Home Realty Principal, Stephen Lord, has warned vendors of the dangers of over estimating their home's value and holding out for an unrealizable price against their agent's advice.

"The secret to sales success in any market is an agent's ability to identify the best buyer for a property," Stephen said.

"Time and again I have seen vendors reject a first offer out of hand despite the fact the agent has identified the buyer as someone with whom he can negotiate for a better price.

"The perception that there will always be a better offer can sometimes be totally incorrect and the vendor has to trust the agent's judgement and experience case by case."

Stephen cited the recent sale of the cover home as a perfect example.

"It was advertised for offers over \$900,000 and we had four open houses attracting about 23 groups.

"I identified the first potential buyer from the second open house as the one worth following up and negotiated him up \$26,000 from his first offer but it was still \$5000 short of the \$940,000 the vendor thought his home was worth.

"The vendor's perception and the market's were at odds. The home had not been completely renovated and the block was narrow at the back so it had a few drawbacks.

"But the vendor had this idea that you can't take the first offer that comes along.

"Ultimately we lost that buyer and it took two weeks to find another for a price of \$933,000 - \$2000 less than the first potential buyer's best offer. Needless to say the vendor was kicking himself."



Stephen said that the message for all vendors was to listen to the market and your agent.

"For all the hype about the Sydney market at the moment being hot and homes selling above list price, the stark reality is a home is only worth what the market is prepared to pay.

"Owners need to choose an agent they can trust and who can see from the 1st and 2nd open home where market value will lay.

"A buyer who negotiates in the top part of your market value and is ready to sign a contract is your buyer"

"Make sure your agent gets them to the highest price they have and then you can comfortably accept the offer," Stephen said.

He suggested that when choosing an

agent, vendors should ask them how they negotiate. Get the agent to tell you what they say and explain how this will get you top dollar.

The choice of agent should not come down to any savings on selling fees, rather it should be a choice based on his ability to get the buyer to a higher price to improve the vendor's net figure.

You must be confident in the agent in the first place and then let him do his job and take his advice.

"At the end of the day, the right buyer is the one who pays the most money, whether that is the first buyer who comes along or the 20th," Stephen said.

"The agent has the experience to determine this and it is that experience and expertise that the vendor should be trusting."



Would you like to have your home sold by the best in the business?

Stephen Lord has a proven record of success and an impressive portfolio of clients who are totally satisfied by his outstanding level of service.

Ph 02 8883 3553 or 0412 260 022
www.h2hrealty.com.au

Becoming a landlord can be your entry point to property ownership



How can you get a foothold in the property market if prices keep on spiralling up the way they are?

Why are so many Australians missing out on fulfilling the Aussie dream owning their own home and what can they do about?

Unfortunately, in many parts of Australia the thought of buying your own home is out of reach of many young people entering the property market for the first time.

Even though these people have saved and given up many luxuries to put together a deposit and raise the finance to enter the property market, they are finding their dream home is out of reach as property prices keep spiralling skywards.

But buying your first home is only one approach to property ownership and in this article we are going to share another alternative that will enable you to get a foothold in the market and could down the track lead to a greater chance of long-term wealth.

We would like to suggest that you change your focus and consider becoming a landlord instead.

This may mean you may have to continue living at home with Mum or Dad or renting for several years to come.

Why should you become a landlord?

11 years ago, a mate of mine – let's call him Richard for privacy reasons - decided to take his deposit for a family home and use the finance he was able to arrange to purchase two small investment properties.

The two bachelor pads he purchased, were already rented to long-term tenants and gave him an immediate source of rental income to pay off his loan with the bank.

11 years later, both of those units have been paid off and provide him with an income stream for life.

Richard did not stop there, once he had built up enough equity in these two investment properties he borrowed more money and purchased several more investment properties.

At current count, Richard has a portfolio of investment properties covering several states. Not once has he had put his hand in his own pocket to pay off the various loans he has acquired to build his portfolio of properties.

What about his dream family home?

To this day he is still renting a property to call home. But the return on all these investments has allowed him to rent properties out of the reach of any of his friends. Richard is living a millionaire's

lifestyle thanks to shrewd investment decisions. He has calculated that in another 10 years he will be able to buy a home of his choice with cash and no mortgage thanks to being a landlord.

How can you apply this?

It is not possible in this article for us to give you a step-by-step plan that would enable you to replicate the success of my friend Richard. Everybody's financial position is different and we would suggest you speak with your accountant or financial adviser to see if this strategy of becoming a landlord is a good fit with your situation.

However, as a starting point we would also like to suggest you also speak to our property management team and they will be able to give you an idea of the types of properties people are renting in our area. Then our sales team may be able to show you some investment properties that suit your budget and fit your plans.

Looking to rent your property?

Let us take the worry out of renting your property with one phone call

Speak to any local and they will tell you that House 2 Home Realty, Principal, Stephen Lord has a track record of providing quality service and understanding when it comes to successfully managing rental properties.

Please phone 0412 260 022 to secure your new tenant today!