

RealEstateNews

INFORMATION TO HELP YOU WHEN BUYING OR SELLING | December 2011 |

A 'WIN' for Buyers and for Sellers

GARY PITTARD

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The agent who is entitled to the highest selling fee is the agent who is capable of getting the highest selling price. But this does not mean that the buyer should be the loser.

The only way to get the highest price for a seller is to discover the maximum price any interested buyer is prepared to pay. To do this, the agent has to get a buyer interested in a property by first attracting the buyer to his or her office. This means making it easy for the buyer to come to the office. Being open weekends and outside working hours is the first basic step to attracting buyers.

Most buyers can pay more than they first reveal. It is a good idea to show buyers homes they are likely to love, regardless of the price they say they can pay. Many buyers purchase a home between ten and fifteen percent above what they intend to pay.

Here's an example: A couple say they are looking to buy up to \$500,000. They can probably go higher. The question is: How much higher? This is what the agent must discover. What is their maximum?

The agent should ask the buyer this question: "What would you do if you found the ideal property, one you truly loved, your dream home, and this home cost \$520,000?" Most will say they would pay \$520,000, which is \$20,000 more than the maximum price they told the agent in this example.

The world's best real estate salespeople know their buyers intimately. A good real estate salesperson, a skilled negotiator, will know more about what a buyer is likely to do than the buyer will know. This is the hallmark of a great negotiator.

After the agent has a good idea of what a buyer will pay and what they will buy, the next objective is to find a home they love. When the heart and the head meet, the heart always wins.



The agent should show houses without focusing on the price. The idea is to get an idea of what they like before discussing a specific price. The agent also has a moral obligation to make sure that the buyers can afford any home they see.

For all the hype about Open Homes, they are not as effective at helping the agent to qualify the buyers and help them find the home they love. If the agent puts the buyers in a car - offers the buyers personal service - the agent can spend time and get to know exactly what sort of home the buyers will buy.

Sure, with a good agent, the buyers will not buy at bargain prices, but they will find a home they love at a price they can comfortably afford. Isn't this what all buyers want?



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TASMANIANS FOR REFORM

Better services, better infrastructure and cheaper rates

Currently in Tasmania, there are 29 councils and 281 councillors for a population of a mere 506,000. In the age of the internet and phones to keep us globally connected, and a road network that links every corner of the state, there is no longer a need for this level of local governance.

Tasmanians for Reform is a growing group of organisations and individuals that have come together to call for reform to local government. The group represents a diverse group of business and community organisations.

According to a survey conducted in May 2011 by EMRS, 69 per cent of Tasmanians believe there is a need for council amalgamation, and 74 per cent believe councils would save money if they were to merge. Councils cannot

dismiss what ratepayers think and believe.

In addition, a Deloitte Access Economics Report suggests that efficiency gains of up to 35 per cent of council operating expenses can be achieved from local government reform in Tasmania. The size of this potential saving is based on the experiences of local government reforms elsewhere in Australia. Tasmanians are currently paying over \$6 million in allowances for 281 councillors.

If you are interested in learning more about the campaign then go to www.tasmaniansforreform.com.au or call 1300 959 057. You can also join our social media conversation at www.facebook.com/cheaperrates and contribute to the twitter debate at #lgreform.



LETTER FROM EDITOR

Welcome to the December edition of Real Estate News.

You will notice a change in the style and layout of our newsletter since the last edition. We will now publish Real Estate News bi-monthly, so you can look forward to Edwards Windsor's informative newsletter on a more regular basis.

In this edition you will find useful information on property investment and sales, as well as an article from Tasmanians for Reform, encouraging discussions on Council reforms.

For further information on real estate, please do not hesitate to contact us.

From the team at Edwards Windsor, we would like to wish everyone a merry Christmas and a safe and prosperous new year.

Best wishes
Colin Fulton

HAPPY CLIENTS

Some years ago, we purchased a commercial property in Devonport and Trevor Fox represented the vendor in the negotiations which resulted in our successful acquisition.

We remain extremely satisfied with the purchase, and vividly recall that whilst Trevor was an extremely capable and tough negotiator, he was able to achieve what we considered to be a satisfactory outcome to both parties.

After many years, early this year we had the necessity to identify an experienced agent to lease our properties, and immediately recalled Trevor's professional approach and determination to achieve a successful result for his client and accordingly requested that he act on our behalf.

We very much value Trevor's professional advice, enthusiasm, engaging personality and energy to succeed and most importantly, his determination to persevere in difficult and challenging circumstances.

In our opinion, Trevor Fox rightfully deserves his fine reputation as an outstanding and hard working agent and we consider him to be an invaluable asset of Edwards Windsor.

B Hirt (OAM)



The true value of your home

As a seller there are five things you want from your real estate agent...

Maintaining the Investment

PETER O'MALLEY

There are some realities about owning & managing an investment property that landlords should accept before they become landlords. If not, the investment property that was meant to serve you as a rock solid performer can cause unwanted expenses, energy and stress.

It is commonly accepted that tenants on the whole will not maintain a property as well as an owner-occupier would. We are not here to make judgements on this point, rather just let you know the facts. When you do have a tenant that takes good care of your investment property, ensure that you take good care of them.

Landlords make up to 3 mistakes with their investment properties around this fact.

1) They under invest in the maintenance of the property –

If you buy a brand new investment property with a 10 year plan but neglect the maintenance of the property, you end up selling an un-renovated property. The capital gains in the general market can be wiped off due to the deterioration of the property. When finance costs 7% and rental returns are 4% before expenses, it is not a great surprise that many landlords have difficulty finding spare cash to maintain their investment property.

However, it is far cheaper to maintain a property than renovate one. A stitch in time saves nine!



2) The second mistake that landlords make is they don't inspect the property often enough.

Relying on a condition report from the property manager is not sufficient supervision of the property. Maybe it should be sufficient, but in reality its not. Many landlords are horrified when they finally inspect their property having not inspected it for several years. The actual condition of the property is so far removed from the condition reports they have been receiving that it defies logic. This is a shattering reality when the superb residence you originally leased out is now a battered wreck.

The 1% you negotiated off the agent's commission won't be much compensation if your agent does not keep your investment property to a high standard.

3) The third mistake that landlords make is they allow issues to fester.

When the landlord is happy to let maintenance issues slide or insists they are done on the cheap (& nasty), they set the expectation standard for both the agent and tenant. As a landlord, it is important that you insist your investment property is maintained to a high standard, both through your actions and words.

All properties experience wear and tear. It is the landlord's responsibility to address it. If not, over time, the festering issues become major problems.

If you know the mistakes that other investors have made, you have a better chance of avoiding them. If you maintain the investment, the odds of achieving an acceptable return increase.

TRUTH at all times; **RELIEF** from the stresses associated with the selling process;
AWARENESS of factors influencing the sale of the property;
EFFORT to sell the property; and of course, the **HIGHEST PRICE**

Interesting, buyers want the exact same things, EXCEPT they want to pay the LOWEST PRICE. A good agent knows how to close this gap, using their negotiation skills to achieve the best possible price for the seller.

There are 3 things that need to be in place to achieve the highest price: the right pricing strategy, the right marketing; and the right presentation.

The first step in pricing your home right, is to establish the true value of your property. If you do not understand the true value, you risk rejecting the best offers. Home sellers who are realistic about their asking price have the best chance of selling for the highest price.

The best way of determining the value of your property is to hire an independent valuer. It's money well spent. It will help you determine a fair asking price.

A great question to ask is: "If you sell my home for less than the price you quoted me do I still have to pay you the commission you quoted me?". Getting a guarantee for the price quote helps protect you from potentially being misled about the the value of your home.

Call Edwards Windsor for more information on any aspect of buying or selling real estate.

Awards for Excellence



Pam Bennett (National President, REIA),
Liam Coyle and Colin Fulton (Edwards
Windsor), Adrian Kelly (President, REIT).

Edwards Windsor were presented with three major Real Estate Institute of Tasmania Awards for Excellence recently at a Gala night in Hobart - having achieved these honours for the 3rd year running:

- Commercial Agency of the Year - Edwards Windsor
- Commercial Property Manager of the Year - Edwards Windsor
- Commercial Sales Person of the Year - Trevor Fox

Awards were accepted by Colin Fulton (Managing Director) and Liam Coyle (Commercial Asset Manager).

Colin Fulton said "These awards once again publicly recognise Edwards Windsor for excellence in Commercial Real Estate after a very busy and successful year for the Company".

REAL ESTATE CAREER \$77,000 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:
rsales@ewre.com.au

Edwards Windsor | Hobart | (03) 6234 5500

Are you looking to rent your investment property?



The residential asset management team at Edwards Windsor currently have quality tenants waiting for the right property.

To find out if any of these prospective tenants suit your investment property contact ☎ (03) 6234 5500
www.ewre.com.au

Maximum return with minimum of stress

- Best market rent
- High quality tenants
- Experienced asset management team
- Regular monitoring of your investment
- Stress free management

Contact Edwards Windsor to discuss what we can offer you in the management of your property.

☎ (03) 6234 5500

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Open 7 Days | ☎ (03) 6234 5500 | www.ewre.com.au

Level 2, 89 Brisbane Street, Hobart | email: rsales@ewre.com.au

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