

## Home Seller's Guide...

There comes a time in life when you need to move on.

Whether you are making a job change, retiring, or just need a change of scenery, one thing is certain: Your main objective is to determine the best and most realistic price and to achieve it in the least expensive and quickest amount of time.

You may think that the first person who walks through your door will fall in love with the place, but perhaps you need to distance yourself from the other party by engaging a good real estate agent.

Your home or investment property will probably be one of the most valuable possessions you will ever sell and Cutlers Real Estate is here to help.

This is an important and exciting time in your life and we want to make sure it's enjoyable and all goes smoothly.

**This document covers a series of topics which may help you with some of your questions.**

- The major steps in selling your home
- Obtaining a market appraisal.
- Choosing the right real estate agent.
- Deciding the method of sale.
- Setting a price for your home.
- Developing a Marketing Plan.
- Negotiating and accepting an offer.
- Signing the Contract.
- Settlement.

### **The role of the real estate agent**

The real estate agent's role is to help you achieve your aims in the most efficient manner possible.

The agent acts as a market reporter providing experience and advice on what the market may pay for your home and the most effective way of reaching potential purchasers.

Selling your home can be an arduous task but the right real estate agent will help make the process an easy one. Listen to their advice as the agent is acting in your best interests.

Some people attempt to sell their own home but it is difficult to do when emotion is involved and you are "too close" to the home you are trying to sell.

Real estate agents have access to potential purchasers and they have the experience of knowing what the market has paid for similar homes to yours.

The additional money that you gain through obtaining a realistic price, implementing an effective marketing plan and selling your home sooner, generally well outweighs the cost of employing an experienced agent.

**In summary, the major role of your real estate agent is to:**

- Provide a realistic market appraisal.
- Advise on the best method of sale.
- Assist you in developing the most effective marketing plan.
- Implement the marketing plan.
- Advise on presentation of your home to the public.
- Bring the property before as many potential purchasers as possible.
- Present any offer.
- Negotiate the best price with the purchaser.
- Ensure that all requirements in the official sale of your home are fulfilled.
- Co-ordinate the settlement.

**Selecting the right real estate agent**

Making sure you have the right agent working on your behalf is also vitally important. Here are some areas which you should consider when choosing your agent.

*Is the salesperson well presented?*

*Does the written material look professional and business like?*

*Do they place importance on high ethical standards?*

*Are they well trained in sales skills, negotiation and marketing?*

*Do they have a wide range of marketing options?*

*Do they have a good knowledge of the local market place?*

*Does their company have significant sales activity?*

*Do they have the support of a larger network?*

*Do they keep full and ongoing records of the sale's progress?*

*Have they the ability to present your home to a wide market place?*

*Do they provide weekly sales progress reports?*

*Do they have testimonials from satisfied sellers?*

*Are they considered a market leader?*

*Do they provide a guarantee?*

*Are their Company brochures and advertising well presented?*

*Are you comfortable with them?*

### **When to involve a real estate agent**

The best time to involve the agent is ideally when you are making the decision to sell your property.

Remember, you do not have to sign with an agent to take advantage of their advice.

For example, you may need more room and be considering extending your home, rather than selling it. A good agent knows the value of the area and may advise that by extending your home, you could exceed the value of the neighbourhood.

You may be unsure of whether a move will be financially feasible, once again the agent can advise, and may be able to assist with both the sale of the current property and the purchase of a new property.

Once you have made the decision to sell then the sooner you get your property on the market, the more opportunities you will have to sell. New buyers enter the market every day and yours may be just the home they are looking for.

## **Types of agreements**

When you decide on an agent, you will be asked to sign an Agency Agreement which will contain the fees you can expect to pay the agent when your home is sold. This is important because it will help you determine a proper budget for selling your property.

Accurate budgeting is vital, particularly if you are selling in order to "trade up".

You need to be sure before you put your property on the market that, after all the expenses such as the solicitor's and agent's fees, any repairs and your removal costs are accounted for, what you will safely get for your property will enable you to comfortably purchase the property you wanted.

Before you sign any Agreement with an agent you should read it carefully and make sure you understand it and your obligations. There are several kinds of agreements and real estate agents will willingly tailor one to meet your requirements.

### **The main agreements are:**

#### **Exclusive Agency Agreement.**

An Exclusive Agency Agreement covers a set period with one real estate company and allows the agent to concentrate all their efforts into the sale of your property. This type of agreement includes Auction, Tender or Private Treaty methods of sales.

#### **General Agency Agreement.**

You can sign this kind of agreement with a number of agents. The agent who introduces the purchaser and holds the deposit is entitled to the commission. However, it must be pointed out that quite often you may not get the same amount of service from agents on a General Agency Agreement and therefore it may take a longer period to sell your home.

Remember that real estate agents do not get paid unless they successfully complete a sale. If a house has not sold during the agreed period it is likely that the price placed on it is too high.

### **Auction, Tender or Private Treaty?**

If you submit your property for Auction this means that prospective purchasers will bid against one another at a date and time suitable to you.

You can set a reserve price which is the minimum you will accept and once bidding has passed that level you know you have a sale as it will be unconditional and a predetermined deposit must be paid on the day.

A tender programme offers most of the benefits of an auction, but gives you complete privacy in respect of your home sale price. There is no auction day and offers may be conditional.

Sale by Private Treaty will mean that you will set a price, or price range, at which your property will be marketed to the public through the marketing plan agreed to by yourself and the agent.

### **Your guarantee of service**

A reputable and progressive real estate agent will offer a guaranteed commitment to meeting the needs of the client. Cutlers Real Estate has had a guarantee for many years, a sample of which can be obtained from your Cutlers Real Estate agent.

### **What is your property worth?**

One of the major decisions to be made is what price to put your home on the market.

It is vital that a sound, realistic strategy is provided in setting a price that can ensure you of two things:

Obtaining your asking price or very close to it; and

Getting the sale sooner.

Through expert local knowledge your agent can establish a realistic price for your home based on its location, age, size, features and market variables such as interest rates and the availability of financing.

Avoid the temptation to be influenced by the experiences other people have had in the sale of their homes.

The sale price of your home should be based on prices achieved recently on similar properties within your neighbourhood.

Question the motives of anyone who may suggest that you could obtain a higher price. Remember the true value of your property will ultimately be determined by the purchaser.

### **Pricing for the Market**

If your price is too high, you could shut off the most important ingredient of real estate selling - a constant flow of qualified prospective purchasers who are looking for homes in the price range you establish.

Overpricing may give purchasers the wrong impression and they may look at your property with higher expectations. Others will quickly reject those they perceive to be overpriced, often not even bothering to inspect them.

While a prospect might submit a lower bid and give you a price to at least begin negotiations, this certainly won't happen automatically. Many prospects are embarrassed to make offers that are substantially below your asking price.

### **Buyer / Seller Psychology**

In any buyer / seller relationship it's normal for the seller to ask him or herself "I wonder if I could have asked for more?" On the other hand the buyer may question whether he / she could have paid less.

The professional art of negotiating for the best price is a skill that your agent should have mastered.

Knowing when the time is right to stand firm requires specialised experience.

One key of obtaining a speedy, successful sale, of course, is starting with a realistic price in the first place.

### **Time is Money**

When it comes to selling your home, time is money.

Everyday a home does not sell because it is incorrectly priced, can mean extra expenses that the owner has to incur for repayments of principal, interest, taxes, insurance and maintenance, and a home that is on the market too long because of an uncompetitive price, sends our signals that "something must be wrong with it".

Your agent shares your interest. Remember, like you, he/she has a keen interest in getting the best possible price for your home. Sound, up-to-the minute market experience provided by the agent will help your home to sell!

Cutlers Real Estate Agents can prepare a comparative market analysis of recent sales and, by comparing your home with similar properties, give a good indication of a fair market price.

To assist the agent you may like to highlight the points about your property that you feel are major advantages.

### **Marketing for the best price in the least time**

It's not often that a purchaser for your home is out there, just waiting for you to put your home on the market.

Timing, presentation and advertising are all required to put buyers and sellers together for the best result.

### **When is the best time to sell?**

Any time you're ready.

Spring is often considered the best time to sell. It's a time of optimism and with the weather clearing, more potential buyers will be out and about.

But, it's also a time when more sellers will put their homes on the market so there will be more competition.

Winter usually presents fewer buyers, but the buyers are usually more focused on purchase and traditionally there will be fewer homes on the market to choose from.

Of course, the further north, the less difference in the seasons, and accordingly, the less variance in selling conditions.

### **Would I get more if?**

Your agent can advise you if improvements could realise a better price for your home. But, generally, while improvements may make your home more saleable, perhaps even shortening the sale time, they will not necessarily achieve a better price.

Of course there are exceptions, and a small investment could be worth the outlay, especially if you don't intend to sell in the immediate future.

Cutlers Real Estate agents will be happy to advise whether you may be overcapitalising, even if you are just considering an extension or a renovation.

### **Reaching potential buyers**

Selecting the best marketing plan to ensure your home is exposed to the maximum number of buyers is important in achieving the best price.

However quantity is not always the answer, a smaller, well planned campaign aimed at the right market can often bring the right result in a shorter time, especially if your home has features which will make it attractive to an identifiable group.

For example, a home beside a popular golf course could be advertised to golf club members.

In all cases it is important to select the newspapers, magazines and target areas which contain the most potential buyers for your type of property.

A good real estate agent will advise you of the right advertising mix.

Almost always, the first item on the list will be a signboard.

Research indicates that a large proportion of homes are sold to buyers in immediate areas which is why the signboard is so important. Not only identifying your property to those who have seen the home in the agent's window display, but also to someone who may have admired your home and drives or walks past every day.

And that may be the person who will buy your home.

Signboards come in a number of shapes and sizes, and of course, prices. A simple board may be all that is required, or if the exterior of your property does not indicate the quality within, a picture board can be used to give a glimpse of the interior features.

The next part of the marketing will be the advertising. Local newspapers usually form the largest part of the mix. The agent may use just one newspaper where there is a choice, having tried them all and finding one more cost effective than the others.

Real estate magazines are another tool used by agents. Some will take space in an existing publication, others may publish their own. These are sent to known potential customers as well as being available from the agent.

Your agent also may suggest a letterbox campaign with cards or flyers of your property distributed in areas considered to contain potential purchasers.

Open Homes are a popular way of marketing your property.

An open home is where an agent will invite inspection of properties for a limited period of time, usually on a weekend. Anyone interested can look over your home while it is open.

A new and increasingly important advertising medium is the internet. Potential buyers from anywhere in the country or the world can look at your property, sometimes inside and out and decide whether it is of interest before contacting the agent.

Similarly, buyers from other cities and towns can contact their local agent and, with a sophisticated referral network such as Cutlers Real Estate's, be shown properties available through offices in areas they may be interested in.

Specific details of interest can be photographed and placed on a website or emailed to the interested agent, where they can be viewed so buyers can make an informed decision about your property before even setting foot on it.

Many agents also use a similar viewing system in their office to assist buyers to narrow the options. This means less time wasted with inspections of houses that may fit the buyers' criteria but do not appeal aesthetically.

Of course, one of the most powerful, yet underestimated, marketing resources is the agents' window display.

Your property needs to be seen in the best possible way in a powerful, every changing display that attracts buyers.

### **First Impressions are Lasting**

From the moment the prospects arrive they should notice that the gardens and lawns are well presented. Garden rubbish should be disposed of and paths and porches kept clear and clean. Toys and garden tools should be stored away.

### **Negotiating and accepting an offer**

Always have the agent handle negotiations and should you be approached directly then it is wise to politely redirect the prospective purchaser to your agent.

The agent will present any offer in writing at which time you have the right to accept the offer or you can counter the offer at a price acceptable to you.

You must understand that if the purchaser does not wish to accept your "counter offer" then they can withdraw their original offer.

When considering an offer, take the following into account:

- Price
- Suitability of the deposit
- Terms of finance (either cash or subject to finance being arranged)
- Settlement date
- Take advice from your agent when considering the offer.

### **So you've found a buyer - What now?**

Once you have found a buyer and agreed on the price, the contract which had been initially drawn up, can now be signed and normally a 10% deposit will be paid by the purchaser with the balance due on the settlement date agreed.

In the case of purchase at auction, the deposit must be paid and contract signed on the day of auction.

The deposit will be held in trust by your agent.

The purchaser may wish to organise an inspection of the home whether it be by a valuer or a building consultant. This will normally be included in the contract.

Once the contract is exchanged, it is a legally binding document. Normally a solicitor will handle the sale. They are experienced and knowledgeable of what can be a very complex process.

Should you not have an appropriate person to handle the sale, your agent will assist as they will have local contacts that they can recommend.

As part of the sale process, arrangements will be made for the balance to be transferred to your bank account or paid direct to you. It will be a normal process for the Agent to deduct the commission and any advertising costs (if applicable) from the deposit. The balance will then be forwarded to your solicitor prior to settlement.

Settlement day is the point at which the keys are handed to the purchaser and the property becomes their responsibility. It is important to note that up until that date the property is still legally yours and therefore such aspects as insurance remain your responsibility.

### **What about your next home?**

While you are selling your current property, your agent can also be working on finding your new home.

Your agent will help you by identifying your needs in relation to your new home and can assist you in finding a home to suit your family and your budget.

By dealing with a network like Cutlers Real Estate, your new home can be found no matter where in the World you may be moving.

If the reason you're selling your home is because you are moving elsewhere, then Cutlers Real Estate can assist in finding your new home, or even a place to rent while you look around.

Whether it is across town or across the nation, Cutlers Real Estate can take the hassle out of moving.

### **Ready for the move?**

Planning and preparing down to the last few details will make your move easier. Following a schedule that organises tasks within a time frame will keep you on track.

### **The big adventure**

Moving home is an adventure. New places to explore, new friends and even a new way of life.

It should be fun for children and adults alike.