

June 2011 Issue

studio news

Urban Studio
PROPERTIES LIMITED

Welcome to our June issue of Studio News.

Below are some of our recent sales for the start of June with many more properties under offer!

If you are after advice on how to ready your property for the market, are interested in knowing what price your property might fetch in the current real estate climate and are thinking of selling in the near future or know of somebody who is - then we would love to hear from you.

We have a qualified list of genuine buyers looking for the 'right' properties in all price brackets.

And for those of you looking for that 'right' home - we have some really delightful properties that are well worth checking out.



Office: 759 0028

urbanstudio.co.nz

DON'T PUT WORDS INTO THEIR MOUTHS

Some (less professional) agents have strong motivation to quote high when assessing the value of a house for sale – they want the listing. In fact, the more professional agents don't do this because it wastes everyone's time and often leads to a no-sale stalemate. Sadly, the more unrealistic vendors are about their own property and the less informed they are about the market and real estate in general, the more likely it is that agents will feel the need to up the potential selling price. But there are things you can do to encourage frank dealings and make sure they don't overquote to get the listing. What are they?

Firstly, don't put words into their mouth. Don't tell agents you're after a certain figure and that you won't sell for less. Unless your house is seriously unusual, agents can 'guess' very accurately to within a few percent of what a property will sell for and you want them to tell you what they think, not parrot back your own wishful thinking. Of course they're not really guessing –their assessment is based on years and years of selling similar properties under various market conditions – and they have statistical data bases at their fingertips.

Secondly, listen carefully to their lowest figure and don't try to push them up; it stands to reason they will go as high as they can because they know they're in competition with other agents for the listing. If you've done your homework and you are truly objective you will know in your heart that they are right. Resist the temptation to place a dollar value on the emotional attachment you have to that deciduous tree in full autumn glory (because you planted it 10 years ago and watched it grow and don't want to leave it behind, especially since the family cat is also buried there) or those paved areas (because you laid them with the help of your father who died recently) while at the same time overlooking the inconvenience of the steep driveway (you put up with it all these years) or the laundry that's out the back.

Most home owners don't realise the emotional weight they expect their home to translate into dollar terms, just as they think they're own children are the most beautiful, the smartest, the best at sport. But they need to remember that if they appear emotional and unrealistic, agents will simply reflect back to them what they want to hear. It's a bizarre irony that when the reality check of buyer indifference comes along, many home owners ultimately blame agents for overpricing their homes when they themselves created the competitive environment that caused the asking price to be set so high.

WHEN BUYERS ACT TOUGH

Most purchasers have to undertake some form of negotiation when they buy a property. How much or how little they can afford to negotiate depends on the market; negotiating too hard in a sellers' market is never worth it as there will be many other buyers keen to pay more just to secure a property. It is worth considering the strategy of negotiating from the asking price to an acceptable selling price – and realising that there are many things that inexperienced buyers say in the stress of the moment that might make them miss out.

Many so-called experts say that buyers should hide their interest in a property. While it is foolish to tell a selling agent that you are so keen that you will do whatever it takes to secure the home, it is equally foolish to denigrate the home to try and hide your growing attachment to it. Most agents can tell stories of vendors who have chosen to take less for a property in order to sell to someone they think will love it and look after it, and will turn down purchasers who appear not to be 'suitable' – especially if they have two sets of purchasers willing to pay the same price. After all, if you have lived in your home for ten years, planted the garden and painstakingly renovated the house yourself, who would you rather sell to? A nice young married couple who have admired your garden layout and want somewhere for their toddler to play and have made a realistic offer, or a brash investor who has come up with a list of faults in order to justify a low offer?

Furthermore, comments such as 'I've seen other properties that are better than yours and cheaper' rarely work. Sellers are human too and some will even cut off their nose to spite their face if they are riled by comments made by purchasers they think a mercenary or insensitive. Business is business, but it is carried out by human beings who are often motivated as much by their emotions as by logic – and if there are more buyers that houses for sale, vendors can afford to indulge their spleen and not lose any sales dollars over it.

Ultimatums also rarely work. A buyer who says: "That's my final offer." will very rarely get a vendor to reduce the price while a buyer who nibbles away, going up a little at a time will often bring a vendor down lower than they initially planned to go.

IN-ROOM OR ON-SITE? THE PROS AND CONS

There are usually two choices when it comes to the Auction venue for your property – in the agent's rooms or at the property. (There is a third option – at a public venue such as a club function room which is where agents hold their auctions if they have so many that their rooms will not be adequate.) There are advantages and disadvantages of both in-room and on-site auctions.

In-Room

Buyers put themselves out to go to an agent's office or public venue so you know that people who attend are serious – no curious neighbours or people out for a jog. In some ways it's easier to achieve a higher price as everyone is facing the front and it's harder (but not impossible!) for two bidders to make eye contact and agree to pull out of a bidding race, especially as there is less chance that they will be seated near each other when there are lots of people.

If there is a tenant, it is often simply not practicable to hold the auction on-site. The agent's rooms are often more comfortable and less cramped than inside the property (not always of course!) – but at least the weather doesn't make much difference to attendance and atmosphere.

You are unlikely to have neighbours invading your privacy just for their own amusement - and maybe making inappropriate comments and putting people off.

On-Site

The atmosphere can be more emotionally charged, especially if the property is unusual or highly sought after. This can sometimes make buyers feel more desire for the property and they may offer more money in order not to miss out. It is often harder for them to stick to their limit when the property they desire is right there (unless of course they are limited by loan limitations as many are).

Passersby add to the atmosphere, especially if they are complimentary about the house for sale within earshot of interested purchasers.

Buyer attention is focused on one property so your property isn't overwhelmed by the sheer number of other properties being auctioned.

In the end, your choice of auction venue may depend on practical considerations or the usual practice of the agent, but knowing the advantages and disadvantages of each venue means you can influence the decision according to your own informed choice. If you choose in-rooms, ask your agent to guarantee you a spot near the top of the order of sale. If you have time before your property goes on the market, attend several auctions of each kind and assess them for yourself before making the final decision.