

We're Your Locals

April/May 2014

Make your home as desirable as possible

Whether in a buyers' market or a sellers' market, a key to achieving the optimum sales price for your property is through effective marketing. A property's marketing campaign involves advertising through the internet, brochures, signs and newspapers. While your real estate agent will be able to carefully carry out this part of the campaign for you, you can actually do a large part of the marketing yourself by presenting your home well. Fetching the optimum dollar doesn't have to be too much hard work or too costly either. You just need to get the right advice, get organised and get cracking. First you need to understand your target market or markets and tailor your presentation to suit. If young families are your primary buyers then kit your house out that way. In a 3 bedroom house, you could place bunks or 2 single beds in a second bedroom and then a cot in the third. On the other hand, if you're selling an inner city apartment then make up double beds in each room with luscious linen and cushions (although be sure to include a study space somewhere). It's generally best to showcase bedrooms as bedrooms rather than home offices or living areas, unless of course you've got a lot of rooms. Before you get started, it's a good idea to make a check list for each room of your property and the exterior. Walk around the whole property. Inside tick off each room and take notes of anything that could be improved. Do the same for all outdoor areas and look at window frames, rotting weatherboards and small aspects that can be easily fixed. Increasing your property's street appeal is very important. We all know first impressions count and last. Think about the first aspects that potential buyers will see like fencing, the letterbox and the driveway. Spruce them up with a clean and a repaint or a re-stain. Tidy the garden and mow the lawns. Get rid of outside clutter or toys. Consider sprucing up the front door with some paint and even a new door handle if it needs it. If pavers in the garden are wonky then straighten them out. If a veggie patch is empty (or overgrown with weeds) then plant it. Trim trees and clean the outside of the house if it's dirty. You want the entry to look inviting and potted coloured plants in large, new planters or pots can look lovely by the front door or other entrance ways. Buy a new door mat. Remember, once the street appeal has passed the test, buyers will likely start to form an opinion about the place quickly. One of the biggest internal impacts when marketing a property is painting. New paint looks clean and fresh. Choose neutral colours so as to not individualise your property too much and put off potential buyers. Paint skirting boards, architraves, ceilings and window frames a different colour for a nice contrast to the walls. Talk thoroughly to your paint supplier about colours or consider investing a little bit of money in a professional colour consultation. Also talk to your paint supplier about the best paint type for the area you are painting - ie enamels for wet areas. Make sure you prep well as a cheap, nasty paint job will show up in no time. Be selective about furnishings and what you have on display. An overcrowded room looks bad and smaller than it actually is. Marketing a property is an excellent

Latest Harcourts Sales Statistics (February and March 2014 Sales)

68% of properties sold for more than RV
The average sale price was 11% over RV
Highest sale price over RV was 24%

time to throw out old stuff and just think how much easier moving day will be. Consider paying for a storage container for a couple of months to de-clutter – it will be well worth it. Keep decorations simple – nice lamps, vases and a few glossy magazines. Don't display family photos as you want buyers to visualise their own family in your home. From the time you put it on to the market, the less emotional you are about the property the better. Consider blowing up some scenery photos for empty walls and also adding a few strategic light fittings in the kitchen or living areas. Remember the small things can count too. Check light switches to make sure they work. Fix any doors or cupboards that don't close or creak. Fix leaky taps – it's a bad look. In the garden, trim trees and shrubs especially around windows, decks and pathways to let in more light and to look tidy. Sweep paths and driveways throughout the marketing process to keep them clear. Stain wooden decks for a fresh look and replace any unstable or rotting decking. Mow the lawns before every open home. Perhaps even create a BBQ area or place a table and chairs strategically to create an outdoor entertainment space. Let potential buyers see where they could do their outdoor entertaining. There is always going to be a buyer out there for your property, but presenting the property well will help attract your buyer more quickly and easily. Ask friends or family members for their feedback on your property if you trust their opinion. Remember your real estate agent will always have plenty of tips on how to make your property more marketable so don't be afraid to ask them.

Is now a good time to sell?

As you are no doubt aware, the Reserve Bank lifted the official cash rate in March to 2.7% and has forecast that it will raise rates by around 2.5% over the next 3 years. This could result in the floating mortgage rate rising to be greater than 8% by early 2017. We are seeing buyers keen to buy now to take advantage of the fixed rates that are on offer. There has been less property come on to the market over Spring and Summer than in previous years. Now is the time to capitalise on that!



How should you sell your home?

Should you advertise with or without a price?

It's a big question. Price too low and you miss out on the best return. Too high and you miss out on the potential buyers. Fortunately, there are a number of ways to lessen this risk. Realistically priced properties generate more enquiries, which mean higher levels of interest, increased competition between buyers and a far greater chance of a better price at sale time.

1. **No price marketing:** A no-price strategy places a greater emphasis on the property. It can attract a greater number of potential buyers, offering premium price opportunities and a higher rate of success within a shorter time frame. No-price marketing options include auction, tender and by negotiation.
2. **Marketing with a price:** Some buyers appreciate a clear indication of price. However, setting a realistic asking price is crucial. Examples of this strategy are marketing with a fixed asking price, or 'Buyer enquiry welcome from \$.....'

No-price marketing: Tender

The tender process has a set deadline (time and date) by which prospective purchasers put forward their best offer for your property. Offers can be considered prior to the deadline, if specified at the outset of the campaign. However, we encourage purchasers to use this time checking out the property and their finances in order to be able to make an unconditional offer at the close of the tender. Buyers focus on making sure their offer is the top offer (and therefore most likely to be considered) not on presenting you with a low offer and expecting to be able to negotiate. Some of the reasons for selling by tender include:

- Tender close date creates a timeframe with urgency
- Buyers become emotionally engaged in the property before they consider price
- Focus is on the property, not the price
- Prevents risk of under pricing
- Creates a competitive environment between buyers
- All tender details remain confidential
- On occasion the top offer can far exceed competing offers
- You can choose to accept, reject or negotiate with any offer you receive.

No-price marketing: Auction

An intensive, high profile auction marketing programme attracts genuinely interested, cash in hand buyers. These buyers are focused on the maximum price they will pay, not how low their offer should be. Combined with the excitement of the big day it is this natural level of competition that helps establish the

highest possible price. We will assist you in setting the terms, conditions and auction day deadline.

Some of the reasons for selling by auction include:

- Builds urgency and a purchase deadline amongst buyers
- Creates a competitive, transparent purchasing environment
- Finds a true 'cash' buyer with no conditions
- Provides complete control for you—you set the terms
- Option of accepting offers prior to auction
- Removes risk of under or over pricing
- Focus is on your property and not the price.

No-price marketing: By Negotiation

Selling by negotiation removes the need for you to set an asking price for your property. An offer can be received at any time. You then can accept, decline or negotiation with the prospective purchaser. Some of the reasons for selling by negotiation include:

- All buyers with conditional and unconditional offers are eligible
- Buyers become emotionally involved in the property before they consider price
- Focus is on the property and not the price
- Removes the risk of under-pricing
- A 'deadline' can be called when an offer is received to ensure all interested buyers are given the opportunity to submit their offer

Fixed asking price or buyer enquiry from

Selling with a fixed asking price is a traditional sale method. The owner sets a fixed asking price and buyers offer according to their budget and perception of value. Negotiations then take place. The fixed price gives the buyer a price guideline. With fixed price marketing the property becomes comparable price to price, feature to feature with other similar properties. It is vital that the price is not set too high when choosing this sales method. If the price is too high buyers will not perceive that the property represents value and will be less willing to offer. If the price is set too low, the owner can miss out on achieving a premium price.

Examples of this sales method are:

Marketing with a fixed asking price, or 'Buyer enquiry welcome from' - this strategy allows for a price guide to be quoted to potential buyers without limiting the price to a set level but this price does have to be a price you would realistically consider selling for.

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