

Real Estate News

Information to Help You When Buying or Selling

Issue 047

Selling off market: The points to consider



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8 Questions Smart
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Pay Nothing Until SOLD

The off market pitch by an agent will usually begin along the lines of 'we have a serious buyer that is prepared to pay above market price for a home, just like yours'.

What harm can there be in showing the buyer through? Well, if the buyer buys your home at a very good price, none. As many people are learning, the off market pitch becomes a pain when it does not sell.

If you are showing potential buyers through off market, firstly consider:

Is the buyer being shown
through by your agent
of choice in the event
you were to eventually go
on the open market?

It is not a great look if a property is shopped around by a few agents over a period of time. By the time it reaches the open market, many buyers have seen it. What should be - and is meant to be - a fresh quality listing is subsequently old news to the best buyers in the market. If you go on the open market with a

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The Difference Between High and Highest

BY Gary Pittard

A high price, even one that delights sellers, may not be the highest price. No matter how high a price appears to be, the question remains: "Is it the highest price?" If more agents asked this question, more sellers would receive higher prices.

If a seller wants \$500,000 and the agent lists the property for \$550,000 and a buyer agrees to pay \$520,000, the agent and the seller may be delighted. But - and this is the major point - if the buyers would have paid \$530,000, the agent did not obtain the HIGHEST price. The agent could have obtained more.

If an agent sells a property for anything less than it could have sold for, the agent has not done the best for the seller.

Your agent must be a skilled negotiator and have your interests in mind at all times. Your agent must study and think about the various methods to get you the highest price possible. Real Estate is not complicated. It just requires some extra thought. Most agents rarely think about how they can always get the highest price.

THE 3 TYPES OF PRICES

The secret to getting the highest price - as opposed to a high price - is to move away from the traditional way agents think.

Most agents focus on two price aspects - either the "value" of the property (what they believe it is 'worth' based on comparable sales in the area) or the price the seller wants. Invariably, it's the agent's task to reduce the seller's 'want' until it matches the 'value'. The major focus is the price the owner wants. The lowest price the owner agrees to accept is, almost always, the highest price the owner gets.

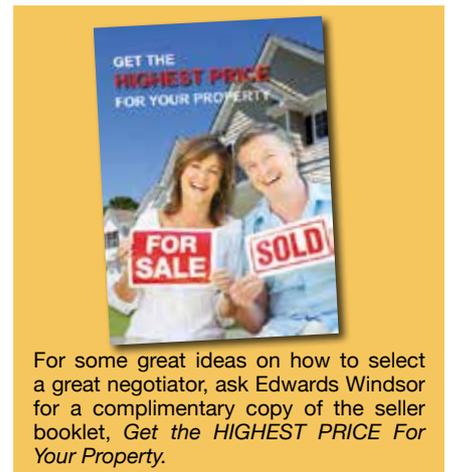
But there is a third price aspect - one rarely focused upon - and that's the price the buyer is prepared to pay. Just as sellers inflate the price from fear of selling too low, buyers deflate the price from fear

of buying too high. Each side wants the best for themselves. This is natural.

Most real estate is sold by lowering the seller's price until it matches the buyer's price, or raising the buyer's price until it matches the seller's price, or a combination of both. Get the buyer up, get the seller down and make a sale.

This often gets a high price for the seller, but not the highest price. The reason is simple: when the buyer's offer meets the seller's minimum, the property is sold. There is too much focus on the seller's minimum, which is the price at which most properties sell. Even if the price is high, often the buyer would have paid more.

A good negotiator always gets this 'more' from the buyer.



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different agent to the off market agent, who is responsible for negotiating with the off market buyers? Messy!

Why hasn't the buyer been able to find something on the open market?

The off market buyer is a common listing strategy employed by agents. Does the agent attempt to change the initial brief of this 'one very genuine buyer' to 'why don't we open it up to more buyers?' The credibility of the off market pitch quickly becomes apparent at this point. The buyer pitch is more a listing stitch.

If the off market buyer is interested, is the agent capable of negotiating the best market price having only had one buyer through?

An off market buyer knows there is unlikely to be any other buyers interested, yet power is perception.

How do you know you have the best possible price if this one buyer makes an offer off market? The reward for going to the open market is the best buyer and best price becomes apparent. Would this one special buyer also emerge during an on market campaign?

There is a wise saying in real estate about open listings - the best buyers end up negotiating with the worst agent. Do you want the best buyer negotiating with an agent you wouldn't normally have selected if it weren't for the off market pitch? Listings tend to be exclusive. Buyers aren't. Selecting an agent you feel most comfortable with and running a full campaign will bring the best buyers in the market to the surface.

The best agent will then deliver you the best price in an unambiguous manner.

The off market pitch becomes a pain when it does not sell. Particularly if you use another agent

The first quarter of this year has flown by and we are already well into 2020.

We *sincerely* hope you are on your way to achieving all of your 2020 goals.

If you plan to sell your home or investment property in 2020, we would *love* to help you achieve the highest possible return on your investment.

Although it's already April, now is the time to get started!

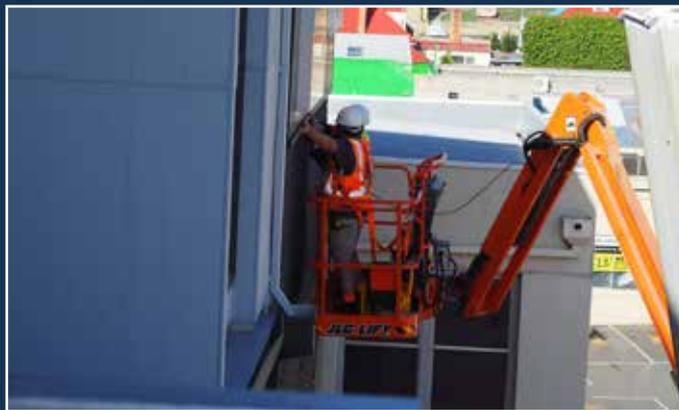
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When choosing a real estate agent, the questions asked will dictate the information you uncover and hence the agent you hire.

This short hard copy booklet will offer you some of the key questions that smart home sellers ask real estate agents.

To receive yours, please contact us or come into our office and we'd be happy to give you a hard copy with our compliments.



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