

Real Estate News

Information to Help You When Buying or Selling

Issue 051

5 questions to answer before buying or selling

BY PETER O'MALLEY Author - *Inside Real Estate*

In This Issue:

Page 1

5 questions to answer before buying or selling

Page 2

5 questions to answer before buying or selling
Continued

Page 3

Avoiding seller's remorse

Page 4

See what others are saying about us



By being vigilant, you will quickly grasp what the market is doing in your market category.

Is it better to buy or sell first?

Some sales campaigns can take longer than expected and can also produce a lower price than hoped for. If you buy before selling in the expectation that you will sell for top dollar in a short time frame, your plans could come unstuck. It is safer to sell first, get a delayed settlement and use the settlement period to purchase a home. You are better off buying under pressure than selling under pressure.

What if the market falls?

Buying real estate is a long term play – or should be. During your ownership of a property, the market will move up and down at different times. No asset class enjoys consistent rises. Market corrections are a normal phase of the cycle. The key is to buy the right property at the right price. The right price is both fair market price and a price that you can comfortably afford mortgage repayments, even if interest rates rise. *Continued page 2*

Edwards Windsor

6234 5500
ewre.com.au
89 Brisbane St | Open 7 days



How do we determine fair value in the current market?

Attend open inspections and research sale prices. Watch the market and disregard the commentary. The real estate agent's view on the market is often overly positive; the economist's view is unduly negative and the auction clearance rate is simply a fudged number, given the number of unreported auction campaigns that failed.

Different segments of the market are stronger than others at present. By

being vigilant, you will quickly grasp what the market is doing in your category. It's not rocket science once you know where to look.

What if interest rates do rise?

Interest rates probably won't rise anytime soon. But what if they did? The retail banks will often ask this question on the borrower's behalf when processing their loan. It is one of the ways they stress test your ability to continue meeting the repayments. Given the record amount of household

debt, how would rate rises impact the market at large and your own finances on a smaller scale?

Interest rates probably won't rise anytime soon.

Is it better to wait before...?

Wait on what basis – you hope to buy for a lower price next year? Or you think the market will rise again in 2022 allowing you to sell for an even higher price? The reality is, no one knows. The market today is the market. Tomorrow's market is anyone's guess. There is a reason to act today and there is a reason to wait. Only hindsight will be able to identify the right answer, if there is one.

Speculators tend to win big in rising markets and get cleaned out in falling markets. Lesson being – don't speculate on making easy short term gains with real estate.

Want to sell your property in 2021? Don't know where to start?



Don't panic! We can help!

Selling your property is a big decision. It can be challenging, stressful, and hard to navigate your way through.

The great news is that we can help you sell your property with confidence because we are your local real estate agency and we know a thing or two about selling property in Hobart.

Before the 'For Sale' sign goes up, we'll guide you on the keys to success, from preparing your home for sale to choosing strategies that get the **HIGHEST PRICE.**

Please speak to us and find out how we can help you sell your property in 2021.

AVOIDING SELLER'S REMORSE

BY PETER O'MALLEY Author - *Inside Real Estate*

Buyers who have bought a property often suffer buyer's remorse. Buyer's remorse stems from a sense of guilt or regret from the buyer that they bought the wrong home or overpaid.

A lot of people are aware of buyer's remorse but few give consideration to seller's remorse. Seller's remorse is just as prevalent as buyer's remorse. Given you only sell a property once, it is understandable if there is enormous angst during the sales process.

Seller's remorse is also manifested through a sense of regret, once a transaction has been made. The sellers may regret the sale because they feel they undersold or made the wrong decision in the heat of the moment.

Sellers who sell before buying in the name of safety can get caught out in a strong market. It is a horrible feeling to sell into a rising market only to see prices on your proposed purchase rising whilst you are 'out of the market'. This is why many people, wisely or not, choose to buy before selling, in a strong market.

Another cause of seller's remorse is vendors that are not following the market closely. They sell for what seems a high price. Only when they enter the market as a buyer do they realise they sold for a high price but not the highest possible price.

There are and have been many times the market is performing quite strongly. Yes, at the same time, many commentators were talking house prices down. If a seller took their lead from the mainstream commentary rather than the market conditions at the coalface, they could easily have undersold and deeply regretted doing so.

The greatest prevention of seller's remorse is planning and research before transacting. If you research the target market that you intend to buy and/or sell in, you will have an increased understanding of prices.

If you do purchase prior to selling, it is crucial that you get a delayed settlement on the purchase. This allows enough



Seller's remorse is just as prevalent as buyer's remorse.

time to run a full and patient campaign to achieve full market value for your existing home.

If you do purchase
prior to selling,
it is crucial that
you get a
delayed settlement
on the purchase.

If you are pressured or committed to sell a property in a short timeframe, you may find yourself being crunched by circumstances (or your real estate agent). Anyone that is crunched in a real estate transaction usually ends up being afflicted with remorse.

High pressure sales tactics lead to remorse for the client after the transaction. As a client of the agent, you need to decide whether you are being

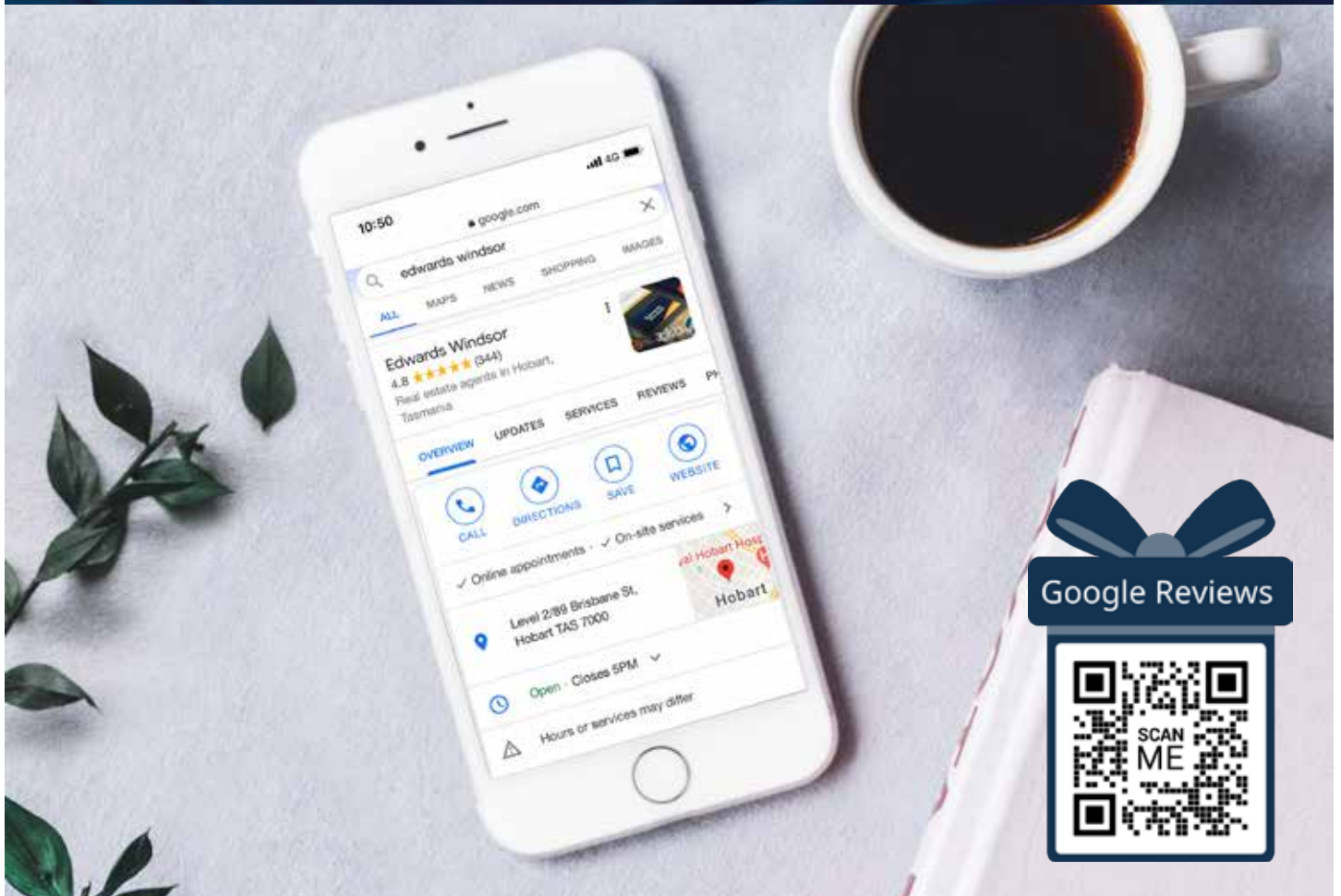
given decisive market intelligence or the agent is employing a high pressure sales tactic.

Be wary of sales people that don't allow you time to think. Every sales training book ever written has a section on how to overcome 'we want to think about it'. As a lawyer once mused, 'real estate agents move quickly and lawyers move slowly, they do so for the same reason. They both know that people change their mind'.

This article is an extract from the best selling book *Inside Real Estate*.

Call our office on
6234 5500 for a
complimentary copy.

See What Others Are Saying About Us



Are You Looking to Lease Your Investment Property?

The Property Management team at Edwards Windsor Real Estate currently have quality tenants waiting for the right property.

We offer you Maximum return with Minimum stress

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

To find out if any of these prospective tenants suit your investment property or discuss what we can offer you in the management of your property contact **6234 5500** or visit **ewre.com.au**.

Edwards Windsor

6234 5500
ewre.com.au
89 Brisbane Street, Hobart