

Real Estate News

Information to Help You When Buying or Selling

Issue 058

The Trusted Advisor Help or hindrance, competent or not?

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Whenever you embark on a real estate transaction, it is likely you will inherit advisors. Whether you are buying or selling, many people will offer their advice unsolicited. Some of this unsolicited advice will be sound, some will be well meaning and some may be completely ignorant of the facts.

Buying or selling real estate is usually the largest transaction that many will ever make. The misinformation and vested interest that is pumped into the marketplace makes it even trickier to tread a sage path. A real estate angel helping you through the process offering guidance and grounded advice is an enormous benefit.

Identifying the right people to guide you is the key though. It is quality advisors not a quantity of advisors that will ensure you successfully transact.

Competent professionals who are emotionally detached from the outcome are your greatest ally when transacting real estate.

One thing is for certain, you need to put advisors into two categories quickly, lest you turn your thinking inside out or upside down. Are the advisors that pass on their real estate wisdom **well meaning or are they competent professionals?**

Well meaning advisors will offer advice but are not paid to do so. Furthermore, they often don't have to live with the consequences of their advice. The well meaning advisor can be a friend at work who "bought a bargain last year" or neighbour that says "you'd be crazy to sell at that price".

It is easy for a well meaning advisor to say "reject the offer, it's too low". It is easy for them to say this because they are not the ones that could potentially sell for less down the track. The well meaning advisor won't be found for love nor money if they tell you to reject an offer that ultimately proves to be the best offer.

To enlist someone as an unpaid trusted advisor, you need to look for a track record of success from this person, not a fortunate one off transaction in the past. One swallow does not make a spring. An unpaid well meaning advisor is either an asset or a liability, dependent purely on their experience and competence.

The more advisors you inherit, the more likely they are to conflict with each other and confuse your decision making process.

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Is Winter a Good Time to Sell?




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As the cooler weather sets in, many people considering going to the market will be faced with a conundrum – sell in winter or wait until spring.

Aside from the practical considerations such as work commitments, school terms and actually being ready to go on the market, the impact of the season on a campaign's success is often misinterpreted.

The winter vs spring debate rolls around every year with predictions of low or no activity during winter and a plethora of new listings ready for the spring market.

There are two points that are accepted wisdom about the selling season. Firstly, there will be a lot of new listings to hit the market in spring that have been held back over winter. Secondly, houses present better in spring than winter.

These two points can cause people to jump to a third, incorrect assumption, that spring is a better time to sell than winter.

Economics trump seasons when it comes to the selling price. If you believe the market conditions will improve later in the year, then it would be sensible to wait. If you assess

the market conditions will worsen, then waiting for better weather and a flowering garden may not be so prudent.

Winter is often under-rated as a selling season. The fact that many competing home sellers hold their properties for the spring often creates a shortage of stock on the market during winter. With stock tightening more than demand during these months, there are clear advantages to the winter property sellers.

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Admittedly, the presentation may not be as good in winter, but does that really matter if the price is right?

If you have been thinking of selling your home this winter, or would simply like to know the likely value of your home in this current market, please contact the team on 03 6234 5500.

Competent professionals who are emotionally detached from the outcome are your greatest ally when transacting real estate. Whilst you can feel way out of your depth talking a different language to everyone else, professionals are the voice of reason. The competent professional has seen it all before. They won't necessarily tell you what you must do in every circumstance. The best professionals will often point out issues, details or points of consideration that you may not have thought of. Through experience, competent professionals open your eyes and ears where naivety could have easily ruled the day.

These people include solicitors (use a real estate solicitor), family friends with a track record of success, parents, building inspectors, independent valuers (not one from the bank), accountants or financial advisors. Each of these people, if chosen correctly, will be devoid of emotion. Emotion is what so often rules the real estate transaction, sometimes causing people to regret their decisions in the cold light of day.

Independent

Is the trusted advisor independent? A neighbour who thinks you should reject the offer seems independent. But on closer inspection, their independence is questioned when

it becomes apparent they want your apartment to be worth more, so that theirs is also. After all, they say, "the bank valued ours for more, and they are always conservative".

Real estate agents can be a wonderful source of knowledge. But if they are the agent handling the sale, only in the rarest of situations should they moonlight as your trusted advisor. Your trusted advisor reserves the right to encourage you to act, but more importantly the right to encourage you to pull back. This second point is in conflict with the agent's main motive of achieving a sale.

By all means, elicit and absorb all the advice the agent has to offer. But reflect on it in your own time independently of the agent and the persuasiveness they bring to an issue.

If your partner has strong or differing views to you, listen to their perspective prior to the decision being made. It is no good working out they were correct after the fact.

Working with your advisor

When you want your advisor's advice, ask for it. But don't tell the advisor what you think upfront and ask them to shoot your thinking down. The advisor is not there to debate against your emotion.

If you have been sold on a persuasive

argument by a salesperson or a speaker (spruiker) at a seminar, pass the pitch onto your advisor and ask for their thoughts - totally independent of any you may have.

Keep in mind that your advisor is not involved to tell you what you want to hear. They are there to tell you what you need to hear. The more you push your thought pattern onto the advisor, the less you hear their reasoning.

After discussions, you may go against what your trusted advisor suggests, but you do so with knowledge of the downside not just the upside. Often salespeople and spruikers are very good at focusing their pitch on the upside.

In the 80s when Donald Trump was flying high, he would always ask himself "what is the worst that can happen in this transaction?" before committing to a deal. When things went bad for Trump in the 90s, by his own admission, it was because he failed to take his own advice.

Rarely is a decision slanted 100% one way and 0% the other. There are often risks and considerations regardless of what direction you decide upon. The trusted advisor is truly an asset to you, if they can put you in a position to act with all of the unemotional facts before you.



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