

Real Estate News

Information to Help You When Buying or Selling

Issue 061

Appointing the **RIGHT** selling agent... for you and your property

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Selling a property can be a stressful experience. It can also be a smooth, seamless process. A lot of the success or otherwise of the campaign will come down to the agent handling the sale and the dynamic they have with their respective vendor.

As a property seller, it's crucial to identify and articulate what you want in your selling agent.

Some people will want a high-pressure, high intensity agent. Some prefer a patient, low-key style salesperson. Are you looking for more of a transactional agent or an ongoing professional relationship? Is the number of sales the agent has achieved, more important than the happiness of their clientele or vice

versa? Are you going to select your agent on the price they appraise your home at or on the proposed selling strategy? There are many elements that could be explored to ascertain the best criteria for appointing the right agent.

Some major considerations are outlined below:

Price v process - One of the first questions property sellers ask agents during the interview process is 'What do you think our property will sell for?'. Sellers will get a better idea of an agent's skill set, if they leave the price question until later in the interview process. The reason being, the real estate agent is not a valuer, they are not a buyer. The

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2023



Finding consensus on how the property market will perform in 2023 is nearly impossible. Analysts are split between a rebound and a continuation of the price declines that occurred throughout 2022.

In fairness, the performance of the 2023 market is ultimately dependent on a few key events and decisions that will fold during the year.

Mass Mortgage Refinancing

– when RBA Governor Philip Lowe said that interest rates won't rise until 2024, he was clearly proven wrong, very wrong. Due to the

record low mortgage rates on offer during COVID, many households wisely fixed their interest rate whilst the going was good though. These households have not actually experienced an increase in their mortgage repayments, yet.

The mortgage market will be faced with a wave of mortgages being refinanced throughout 2023 and into 2024. Household's ability to meet their significantly higher mortgage obligations will be the dominant factor in determining the market's fortunes this year.

The Property Bears are claiming that this is the issue that will finally bring housing prices back to earth. The Property Bulls believe in the resilience of the Australian economy and the RBA's ability to engineer a soft landing for the property market.

Hopefully we are coming up to peak interest rates. However, the markets should not mistake peak interest

rates for peak market impact. Even if the RBA did not raise rates again in this cycle, there are many households that will experience significantly higher mortgage rates in the second half of 2023.

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Employment – the labor remains tight, wages are rising and business is crying out for staff. Being employed is the single biggest protection against rising mortgage costs. It provides households an increased ability to ride the market cycle out. The worst case scenario for the property market would be rising inflation, rising interest rates and rising unemployment. This would cause seller supply to rise and buyer demand to fall.

The strong employment conditions and tight stock levels in 2022 saved the Sydney property market from more significant price falls. Prestige property prices barely moved throughout the year, they were extremely resilient. This demonstrates that higher interest rates do not necessarily mean a straight drop in property prices across all markets.

The RBA – the retail banks are signalling to the RBA when they talk about steep decline in house prices. They did it at the beginning of COVID in March 2020, offering dire predictions that did not come to pass. And they are doing it again now. In March 2020, the RBA and the Government had scope to make the necessary changes to avoid the worst.

Global markets are experiencing elevated inflation levels and therefore interest rates are being increased to fight the inflation. Financial markets and households are hoping Central Banks pivot in 2023 and halt the rate rises. If Central Banks are intending to pivot on their respective interest rate policy, they are doing a fine job keeping markets in the dark.

Santa's been and gone... Did you have similar plans?

For many people, 2022 was the year of 'catch-up'. There was plenty planned and achieved for the year, however not everything got done.

For many home owners, this included moving.

Much was made of changes in the property market throughout last year – but one thing is certain; strong demand for good property continues.

**At Edwards Windsor we are
still experiencing high levels
of buyer enquiry.**

If you are considering selling and would like to know the current value of your property, come in and speak with us today.



agent is a classic middle person between you and the open market. They are employed to negotiate, market and close the sale on your behalf. Therefore, you are better served asking pointed questions that cut to the heart of their skill, knowledge and ability in negotiating, marketing and closing sales.

When you do get around to discussing price, ask the agent for the comparable sales they used to value your property. Do the comparable sale prices, the date of the sale and the attributes of the sold properties align with your property? If it does not make sense to you, then it won't make sense to your buyers.

Relationship/trust – Employing an agent is not about employing someone so savage that they scare prospective buyers away, nor is it about employing a new best friend. Employing an agent runs best when you enjoy a professional relationship built on mutual respect. If the agent tries to dominate the vendor or the vendor dictates to the agent, the relationship can become very strained very quickly. If mutual respect exists, when the campaign potentially hits speed bumps, you will work through it in a calm methodical fashion, together.

Trust in the agent is a must. During the interview process, keep asking yourself, 'How will this agent respond when the buyer begins asking probing questions?'

Questions such as 'Why are the owners selling?' Is the agent likely to respond?' ... because they bought a new home on last weekend'? Whilst it may seem unfathomable that a real estate agent, someone who is paid \$20,000 sometimes \$50,000 to sell a vendor's property, could so easily compromise their vendor. Yet, it happens at Open Inspections every weekend.

Do you trust the agent to be able to acquit themselves appropriately when the buyers begin playing games?

Open and transparent dialogue – as the vendor, have you created an atmosphere where the agent can disclose both the positive and negatives of your property and/or the market conditions? Or are the agents throwing false praise around like confetti in attempt to win favour with you? There may be elements to your property that could potentially hold the sale price back. If discussed in an earnest fashion, you may be able to overcome the issue, to your

ultimate benefit. If there is something holding your property back, even if the agent won't tell you before you go to market, the buyers certainly will, once you are on market.

The only thing worse than knowing about a blind spot is not knowing. Respect and value the agent that tells you pertinent information you don't necessarily want to hear.

Costs and risk component – we are all susceptible to being told what we want to hear. 'You look like you have lost weight'. 'Your children are so well behaved'. 'Your house is worth \$3 million'. 'Yes, the market is falling, but not for properties like yours'.

When it comes to interviewing and hiring a realtor, you are likely to be asked to spend substantial amounts of money on advertising and presentation, based on the agent's recommendations. The vendor is putting their money, where the agent's mouth is. What could go wrong?!

After listing service – the least asked but most important question to understand relates to the agent's service and communication levels once you have listed. Is the market feedback provided after every inspection, every week, the night before the auction, or daily? Do we meet in person to discuss the response to the campaign, via SMS or in an email? How do we ensure that all respective vendors are kept updated during the campaign? Does the agent answer their mobile when you ring them or do they now ghost you? Is that charming super-duper optimistic selling agent now telling you what a ghastly shack your magnificent mansion has turned into since you listed. Overpricing and excessively praising the home to get the listing and then relentlessly criticising the same home once it's on the market, in order to get the listing price down to a saleable price, is a tactic as old as the hills.

Find out what happens after you have signed with the agent, before you have signed. Do so by asking direct pointed questions during the interview process. The best agents are open to scrutiny.



3D Virtual Tours

The use of new marketing tools in displaying real estate listings has always been popular within the industry. Generally speaking the more progressive and contemporary agencies have been quick and eager to embrace new technologies and incorporate them into their marketing programs.

Professional photos have always been at the forefront of most advertising campaigns and this has evolved into walk through tours, decor styling, drone shots, floorplans etc. The latest technology being explored is the "3d virtual tour" presentations, so let's have a look at this.

3D Virtual Tours: What are the benefits?

- Provided the quality is high it should give the tenant prospect an accurate portrayal of how the home actually is.
- Prospective tenants can view the property anytime 24 hours a day.

- Accompanied by a floorplan it offers a great perspective of spatial awareness, ideal for sizing and placement of furniture.
- Clever agents embed an application form within the tour itself.
- Prospects are able to have their applications processed far quicker than waiting for an open home or showing.
- It is especially convenient for interstate or overseas prospects who do not have the benefit of seeing the property first hand.
- Navigation from room to room or outside/inside should be easy from mobile devices as well as desk top.
- Importantly quality applicants are able to be found faster hence less "days on market" and therefore the property becomes more profitable.

The Hidden Benefit!!

This is an absolute winner for owners when coming to lease the property after an initial tenant is moving out. The video tour stays on file so the



property can be returned to the market way faster with a quality production. Outgoing tenants are not inconvenienced with all their packing up with new photos/ video being taken. Trying to take quality marketing shots whilst a tenant has a mountain of items packed up or ready for disposal is all but impossible when attempting to show a home at its best, waiting for tenant to vacate to achieve this can add up to four weeks or even more in potential rent earnings lost and never recoverable.



Property Management

Make the switch to
Edwards Windsor.
The change is easy...

Our Property Management department is continually growing and we have quality tenants looking for rental properties. Rental properties are in high demand and our property management team would love the opportunity to meet with investors to discuss their property management expectations.

We have a fantastic property management team and provide an exceptional service to all our landlords and tenants.

Contact our friendly team on
03 6234 5500 today to arrange
a meeting at your convenience.

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