

The Complete Guide To Selling Your Property



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Selling your property is exciting and emotions can run high.

There are a number of things to consider before putting your property on the market including choosing a method of sale, determining a price and how to market your property to the right buyer.

Every homeseller wants to know:

1. How much is our property worth?
2. How long will it take to sell?

This guide is an open-book, full of transparent information and data to arm you with confidence before speaking to any real estate agent.



What should we do first? Buy or sell?

Moving into a new home means you'll need to consider what is happening with your old home.

Forever and a day, homebuyers have asked themselves two questions:

1. Should we sell before we start looking?
2. Should we buy first and then put our property on the market?

Consider the advantages versus the disadvantages and make the best choice for you.

Buying first advantages

A major benefit of buying a home first, if you can afford it, is that you can move all of your belongings directly into the new house and not have to deal with intermediate storage or accommodation.

This also allows you to take as much time as you need to sell your old home, which can be staged to increase its appeal while you live in your new home.

Buying first disadvantages

The major drawback in buying a home first is that it takes a certain level of financial comfort to make this a possibility. There are additional costs associated with owning dual properties.

You'll also need to be able to put down money for a deposit on a new property, without having any money from the sale of your current property to help.

Selling first advantages

Selling your home first allows you to know exactly what you're working with in terms of budget. You will be better situated to make a sale if you don't have another home already.

There's no pressure to sell by a certain deadline, which gives you the time to work out the most effective marketing strategy and wait for the right price.

Selling first disadvantages

If you are unable to buy a new place in time for the settlement date; you and your family will need to find temporary accommodation until you are able to purchase a new place.

This can be expensive and stressful since you will need to go through a full move more than once. There's also the possibility that property prices will go up before you are able to purchase a new home.



When is the best time of the year to sell?

There's a common misconception that spring is the busiest time of year in the industry. Whether you're thinking about buying or selling, it's worth looking into whether or not there are any differences between the seasons.

It's possible to conduct a favourable real estate transaction at any time of year, provided that you take the particulars of the season into account along with the other factors such as economic and market conditions, as well as your own personal situation.

December to February

During December and January most Australians wind down for the school holidays and Christmas/New Year period. Many are travelling on holidays; solicitors, tradespeople and the like tend to close doors, so the market slows down. This is unless you are selling in a tourist or holiday area.

In considering the above, February becomes an excellent time to market your property. Buyers always need to buy property, so with the lack of property available to purchase over the December/January period, those new properties on the market in February can benefit from a considerable pent-up demand.

March to May

As with February, there are still many buyers looking to purchase before the colder months come on. You also have the advantage of lingering sunshine and buyers who are ready to move. The Easter weekend is the longest public holiday weekend of the year and should be avoided when considering the timing for marketing your property.

June to August

It is often misunderstood that winter is not a good time to sell. During winter, the sun is at a lower angle in the sky and this can show off a home in quite an incredible way with loads of sun and natural lighting. With fewer properties on the market for sale, winter can present an ideal opportunity for sellers. The simple rule of supply and demand can mean more buyers competing for each property for sale, resulting in a healthy sales price.

September to November

The property market starts to warm up like clockwork each year in spring. Buyers benefit from a wider range of properties than in winter, while sellers benefit from higher turnouts at open for inspections. The downside is there is a possibility that the market can become flooded and buyers find themselves with more property to choose from.





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Other factors to consider before selling

Economic conditions

As the economy grows and wages increase more people can afford to buy a house, this in turn increases overall demand, which increases prices. If demand for property increases faster than supply, then house prices go up. For house prices to fall the demand needs to fall.

When interest rates rise, mortgage lenders generally increase the cost of variable mortgage payments. These higher interest rates in turn make home buying less attractive. Since the majority of Australian homeowners have variable mortgages, even a small change in interest rates can have a big impact on the affordability of buying a house.

Market conditions

It's important to know what type of market you are working with to avoid any impact on whether or not you are able to sell your home for the price you desire.

A "buyers market" is favourable to those who are buying property because more people are selling homes than there are potential buyers to purchase them. On the other hand, a "sellers market" occurs when there are more buyers looking for property than there are properties up for sale.

In addition to the buyer's and seller's markets, a "neutral market" could be caused by affordable interest rates leading to an even balance between buyers and sellers meaning the real estate market doesn't favour the seller or the buyer. A professional in your area will be following sales closely and will know whether it is a hot, cold, or neutral market.



How much is my property worth?

It's a question every homeseller wants to know. There are individual factors in each home that determine how much you should expect it to sell for. But with so many places to get an estimate, how can you tell which one is right? A valuer? A buyer? A real estate agent? Online estimates?

Always remember that no matter which one you engage you'll want to see evidence of their reasoning for the number they provide.

Professional valuers

According to the [Australian Property Institute](#), an Australian Property Institute Certified Practising Valuer is a person who, by education, training and experience is qualified to perform a valuation of real property.

An experienced and competent valuer will have a fair understanding and knowledge of a particular area and will start by searching for completed sales of comparable properties. With constantly fluctuating market conditions, these sales need to be recent transactions and preferably within the past six months.

Top tips if you are engaging a valuer

- Presentation: Make sure the gardens are looking nice and the clutter throughout the house is cleaned up and all that sort of thing. Because first impressions, even with property valuers, do count.
- Recent Sales Evidence: If you know the sale prices achieved at any recent property sales in your area, have that information available for the property valuer.
- Clear Instructions: If you

have plans for future improvements with quotes and costings, make sure if you're going through a lender that the lender requests an 'as if complete' valuation.

- Don't overcapitalise: Obviously improvements and renovations add value. But you've got to be careful about overcapitalising and not spending more on a particular improvement than that particular area can cope with.
- Be Honest: Some might claim that a neighbouring property recently sold for \$500,000 but the valuer might have evidence that it only sold for \$450,000. A valuer will see right through it.

Real estate agents

Real estate agents provide what is known as an 'appraisal', rather than a valuation. They base their appraisals on other sales in the area and their experience. Remember, real estate agents are working for the seller (which could be you) who pays the commission on the price they achieve, not the official valuation.

Local agents will also have an extremely intimate knowledge

of the area, as well as the type of buyers and any current changes in interest. This will put you in good stead.

Online valuations and reports

Online valuation methods have become more and more accessible to homesellers today and are often the first place they go for a quick and easy report. While these valuations can provide useful general information, remember that no one has walked through the property and factors that make it comparable or not comparable may be lost.

What's the difference?

A professional valuation is based on market analysis and doesn't tell you how much someone might be interested in your home. Using this method alone to decide how much your property should be priced when it hits the market could effect the potential selling price of your property.

However, agent appraisals can also differ depending on who you speak to and what selling price they think can be obtained for you if they were your agent. So relying on just one agent appraisal can be of equal disadvantage.



Choose an agent who will go into battle for you

The agent you choose is the person you are trusting to help you transition into the next stage of your life by achieving the desired sales price for your home in the shortest time possible.

You are relying on them to understand what is most important to you in making that transition and ensuring it is a positive experience in the process. So it is critical that you ask all of the right questions at the start.

These are some of the most important things you should know about a real estate agent:

- Are they licensed under state legislation to work in real estate?
- Are they working with you to achieve your desired result as opposed to just any result?
- Do they have a thorough knowledge of your chosen method of sale (eg: auction)?
- Do they have references and referrals from current and past clients that can be verified?

Don't be scared to ask these questions, along with the following.

- How long have you been working in real estate?
- How much will it cost me to list my property with you?
- What are your suggested marketing strategies?
- What will marketing cost?
- How much are your commission fees?
- Will I have to pay anything if my property doesn't sell?
- Do you have a database of prospective qualified buyers you can show me?
- How long are you currently taking to sell properties (aka: days on market)?
- Can I speak with some of your current and past clients about your services?
- What happens if my property doesn't sell?
- How often will you keep me updated on progress?
- Is it just you that I will be dealing with or an assistant of yours also?
- How much do you think we can get for our property?



The methods of sale to choose from

There's more than one way to sell your property – and you may have a preference of how you'd like to go about it. Here are the most common methods of selling a home.

Auction

This is a popular way to buy and sell property. You set a reserve price with your agent (the minimum price you will sell your property for) and the agent conducts the auction on the specified date. There are laws for conducting an auction, so it is better left to a professional! If bids don't reach your reserve price, your agent may negotiate with the highest bidder on your behalf.

Auctions can result in a higher price for your property as there can be a sense of urgency and competition amongst buyers, however the prospect of an auction can also put buyers off. It's important to discuss with your agent what the best way to sell your property is for you.

Private treaty

A sale by private treaty means you offer the property to the market at a listed price and invite offers from interested purchasers. When offering a property for sale by private treaty you have the ability to vary the price whilst it is on the market and you will also have the opportunity to consider each individual offer from potential purchasers. Your real estate agent will be able to offer advice

on realistic selling prices and you can amend the details in your signed Agency Appointment form if required, by variations which must be in writing and signed and dated by both you and the sales representative.

Although the exact time frame will depend on market conditions, a sale by private treaty could take longer than a sale by auction, and it could involve more negotiation. Yet the number of offers you receive gives you and your agent important feedback on the accuracy of your sale price. Rather than waiting for the results of an auction to make adjustments, you can afford to be more flexible with your pricing plan.

Tender

A tender is a very formal sale process, which requires potential buyers to submit a proposal in response to the request to the owner's advertised tender.

Expressions of interest

An expression of interest is similar to a private sale/treaty however a formal written offer must be submitted for the property by a specific date.

Off-market sales

Although a competitive marketing and sales process is normally the best way to achieve the highest price for your property, sometimes, there are good reasons to sell your home without opening it up to the market.

Maybe you are just not comfortable with an open home process, maybe you have someone living in the property who is unwell or perhaps you just want to skip the fuss. While all agents typically sell homes on the open market, some agents may have premium buyers who may have simply missed out on other properties. More than simply running a "buyer database", a good agent will work closely with these premium buyers and assist them to purchase off-market properties by matching their interest with a confident and premium offer.

This assists the premium buyers to secure the property with little-to-no competition where they are prepared to pay for that opportunity. The process may secure a good offer for the selling client to release the property without needing to expose it to the open market.





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Marketing and advertising your home

One of the most important factors involved in selling your home is marketing it effectively to potential buyers. With the rise of online consumer behaviour across all demographics, there are more methods of marketing in the real estate industry than ever before.

There are many factors that a qualified real estate agent must take into consideration as they start to work out a sales and marketing strategy and they should discuss these with you at the start and take on board any special requests you may have.

It's helpful to work with an agent who has experience selling homes in your local area. With a focussed knowledge of your prospective buyers, they will be able to tightly fine-tune the campaign to highlight the details of your property and neighbourhood.

Photography

When potential buyers are scrolling through numerous property listings online, that tiny little photo thumbnail must grab their attention. So good photography is as important as presenting your property well.

A photograph will often be the first impression a potential buyer will have of your house, and it can influence their decision to view it.

Video

It's said that a picture says a thousand words. But video is a thousand pictures. And the human brain processes visuals 60% faster than anything else so video is essential in capturing people's attention in today's real estate marketplace. Video slideshows with still pictures

have become quite popular however a personalised video featuring your agent can really help potential buyers feel more comfortable in contacting the person appointed to sell your home.

Signboards

Traditional advertising methods like signboards are still used by most real estate agents. They may seem old-fashioned, but they have been proven time and again to capture the attention of drive-by traffic. For signboards to stand out, they must be high-impact, colourful, and appealing.

The best designs usually include large, colourful photographs. These can showcase your home's best interior and exterior features, and invite those walking or driving by to

learn more about what your property has to offer. They can also include attention-grabbing headlines and textual elements to create a story about your property.

Print marketing

Advertising in local print media has become less and less effective over recent years and now more than 88% of potential buyers use online as their main search tool for property.

Not all print marketing has been rendered ineffective. A good agent will provide their local marketplace with printed materials to inform the public of up to date sales information on a regular basis.



Marketing and advertising your home

Online

The internet has dramatically changed the way people market their property for sale. The world wide web can be accessed anywhere in the world, at anytime and allows updates to be made in the blink of an eye. Your real estate agent essentially has a shopfront online that never closes.

According to realestate.com.au, 88% of potential buyers use online as their main tool to search for property, so online is a very important part of your advertising schedule. However, with so many properties advertised online every day and the sheer amount of information available to consumers, it is important to know how to stand out from the crowd.

The key is to have an agent who understands the importance of outstanding presentation of your property online starting with professional quality photos and outstanding copy. In addition to listing your property on the major internet portals and

the agency website, your selected agent should have an engaged database of prospective qualified buyers who they have already met and alert them with suitable properties when they become available either via email or phone. Agents with an active database are suitably engaged in the local community and will most likely know the target market for your property to market it accordingly.

Your agent may have access to 'feature property' listings on the major sites which is a great way to rank higher in the list of available properties in your area. With the amount of properties listed every day in every marketplace, this is an option you should consider to make sure your property doesn't fall down the list and you should speak to your agent about having this applied to your property advertisement.

Think of it this way.... When was the last time you searched the second page of Google?



Preparing your home for sale

It's often said that 'first impressions last' – and it's especially true when it comes to presenting your property for sale. That means a tidy and presentable interior and exterior, as many people will drive-by before deciding whether to inspect it on open days.

Your property is usually just one in a very long list of properties a buyer will see, so it's crucial that they see it in the best possible light. The more desirable your property appears, the better your sale price is likely to be.

You can spend a lot of time and money on presenting your property perfectly online with professional photos and videos but it can be all for nothing if a buyer drives by or inspects the property and it doesn't match their expectations from the online advertisement.

External tips

- Painting or replacing the front door
- Fixing the letter box
- Tidying up the front garden by cutting down overgrown plants and trees and keeping the lawn neat.
- Cleaning out garages and sheds to make them look more spacious.
- Fixing little defects such as dripping taps or broken gates, and ensuring any fencing or other outside areas do not need to be re-painted.
- Ensure your house number is clearly visible.
- Wash down and clean external walls, gutters and any outdoor furniture.
- Update the garden by simply adding some mulch and / or planting colourful flowers. Both of these inexpensive methods will instantly improve the appearance of your garden.
- Ensure any water features such as pools or ponds are clean.

Internal tips

- Painting in natural, contemporary colours will instantly update your home without spending too much money.
- Cover old sofas with new throws and cushions.
- Change flooring to modernise and update a dated look.
- Changing the lighting fixtures, both inside and outside the property can provide a more modern look.
- Eliminate any unnecessary clutter to make the rooms more spacious. This may include removing extra furniture which is overcrowding the rooms.
- Clean carpets or wash curtains to remove any lingering odours and to breathe new life into tired furnishings.
- Tidy up cupboards and clean up storage areas.
- Fix little defects such as dripping taps or noisy doors and windows.
- Fix any cracks in the flooring or tiles and patch any holes in the walls.

Other tips

It is important not to over capitalise when making improvements. The cost to improve particular areas may not net a higher return in the sale price.

If your furnishings are a little outdated but you do not have the time or money to replace them, you may wish to consider hiring a stylist. An experienced stylist will replace your belongings with hired furniture, to give your property a makeover.

Try to coordinate open for inspections at times which may present your property in the best possible way.



What happens on auction day

For many would-be sellers, the thought of auction day brings about an overwhelming feeling of anxiety and nerves.

The best thing you can do is to be prepared. Knowing how the auction will run and understanding possible outcomes is likely to reduce your stress levels.

What to expect

Most agents will open the property for inspection at least 30 minutes before the scheduled auction. This allows potential buyers to have a final look at the property, so it is important to ensure that your house is well presented and looking its best.

During this time, the agent must display the mandatory rules and information regarding the auction in a prominent location for potential buyers to see for at least 30 minutes prior to the auction commencing.

Pre-auction offers

Selling before auction can sometimes be more nerve-racking than attending the auction itself because how do you know if the offer you've received is as good as, if not better, than what could be achieved on auction day?

You will already have discussed potential selling price ranges with your agent and for a pre-auction offer to be considered, it should really stand out in order for you to consider it.

What is a vendors bid

'Vendor bids' are commonly made by an auctioneer on behalf of a seller to get bidding started if a bid is not

immediately forthcoming at the commencement of an auction. They may also be made during the course of an auction, and also if a property is to be passed-in unsold, with a view to protecting the seller's reserve price.

You should view a 'vendor bid' as the auctioneer's indication the current level of bidding is below the seller's expectations. If the registered bidders are intent on buying, they will need to bid above the 'vendor bid'.

The auctioneer's job

Legislation differs in all states so first and foremost the auctioneer must be familiar with all local legislation and requirements for conducting an auction.

A good auctioneer is excellent at reading body language and is great at creating a buzz amongst the crowd. Auctioneers have different ways of conducting an auction. Generally, they aim to encourage as many registered bidders as possible to compete, to achieve the highest possible price.

The auctioneer can set the amount by which bids increase. These are called rises or bidding advances.

A few extra things to consider

Your agent should provide you with a detailed schedule of what is likely to happen on auction day. If this is not provided then you should ask him/her to do so.

Issues may include: where should I be during the auction, what if no-one bids, what happens if we don't reach the reserve, should I have my family and friends with me for support? Depending on the outcome of the bidding process, you may take either of the following actions after the auction is over:

Your property has not sold – if the outcome of the auction was that the property did not sell, you will discuss your options with the agent. This may include re-advertising and marketing the property for sale at an agreed price.

Your property has sold – if your reserve has been met and the property has sold, the auctioneer will invite the purchaser to sign the contract of sale and pay the deposit.

Your house will then be sold and the stress of auction day will be over!





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What happens after your property is sold

First of all, congratulations!

You've gone through a lot just to get to this stage so you deserve to celebrate. You can enjoy the excitement of finding or getting ready to move into your new home but there are just a couple of steps left to take care of.

The contract of sale

The purchaser usually signs the Contract of Sale first. From the moment the buyer signs the contract, it becomes a legal and binding document.

The initial Contract of Sale is usually prepared on the selling side, either by the seller's real estate agent or by their conveyancer or solicitor. A cooling-off period of 5 days applies to contracts for residential property.

Buyers are free to change their mind during this time. This does not apply if you sell via the auction process.

Contract to settlement

From the time both parties have signed the contract and up until settlement you will need to ensure all special conditions are met that were outlined in the contract.

You and your agent and solicitor should work together and continue to keep in touch throughout this stage to ensure you get all the help you need.

The buyer is entitled to inspect the property 2-3 days before

settlement to make sure it's still in the same condition as when all parties signed the contract.

Finance

You may have bought a new home before you sold your existing property which means you may like to speak with your lender or broker about a bridging loan.

A bridging loan is when the lender takes security over both properties and lends against these properties until the sale and purchase process on both is complete and some lenders will give you six months to sell your home if you're buying an established home and up to 12 months if you're building.

The right bridging loan for you will depend on a few things:

1. How long do you need the funds for?
2. Do you have an unconditional contract on the property you're selling? Or are you yet to sell?
3. Is your new property a new build?
4. Are the properties you're buying and selling for investment or where you live?

5. Can you meet the repayments on your current loan and the bridging loan?

On settlement day

On settlement day, at an agreed time and place a settlement agent (solicitor or conveyancer) meets with the lender and the seller's representative to sign and hand over documents and cheques – neither the buyer nor the seller need to be there. Your settlement agent should contact you to let you know if settlement went through successfully. Sometimes settlement meetings are delayed. If this happens, your solicitor and conveyancer will reschedule and let you know.

If you're concerned about penalties or other issues that impact your moving date, you should speak to your solicitor and conveyancer to work out what can be done if it becomes delayed for an unreasonable amount of time.

Once you have handed over the keys to your agent, the property must be completely vacant and ready for its new owners.



What happens after your property is sold

After settlement

Once the solicitor for both parties have confirmed in writing that settlement has occurred, your agent will be instructed they can release the keys to the buyer. It is not unusual for the notification of settlement to take a few hours to come through so it is best to ring and check with your solicitor and agent.

The other thing about settlement day? It's EXCITING! You are about to move into your new home and onto the next stage of your life.



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