

Real Estate News

INFORMATION TO HELP YOU WHEN BUYING OR SELLING

FEBRUARY 2011

Thinking of Selling? “Why” IS Important. GARY PITTARD



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If you are like most sellers, the thought of selling your property can be daunting.

When it comes to getting the highest price for your property, these are the two things that, more than any others, will optimise your chances of success.

But before we get into those areas, do you mind if I ask you a personal question?

Why are you selling?

Now before you go thinking that this is none of my business, I put it to you that this is a critical question that you should answer before you begin the selling process, and certainly before you go talking to a real estate agent. Why IS important.

You see, this sale is all about YOU.

Will your life improve as a result of the sale of your property?

You should be able to discern a clear and positive reason why you will benefit from this sale.

For example, you might be selling to:

- Upgrade to a larger home to accommodate a growing family
- Reduce financial pressure
- Downsize to a smaller and more manageable home
- Move to a retirement village

In all of these cases your life should improve once you make the move. Human beings are goal-orientated creatures. We all need something upon which to set our sights.

If there is a benefit to you in the long run, the selling process will be much easier for you.

You should never put your property on the market with the thought, “If I get my price I’ll sell”, or something similar.

Without a clear goal you are wasting your time, emotional energy, and money

Your Reason

Be sure your reason for selling is confidential. No-one, other than the agent you trust, should know why you want to sell.

If the buyers know you gave a pressing reason for selling, this could be used against you. It is enough for buyers to know only that you want to sell. The reason is your business. Revealing it could weaken your position when you receive an offer.

The best agents will tell you how to give your property that special feeling that wins the hearts of buyers.

With the right agent, and with your property looking its best, you will always get the highest price, but your reason for selling should be kept between you and your agent—and nobody else.

IF YOU NORMALLY INVEST IN PROPERTY, WHY NOT USE THE SAME STRATEGY WITH YOUR SUPERANNUATION SAVINGS

DIY Superannuation Funds now hold the majority of all Superannuation in Australia. As a result the demand for more investment opportunities within that structure has increased. Changes now mean that as long as strict conditions continue to be met, your SMSF can now borrow to acquire investment property.

How does it work?

Your DIY Super Fund will need sufficient cash to raise a 30% deposit and cover the stamp duty and legal fees. The Fund then simply applies for a home loan through any of the major banks for the balance of the purchase price.

The DIY Fund then collects the rent and meets all the properties expenses, including loan repayments. One of the lending criteria is that the loan is limited recourse, which simply means the bank only have a mortgage on this asset only, not on any personal assets or other Super Fund assets.



What are the Benefits?

There are many benefits associated with borrowing through a DIY Super Fund. Some of these include:

- an increased exposure to capital gains as the property's value rises.
- reduced rates of capital gains tax on ultimate sale of the property.
- access to tax deductions within the SMSF.
- if you would normally borrow to invest in property, why not follow this strategy with your superannuation savings.

Things to Consider

Before borrowing through an SMSF, the following factors should be considered by potential borrowers:

- The SMSF Trust Deed must allow for borrowing under an instalment arrangement.
- Investment in certain asset classes must be consistent with the SMSF's investment strategy.
- The SMSF requires sufficient cashflow to service the loan over the term of the loan. Cashflow must be sourced from the net income of the asset, other investment earnings, or member contributions.
- Arrangements must be at arm's length and transacted at market rates.
- Professional investment, taxation and legal advice should be sought before entering into an arrangement.

Skybridge Financial are specialists in the set up and administration of DIY Funds. Contact us for a free no obligation discussion on how to use your Superannuation to acquire your next investment property.



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LETTER FROM EDITOR



Negotiation Not Compromise

VICTORIA KNOX

Dear Readers

Welcome to the February Issue of Real Estate News.

If you have an interest in Property Investment then read Skybridge Financials article on DIY Superannuation.

Thank you to everyone that has passed on their kind comments regarding our first issue of Real Estate News, it is much appreciated.

If the team at Noel Daley Real Estate can help you with any real estate issues please feel free to call us on 02 6722 3088

Negotiation sells homes not advertising. So, when a prospective vendor interviews several agents, one of the questions they should ask is; "Are you a good negotiator?"

I cannot imagine any agent actually saying that they are not! But the prudent vendor should look at this more closely. When asked about negotiation, most agents, who haven't studied this art form, will tell you stories about how they worked the buyer up. And they will tell a tale where they have submitted an offer to the vendor who comes back with a counter offer and eventually after some to-ing and fro-ing, they meet somewhere in the middle. This is not, however, negotiation. Agents who do this are, in my opinion, "Arrangers of Compromise" not negotiators. These agents harm themselves by not knowing the buyers. And because they do not ask good questions, they therefore, never know their buyers' wants, their needs, their time frame or their ability to pay. Another appalling practice occurs when a buyer submits an offer to

the "order-taker" agent who passes that offer on to other prospective buyers and the one who offers one more increment than the other will be the successful buyer. This is commonly called a *Dutch Auction* and is not only very poor practice, it is very poor negotiation! Worse yet is when the agent convinces the vendor to put the home to auction. There is no negotiation possible at an auction!

When it comes to real negotiation, a good negotiator should and must be able to prove their negotiation skills. If they cannot, avoid these agents; they will cost you plenty!



The Outside Matters Too

GARY PITTARD

When selling your property, first impressions create permanent opinions. Do your best to create a positive mood for all prospective purchasers. And remember, the outside of your property matters too.

Begin by sweeping the footpath in front of your property. Remove all rubbish from the gutters. Clear the letterbox of junk-mail. If you have a lawn, do your best to make sure it is not bone-dry. Green grass is appealing and a sprinkler does wonders to most lawns – a bit hard with water restrictions, I know!

If you have a gate, make sure it doesn't squeak. If your front fence needs repair, it might be better to demolish it. If the buyers see a potential expense, they either won't buy or they will expect a reduction in your price.

Clean the paths and the outside of your property to remove dust and cobwebs (close your windows first). And clean the windows so that they sparkle; few things are as ugly as dirty windows.

Make sure there is no paint flaking. You may not have to repaint, but at least scrape off any loose paint pieces.

Flowers do wonders for the front of a property; and the brighter the better. They create a homely look. You can get flowers for any season. Daffodils, pansies, petunias - go to the local nursery and ask for advice.

Buy flowers in pots if you don't have much lawn, and make sure they are displayed in two places: near the street and near your front door.

You want buyers to fall in love with your property, so give it that loved look. At the front door, have a thick door-mat with 'welcome' on it. It sounds corny, but it feels good. It is friendly; *it feels like home.*

Make sure that the screen door is working. Have a door-knocker or a bell with pleasant chimes. If you have a door bell make sure it works. If people come to your home in the evening, have the welcome light on.

When buyers arrive, you want them to think, *"This looks nice."* By the time they reach your front door, you want them to think, *"This feels nice. I like it!"*

Neat, clean and friendly are the first steps to making your home attractive from the outside.

Create an appeal that says, *"Welcome. Come inside".*



WARNING TO ALL PROPERTY OWNERS

Don't sell your property before...
you meet the buyers who are already waiting!

Right now, we have **dozens of buyers** eagerly awaiting to find a property in your area. All shapes and sizes of properties. In all price ranges. So, why go through the pain of forking out thousands of dollars in advertising or weeks of waiting when the right buyer for your property could be just a phone call away?

 6722 3088



Test us now by making one call...

Our thanks to Jamie, Todd, Ben & 'The Girls' of Noel Daley Real Estate for the help in selling our home in Hindmarsh Street Inverell. We found their service excellent in every way, courteous, prompt, helpful and friendly. We would recommend this great team to anyone who wants (and receives) honesty and fair dealings

*Sincerely
Bob & Lyn Oliver*



**Are you looking
to lease your
Investment property?**



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

To find out if any of these prospective tenants suit your investment property contact **6722 3088**

www.noeldaley.com.au

Maximum return with Minimum of stress

- Best Market Rent
- High Quality Tenants
- Experienced property management team
- Regular monitoring of your investment
- Stress free management

Left to right; Donna (Receptionist), Jodie (Property Manager), Zoe (Property Officer)

Contact the Property Management team at
Noel Daley Real Estate
to discuss what we can offer you in the management of your property



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