

# Real Estate News

INFORMATION TO HELP YOU WHEN BUYING OR SELLING | October 2010 |

## EVERYTHING IS NEGOTIABLE

JIM GRIGORIOU

Negotiation skills are essential for success in real estate sales. Incredibly, almost unbelievably, most real salespeople have never studied negotiation.

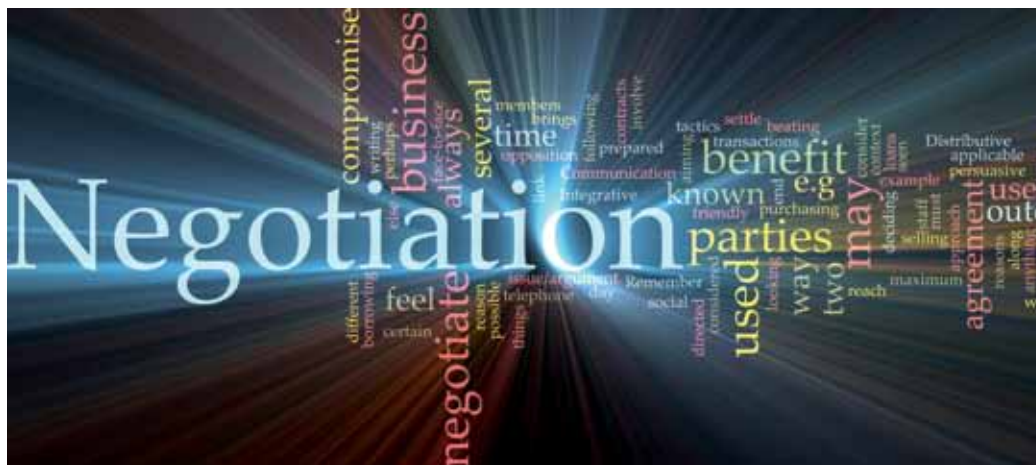
Research shows that less than 5 percent of real estate salespeople have read a book on negotiation. This is disgraceful! Throughout the world, home sellers are losing millions of dollars because their trusted representatives refuse to develop their negotiation skills.

If an agent sells a property for anything less than the buyer could have, would have, or should have paid, then the agent has failed the client.

Anyone selling a property can put an advertisement on the Internet or arrange a sign to attract buyers, but the area most people struggle with is negotiation. Unless your agent can display superior negotiation skills then all you've hired is an overpriced advertising representative.

**Here are some excellent questions you should ask any agent that you are considering appointing to sell your property:**

1. How many books have you read on negotiation in the past year?
2. What are the four questions that will reduce prices instantly? \*\*
3. Will you show me proof of your sales results, where you have achieved either full asking price, or above?



If an agent is talking auction to you, be careful not to confuse the Reserve Price, which is the LOWEST price the owners are willing to accept, with a price the sellers were HAPPY to accept. There is often a big difference. The reserve price is a wholesale price.

### The reserve price is a wholesale price.

Mystery-shop agents over the phone and ask this question: "You have a property listed for [example \$700,000]. How much will they take?" Be silent and listen for

what comes next. There is a good chance the agent will reply with something like, "The vendors would consider high \$600's."

Would you want the agent in this example working for you? He or she is already talking down the price the sellers hope to get, without ever meeting the 'buyer' to determine the most he or she will pay.

Always make sure that you hire a good negotiator. All agents are NOT trained the same. Make sure that you find somebody who went to the effort, and expense, to study his or her craft.

**\*\* The four questions that reduce prices instantly are:**

1. How much is this property?
2. How long has it been on the market?
3. Why are they asking this price?
4. What will they take?

## LETTER FROM EDITOR



Welcome to the October edition of Real Estate News.

It has been said that if you fail to plan, then you plan to fail. Selling and buying requires a lot of planning and foresight. For example, those people who are planning to sell and buy by Christmas this year or more importantly by the start of the new school year in January 2011 are starting the process now.

The agent's job is not only to help you sell and buy, but also to help you plan the process, and then work with you and guide you throughout the process. A good agent is one that works with you, not just for you.

I hope you enjoy reading this issue.

If we can assist you in any way at any time, please give us a call.

**Tony Abboud**  
Principal

“To win sellers, agents will often quote a high price. Be careful. Ask the agent if there is a price below which they would be prepared to charge no fee. This sorts them out really quickly.”

# Your Next Move Starts Now



**For anyone planning on selling their house and perhaps buying another in time for Christmas, or even the start of the new school year at the end of January, then now is the time that you need to start.**

There is limited time from now till Christmas in which to prepare your home, market, sell the existing home, find a new one and as a result be settled early in the New Year.

If this is your wish, then you really need to be talking to a real estate agent today!

- The month of October you talk to real estate agents and choose an agent that you feel most comfortable with. During this time you need to prepare the house for listing and marketing material e.g. photographs.
- Once you have chosen an agent, you then enter the marketing phase which can be up to 4-6 weeks. This involves marketing your home for sale, potential buyers viewing your home, negotiation by the agent to get the best price for your home. With so much going on it means that you quickly approach the end of November in your overall campaign.

**Note:** If after 6-8 weeks your property is still on the market then you need to take action, either your property is incorrectly priced or your agent is not doing their job.

- Hopefully by the end of November if not sooner, you have successfully sold

your property and are in a position to buy no later than December.

- Selling and buying will initiate the contract phase. Generally it is 42 days for a standard contract.
- By the month of January you have organised your move. You have moved into your new home and are happily settled in.

Many people underestimate the impact of selling and buying a home. In fact it rates in the top 10 as one of the most stressful periods in a persons' life. Will it have an impact on you and your partner and your children?

Moving into a new suburb or new area may affect your children's schooling. Ideally if starting a new school you would want your children to be settled at the start of the school year. Enabling them to be better prepared.

It can impact on your jobs, however with the right planning you won't get caught out. You can negotiate leave of absence with your employer and the Christmas holidays can be a convenient time for both yourself and your employer.

With the right agent, and with your property looking its best, you should be able to sell your home in the Spring/Summer season which is traditionally a time of high activity in the real estate market.

It's all about planning! A good agent will help you with the plan, so that you can achieve your goals with the minimum of fuss.

# Should You Rent or Should You Buy?

GARY PITTARD

For many people home ownership is a dream. Admittedly, home ownership is a great goal to have, however it is important to consider whether ownership is right for you.

The most important thing to consider is affordability, now and into the future. You do not want to move into the home only to find yourselves under financial pressure as time goes by. You do not want to be a slave to your home. The dream home can turn into the nightmare mortgage.

Here are some factors to consider when weighing up Affordability:

## 1. How much deposit do you have?

In present times, most banks are insisting that home buyers have a 20 percent deposit. This is the minimum you need if you are to buy a home. Often the bank expects you to have a proven savings record, to show that you have saved the money. In the past banks were more lenient – first home buyers (especially) who purchased properties with little or no equity were cannon fodder when interest rates started to climb.

## 2. Can you afford the repayments now?

It can be a crucial mistake to buy a property expecting a pay rise. Does your current income support the

proposed mortgage repayments?

If the interest rates were to rise by 1% will you still be able to afford the proposed mortgage repayment?

## 3. Can you afford the repayments on one wage?

If pregnancy is not a possibility, this is not such a vital consideration. Many people buy a property based on two incomes. Plans are thrown into disarray when one income ceases due to job loss, illness etc.

## 4. Can you afford the repayments if interest rates rose by 3 percent?

If you cannot, do not buy. While this might sound silly to some Generation X and Y buyers, there are many of us who can remember the days when interest rates were 17 percent, so allowing for a 3 percent increase is not as silly as it sounds.

## 5. Ask a lot of what if questions before you commit.

If you can afford to buy, then you should. Don't wait for the 'right time' unless you have a crystal ball. Go buy yourself a home and enjoy these benefits:

- Long term capital gain – pay off as much of your mortgage as quickly as you can and gradually 'trade up'.



- Feeling of safety and security – it's your home. You can knock out a wall, paint it any colour you like, and no landlord can stop you.
- You are paying off your asset, not somebody else's as you do when you rent.
- Path to prosperity. There is nothing like the feeling of owning your own home, and if you are careful, it will become possibly the greatest financial asset you will ever own.

One final point: think modestly. Don't make your first home a huge four bedroom palace that you cannot afford to keep. Start out with a modest home within your budget and trade up over time. Always aim to keep your home repayments at a (conservative) affordable level.



Where  
will you  
be when  
Santa  
comes?

If you want to be happily moved and settled before Christmas, you need to start doing something now.

At Snowden Parkes we are gearing up for a frantic few months as we head towards Christmas. If this year is anything like previous years, it's almost certain that we'll need more properties to sell.

So, if you are thinking of selling before Christmas, please call us now on 02 9808 2944 and we'll be happy to give you a

**FREE MARKET OPINION**  
on the sale of your property.



## Real Estate Careers

Great people.

Satisfying.

Career paths.

Winning agency.

## An environment where you can excel

Here at Snowden Parkes we're always keen for aspirational individuals to join our Team.

We offer plenty of rewarding career opportunities and a nurturing environment which breeds success. So if you're up for a challenge and are looking for a long-term real estate career, we'd love to hear from you.

# About Us

### **The Snowden Parkes Real Estate Agents office has been established in its current form since 1980.**

It is a local agency that understands the area and has forged a reputation for integrity, a culture of client care and a proven history for achieving outstanding results. The office offers a complete real estate service including:

- Residential sales
- Property management
- Project marketing
- Portfolio management
- Community Consultancy
- Development Consultancy
- Careers in Real estate

With more than 20 team members consisting of a dedicated and highly trained team of sales, rental and support staff, Snowden Parkes Real Estate Agents exists today as one of the biggest teams in the district and is continually growing. It has been built on the fundamental principles of honesty and ethics, which

are upheld by all staff members and it is the team that contribute to the everyday success of Snowden Parkes.

The business strives to be at the forefront of technology advancement, providing better communication and easier access and has recognised the importance of the online market.

Tony Abboud who is the proprietor of Snowden Parkes Real Estate Agents is one of the real estate industry's most respected practitioners.

Tony, although he is now the Principal, commenced his real estate career in 1980 at 23 years of age as a salesperson. Due to hard work and determination he was made a partner of the real estate office in 1982 and became the sole owner in 1985.

Prior to commencing his real estate career he completed studies at Macquarie University where he achieved a Bachelor of Arts Degree with a major in Economics and Accounting.

Since 1989 Tony has been an accredited sales trainer and industry consultant providing training for the Real Estate Institute of NSW and consulting services to various National and State Real Estate franchises and other real estate groups.

Tony has a high level of commitment to the community where he is regularly invited by Ryde Council to sit on various committees advising council on various issues such as town planning and transport. He recently was re-elected as the president of the Ryde Chamber of Commerce, he has also been a member of the Rotary Club of Ryde since 1986 and is a member of the Ryde Business Forum.

Tony and the team at Snowden Parkes are constantly looking for a better and more efficient way of doing things and in particular more ways to add value to clients of the office. Snowden Parkes Real Estate Agents have been selling in Ryde and the Northern Districts for over 30 years and intend to be doing so for many years to come.

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☎ 02 9808 2944 | [www.snowdenparkes.com.au](http://www.snowdenparkes.com.au)  
14 Church Street, Ryde  
email: [property@snowdenparkes.com.au](mailto:property@snowdenparkes.com.au)

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