



| TOP TEN TIPS

Selling Your Property Fast

Dymphna Boholt

Who is Dymphna Boholt?



Dymphna is an accountant and economist who has written a number of best selling books on real estate investment.

As an educator and mentor, over the last 10 years she has spoken to many thousands of people at a range of seminars and public forums.

She was the first ever female keynote speaker for Anthony Robbins and his Wealth Mastery program. As well as being an active investor, Dymphna reaches out to people who want to succeed, passing on her vast knowledge through her I Love Real Estate property investing programs.

"I like to say to people in my seminars and presentations that I became the 'accidental millionaire'."

"I was a stressed single mother bringing up two kids on my own, running an accountancy practice and trying to build that business.

I made a very important decision that I wanted something different.

I didn't want to be sitting at my desk for the next 20 or 30 years doing tax returns. I realized my life and my business plan had to change.

One of the things I had to change was the way I invested and in order to do that, I needed to create a passive income. I looked at all different types of industries but realised the easiest way to do it was through real estate. From the day I made that decision it only took me 18 months to totally replace my accountancy income, which was earned working up to 60 hours a week. I then had money coming in regardless of what I did with my time.

Now during that time, I created a \$3.5 million portfolio but the biggest thing was that because I replaced my income which was so time consuming it meant a huge change in my life. I could stay home and play with the kids. I could take them to the beach, or I could go to work. Either way, I had the same amount of money coming in."



1. Real estate agents

Real estate agents sell houses for a living. Chances are they know what to do (I should hope so!). Choosing your real estate agent should not be something done on a whim. Ask around. Look for the agent that best suits you and your property.

Are they familiar with the area? Have they been a real estate agent for a long time? Are they motivated and enthused to sell your property? Experienced real estate agents often have quite a large number of contacts, and often will keep in touch with clients that may have missed out on a property and are still interested in buying in the area.

2. You're selling, not keeping

Making your property appeal to the masses is something that often gets overlooked. In my experience, anything personal stops buyers from becoming intimate or emotional with the property (none of Grandma's pottery or your daughter's first drawing framed on the wall!).

Transforming your property into something that a buyer would be able to buy and immediately settle into is optimal. Get the small and often trivial, annoying repairs done on those knocks, chips and damage that have built up over the years. Minimalism in all areas is the key.



3. Staging your property

This should be something that your real estate agent will suggest you do if the property is empty, or you have no idea of furnishing the property successfully yourself. It will normally cost you between \$3,000 and \$6,000 for 6 to 8 weeks hire. Additionally, included in the staging price is a team of designers and removalists, who bring the furniture in, stage it, and when you are finished, they remove it all, so you don't have to do anything. You don't even have to think about how many pillows are appropriate to put on the lounge or bed, or which vase looks best where. They will decide which piece of furniture will hide your house's shortcomings. They are professionally trained to do this for you. Your house will look so good, that prospective buyers will be lulled into dreaming of their ideal lifestyle.

When putting an ad in a real estate newspaper, capturing the viewer's attention is paramount. Having a few strong, striking shots of your house at its cleanest and meanest is the number one goal. Avoid bland, average household pictures (e.g. toilets), you want your buyer to fall in love with it, so the best sitting areas and bedrooms in the house should be featured. It is also important to make sure that you do not go overboard with the amount of shots you display. I find that it is less effective when there are too many photographs cluttering your 'ad'. More is not always better.



4. Don't be a fusspot!

In property investing and indeed all aspects of real estate, negotiation plays a big part. I have seen too many people get hung up on trivial numbers when dealing with offers. If you are declining an offer of \$690,000 on your property that you think is worth \$700,000, and it is preventing you from moving forward with your real estate investing, then you are shooting yourself in the foot. You need to accept the offer and move on to the next deal. Remember, having a property on the market for a long time is not a good look, but sometimes unavoidable.

Negotiation with buyers can be helpful if you are willing to think outside the box and have an open mind. It can be a good way to fall into some JV-type deals, vendor financing, rent to buy etc., and also an effective way to appeal to a wider audience of potential buyers.

5. Street appeal

Many experienced Real estate agents are adamant that most buyers know if they will buy the property within the first 8 seconds of seeing it. So it's quite important to show the prospective buyer something people can love and be proud of in those first 8 seconds. I try to spruce up gardens (especially in spring) and add some bark or mulch as a cover. Washing the driveway with a pressure cleaner can make a huge difference to the street appeal of a property.

Does your house front need a re-paint? Is the gutter paint shedding? Look at all these things and if there is something cheap, yet effective; it's worth it. This can, however, backfire, as if your home is around the lower price echelon in that market, maybe those things would (while they may attract more people) drive your price up.

6. Interior presentation

K.I.S.S. – ‘Keep It Simple Stupid’, or ‘Keep It Simple and Serene’. Think about your old Granny’s house. How did you feel when you walk in there? Is it overcrowded? Is it cluttered with photos and a lifetime of collected trinkets? How does it smell? Is there pet hair on the furniture? Do you feel claustrophobic? Now whilst this may not be your Grandmother, I know all of us can picture this kind of house.

- 1. Get rid of all evidence that you live there.** Your photos mean nothing to anyone else. Take down the photos, all the trinkets etc. A potential buyer needs to see themselves living in the house not you.
- 2. Do a spring clean - clean every surface, even under the couches.** Throw out, donate to charity or pack away anything you haven’t used recently.
- 3. Open up the windows and let the air in.** Get rid of all the old and stuffy smells. Make some bread, bake some cookies maybe. This creates welcoming odours, especially if your buyer is a homeowner not an investor.
- 4. Sugar soap or paint the walls.** Touch up the marks.
- 5. If cleaning isn’t your thing, then get professional cleaners in to do it for you,** especially in the bathroom and kitchen areas.
- 6. Make sure there are no bugs around - alive or dead.**
- 7. Re-oil the decks and wood surfaces.**
- 8. Make sure the family pet is not in view at inspection times.**
- 9. If the rooms are small, put on the lights as this will make them appear larger.**



7. Determining the right selling price

This is an area where too many sellers have great difficulty. How do you price the property? If you price the property too high, it will sit on the market and go stale, but if you set your price too low, you may be doing yourself out of potential profit. Most people determine their price from the advice of the agent, if you do this, make sure that you get at least three other agent's estimates and do a comparable sales analysis in the area before deciding on a figure.

When setting a sale price for your property it is all about balance. After all, we are talking about your bottom line here - how much profit you will make in an investment deal, or gain on your principal place of residence. You as the seller need to be happy with the price, but the buyer also needs to be happy.

You need to set a price that you are willing to accept, and that you believe someone is willing to pay, and then add a margin for negotiation.

8. Open Listings vs. Exclusive Agency

I get this question a lot, and unfortunately there's no real answer. Obviously, the Exclusive Agency Agreement is the best option for the agent as they are guaranteed payment if the property sells. Often, they will argue that this is the best option because they will be most committed to selling their exclusive listings first. Make sure that, if you sign this contract, the agent is willing to conjunct with other agents to sell your property. I also recommend that you don't sign an exclusive agency for too long. You may grant your favoured agent an exclusive agency for a short period of time e.g. 4 to 6 weeks, and after this time, you can reassess the agent's performance.

Open Listings is where you list the property with a number of agents and whoever sells it gets the full commission. Open listings are not liked by agents, as they can put a lot of time and effort into selling the property only to have it sold out from underneath them by another agent. From a general perspective, open listings very rarely work. It's the shotgun approach, and not only do the agents not get too motivated, but if every agent has the listing, you look desperate. I feel that it dilutes the intensity between the agents.

A Sole Agency Agreement means your property is contracted to one selling agent exclusively. However, with this contract, you are able to sell your property yourself and not have to pay commissions to the agent. This gives you the ability to find a seller yourself (and also covers you if you end up selling to a pre-existing buyer that you have already spoken to).

9. When to look at auctions

The decision to take your property to auction is a difficult one, and a subjective one at that. Agents will generally like auctions. If the property sells 'under the hammer', it means that you are guaranteed a sale and the property is sold in 'as is where is' condition (and it is the buyer's responsibility to have all necessary checks completed). Furthermore, selling a property at auction will give you a confined marketing timeframe and can often create a sense of urgency. Even if the property doesn't sell at auction, I have seen many cases where a buyer will negotiate after the auction, giving them the security of signing a contract with terms and conditions such as finance etc.

On the down side, the property doesn't have a listing price, and some buyers may not look at an auction property simply because they don't know if the property is in their price range or not (these buyers are often scared by the auction process).

I believe the market and your type of property has a lot to do with whether or not an auction is appropriate. For example, when the market is hot for sellers and houses are moving quickly with rising prices; auctions are fantastic. When the market is flat; I am less enthusiastic about the auction process. Similarly, unique and exclusive properties suit auctions, as determining your market price can be difficult.



10. Internet marketing

When you are a buyer, you're in control. You've selected the property and you will decide how far you are prepared to go in price. You can also walk away whenever you feel like it. It's not all doom-and-gloom for sellers though, there are things you can do to help the process, and presentation is one of them.

These days, with the internet being as powerful as it is, we would be remiss if we neglected using it. More than 80% of real estate sales come from the internet, so your first consideration is, how to convert those buyers glancing at properties on the internet into a buyer that wants to have a closer look at your property. You as the seller need to encourage them to go from internet search to picking up the phone and talking to the agent or sending him or her an email.

Your real estate agent will insist on professional photographs, and may even organise a virtual tour of your property and have a professional film crew come through and video a walk-through of your home. This can be cut to music or have a voiceover that highlights the house's best features. Obviously, this can be expensive and unnecessary for a lower value property.

Your emphasis on photographs versus the descriptions of the property will be totally different also. A homebuyer will be interested in the feel of the house – how it looks, the grade, the street appeal, whether the style or colour scheme appeals to them. Appealing to the investor as a buyer, you want your internet ads on property listing sites to captivate the potential buyers' immediate attention and tell them what is in it, in money terms, for them. The description of a property for a homeowner is all about selling the dream, so converting the internet interest into an enquiry should be a priority.

To find out more **call (03) 9490 8888** now or go to **www.iloverealestate.tv** to register for our next **FREE Webcast** where you'll discover the strategies, techniques, structures and support you need to successfully invest and prosper from Australian real estate.

Yours in success,

A handwritten signature in black ink that reads "Dymphna". The signature is written in a cursive, flowing style with a period at the end.

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