

South Australia's Own

VOLUME 1 2011

Transform

Your guide to
adding value
to your home

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dream of

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What's the best way to sell your property?

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from the editor

I always struggle with what to write in the editor's note. Every issue just days before we go to print, I sit here in front on my lap top, my brain frozen trying to come up with something witty and useful to impart on our fabulous readers.

Do I carry on about my dislike of wall paper today? Or ponder the question of the most appropriate time to take down Christmas decorations (as I sit here in late January, mine are still up.) Perhaps I tell you about the mad effort going on at my house to hand dig an entertainment area and pave it (we've also hand

sanded floorboards before, but that's a different story,) or ask about the best places to buy nursery furniture for our soon to arrive new family member.

Welcome to Volume 1 2011 of Transform – South Australia's own home guide. Thank you for helping to support some of Australia's charities with your purchase of the magazine.

In this issue we look at just some of the different ways to add value to your property and get top dollar when you put it on the market. From the best in bedrooms to brilliant bathrooms and



tile trends, Transform will show you how to make your place sparkle. Speaking of sparkle don't forget to check out our guide to presenting your house for sale...I'm still amazed at how many houses are put on the market unprepared and unattractive...make sure your place isn't one of them.

*Cheers
Bek Schapel
Editor*

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Transform

On the cover New York interior designer Diane Bergman has recently opened an Australian showroom.

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the best way to sell your property

TV property expert and CEO of Empire Property Chris Gray explains how to achieve the best sales result for your property.

Every vendor wants to achieve the best possible price for their property when it goes to market, however the majority remain confused about the best sales technique to get results. Confusion reigns around whether to sell via auction, private treaty or negotiation.

There's a good reason everyone is so confused – there is no absolute right or wrong method. As someone who buys properties for a living, with over 20 years experience in the market, I have discovered the best method of sale will depend on the property type, the area you are selling and your temperament.

If you want to choose the best way to sell your prop-

erty, it pays to understand the different techniques; their advantages and disadvantages.

Auction

An auction opens at the price the market determines, and relies on a sense of urgency and competition. In this emotional environment buyers may bid more than they had intended, leading to a fantastic result for the vendor.

The relatively short campaign period for auctions – generally four weeks – is seen as an advantage by most vendors. Unlike private treaty campaigns, where the property can sit on the market for a lengthy time period, you will be working to a brief and defined time frame with a fast turnaround. If your reserve is realistic, the market is good and you are selling in an area where buyers are used to auctions, you can expect the property to sell on the day of auction.

Even if the property doesn't sell on the day, it often sells within a few days so you will still achieve a fast turnaround. This works well for high demand properties, such as units in inner urban locations.

Auctions do have their downsides – choosing to go to auction in a non competitive market or in an area where most people prefer a fixed price could lead to a lower final price than you had hoped for.

This is dangerous if you have to sell as the price starts low, and could remain low. If you set an unrealistic reserve or are selling in a down market the property could be passed in and gain a reputation as overpriced or stale. A good agent can help you set a realistic price for the property and avoid this pitfall.

Private treaty

Private treaty sales are popular with vendors and buyers

alike – it is relatively low stress and everyone knows what they are in for. In a private treaty sale the vendor works with their agent to set a price for the property. Sellers may offer to pay less than the listing, but it is up to the vendor's discretion whether to accept this.

In conservative markets you will generally achieve a better result selling by private treaty compared to auction. Buyers in areas where auction is not common tend to be afraid of auction and more open to the fixed price offered by a private treaty sale.

The downside of private treaty is there is no chance of selling your property for a higher price than the value you set. With no fixed time frame for the campaign your property may sit on the market for an extended time, and you will need to factor any additional marketing costs for this time into your budget.

As with auctions, it is important to work with a reputable agent who will help you set a realistic value for your property. Buyers are savvy about the price they should be paying, and asking for too much for your property could give it a bad reputation. If you need to sell you may actually have to drop the price and get a lower final result than if you had set a realistic value in the



first place.

Expressions of interest

In an expressions of interest campaign, you invite buyers to submit an offer based on what they think your property is worth. Similar to an auction, the property is marketed strongly in a defined time period. Unlike in an auction, where a guide or reserve price maybe known, marketing for private treaty sales is usually done without a price or only a broad price range. Interested parties do their searches and inspections before submitting written offers by a due date. The seller can consider all offers and choose the highest offer. In an expressions of interest campaign you maintain a higher degree of control over a longer

time frame than you would have in a traditional auction and are able to go back to the bidder and ask them to increase their offer if you do not feel they have met your expectations.

Advantages of expressions of interest sales are the defined time frame and the confidentiality. During an auction bidders can seek to outbid rivals by offering as little as \$1.00 more, whereas in an expressions of interest campaign bidders are 'blind' and have no idea how close to the mark they are. The idea is that if buyers want the property enough, they will submit the best offer – and this could greatly exceed the amount offered by the second highest bidder.



There is a chance the discrete nature of an expressions of interest campaign would deter buyers who might be worried about bidding too high. For this reason, vendors opting for a private treaty campaign often have a property they are willing to leave open to the market until they find the right buyer.

Luxury estates and one-of-a-kind properties targeted at buyers for whom money is not an object could be the type of properties to sell via expressions of interest. If you are selling a standard suburban home you may be better off going to auction

or selling by private treaty, depending on the area and your adversity to risk.

Finding an agent

Once you've weighed up the pros and cons of the various methods of sale for your property, it's time to find an agent who will put your interests first. The agent who will achieve the best price for your property will have a good local knowledge, an established name in the industry and the area and knowledge of how most people in the area like to buy. Ask around for recommendations and make sure you feel comfortable with

the agent before signing them up.

Remember quality properties in good locations will always achieve good results, even in market downturns, and regardless of your method of sale. So if you want to achieve a great sale price you should make sure you buy well in the first place, as there are always buyers in the market for good properties!

About Chris Gray:

Chris Gray is the CEO of Empire, a company that builds property portfolios for other people – searching, negotiating and renovating on their behalf. For clients or his personal portfolio, Chris buys around one property per week, giving him a unique insight into market conditions and buyer and seller sentiment.

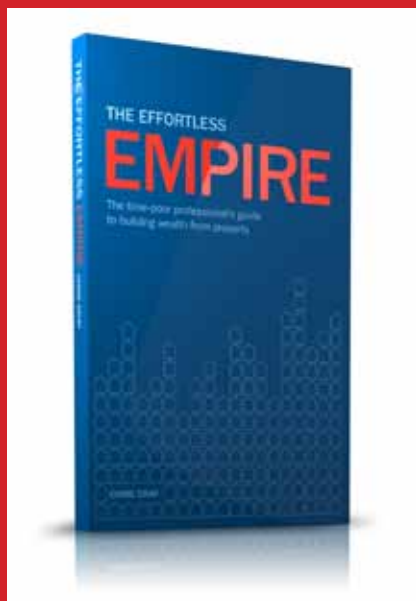
Chris hosts "Your Money Your Call" each Friday on Sky News Business channel, where he interviews various heads of property research and major industry figures. A qualified accountant, buyer's agent and mortgage broker, Chris has a personal portfolio that exceeds \$10 million.

For more information visit www.yourempire.com.au or www.chrisgray.com.au.

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