

# PROPERTY

SELLING & BUYING

## BOOST YOUR SALE PRICE

Finding  
the right

## HOME

Financing your

*dream*

## 5 TIPS TO IMPROVE THE

presentation of  
your property

petrusma  
property





Selling or buying property is one of the greatest opportunities in life, yet unfortunately for many it can be confusing, and for some even stressful.

PROPERTY aims to cut through the jargon and give you a straight forward, simple explanation of how best to sell and buy property, while at the same time, help you avoid some of the pitfalls caused through lack of helpful information and an awareness of the process.

At Petrusma Property we want to ensure that every selling or buying experience is a rewarding and enjoyable one.

When all is said and done, **property is about you!**

**Sam Towns**

Managing Director  
Petrusma Property

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It is not intended to be a comprehensive statement of the law or practice of real estate, and should not be relied upon in that way. If advice on the law or practice of real estate is required, it should be sought on a formal professional basis before applying that advice to particular circumstances. This booklet and its contents are for general information as educational material.



Petrusma Property is a proudly Tasmanian owned company which continues to be one of the largest independent real estate businesses in Tasmania. The company was founded on the principles of providing excellent customer service through trust, honesty and integrity and over the years we have received countless testimonials from thousands of satisfied sellers and buyers.

At Petrusma Property we are passionate about taking the stress and worry out of selling and buying property. Customer satisfaction drives us to make sure your experience with us is a rewarding one.

We are a company that strives for excellence. We continually look at how we can do things better to achieve the very best results for our clients. We keep on top of latest technologies, constantly challenging our property consultants and administrative staff to do better.

Petrusma Property currently employs over 50 staff in 5 residential sales offices and a Property Management office, servicing all suburbs of greater Hobart and Southern Tasmania.

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# Finding THE RIGHT HOME

Home ownership offers you an enforced savings plan, which adds up over time. But most importantly, the property is yours to call 'home'.

## > Buying vs renting

### WHICH ONE IS RIGHT FOR ME?

There is a big difference between renting and buying.

Reasons for renting can include:

- > Not having enough money for a deposit.
- > Being required to move from location to location for work.
- > Not being sure where to live.
- > Believing that renting will save you money.
- > Not wanting to be tied down.
- > Not realising the benefits of home ownership.

If you are renting, there is little security other than the period of the lease, but you don't have to pay for rates or repairs. The benefits of home ownership include long-term security. Home ownership offers you an enforced savings plan, which adds up over time. But most importantly, the property is yours to call your own, and you can do what you want with it – decorate, improve and change. It's yours!

## > The right property for you

When looking for a new home thinking about what is important to you (and why) will help you to see where you can make compromises with a home you can afford.

### LOCATION

Consider whether proximity to shops, schools, recreational facilities, medical services and public transport is important

for you. Also check whether there are noisy roads or industry nearby. Will the location enhance your property's value and appeal, when it is time to sell?

### FEATURES

What style of property appeals to you? Make a list of features that are important, such as the number of bedrooms, garages, block size and its slope, views, improvements etc.

### CONDITION

Are you prepared to renovate, and to what extent? You will never find the perfect home. If you are a handy person, and love to renovate, then the "worst house in the best street" may be a good buy for you.

## > Your property search

The internet is a great place to begin your search. A good agency website will offer you an online inspection of properties, complete with relevant details and photos. You should also be able to sign up for the weekly property alerts by submitting your email address.

Another good place to start is the local *Real Estate Guide*, in the Mercury newspaper.

It is also recommended that you gain assistance from a reputable property consultant. Most real estate offices will have window displays showing their properties for sale, but a good property consultant should also provide you with valuable information regarding the buying process, and be able to match your needs with properties that are for sale.





# CHOOSING THE RIGHT AGENT

## **A reputable agent should be able to:**

- > Show you a number of homes available in your price range.
- > Be willing to take you back a second time should you like the home in the first instance.
- > Inform you about the size of home, size of the land, the amount of council rates levied, the 'chattels' that will stay with the home, such as carpets, stove etc.
- > Discuss the benefits and drawbacks of each home in relation to your specific needs.
- > Tell you the original asking price and how long the home has been listed.
- > Give you any other important or interesting information about the property.
- > Know when 'new listings' come on the market.
- > Keep you up to date on changing financial conditions.
- > Be available to answer your questions or to offer assistance regarding your home purchase.
- > Discuss market trends and values relative to properties which may be of interest to you.
- > Assist you with homes offered 'For Sale By Owner'.
- > Keep you informed on a regular basis should you choose to buy through them.





# FINANCING YOUR Dream

## > Questions for your lender

- > How long do you take to approve a loan application?
- > Do you charge upfront fees?
- > Do you have monthly charges over and above the interest payments?
- > Do I have a choice of loan structure?
  - o Principal and interest
  - o Interest only
  - o A combination loan
- > Are your interest payments fixed or variable?
- > What is your variable rate?
- > What is your fixed rate for 1 year, 3 years and 5 years?
- > Is your interest in advance or in arrears?
- > How often are your interest rates reviewed?
- > How soon after Reserve Bank interest rates are dropped do you pass this on?
- > How much do you charge to release my mortgage if I should wish to pay it off early?
- > What maximum % of valuation or purchase price will you lend?
- > At what % does mortgage insurance kick in?
- > What are the costs of switching from variable to fixed interest?
- > What are my initial monthly repayments?
- > Do I need to pay for a valuation?
- > Can I choose my own valuer?
- > Can I choose my own solicitor?
- > What other costs, if any, will be applied?
- > Will you accept a loan repayment guarantee from an acceptable third party?

## > First home owner grant

The First Home Owner Grant commenced on 1st July 2000. Each State and Territory Revenue Office is responsible for administration of the grant in their respective jurisdictions.

For up-to-date information visit [www.service.tas.gov.au](http://www.service.tas.gov.au)

How much you can borrow from a lender will depend upon your taxable income, living expenses, existing debts and deposit. It is a good idea to confirm your borrowing limit with your lender before looking at properties.

Most lenders will lend up to 80% of the value of a property. If you need to borrow more than this you may be required to take out mortgage insurance, which insures the lender against a borrower defaulting. In addition to a deposit you will also need funds for legal fees, stamp duty, and other costs such as moving house.

## COSTS CAN INCLUDE

- > State Government stamp duty.
- > Local Council fees.
- > Titles Office fees.
- > Body Corporate search fees (where applicable).
- > Bank loan application fee.
- > Bank charges for title searches.
- > Bank settlement fees.
- > Bank stamping and lodgement fees.
- > Stamp duty on mortgage.
- > Titles Office registration fee on mortgage.
- > Solicitors fees on purchase.
- > Solicitors fees on mortgage.
- > Valuation fee.
- > Builder's inspection fee.
- > Surveyor's spot check fee (where applicable).

## > Pre-qualification

Given the length of time it takes to have a home loan approved, it is good to be pre-qualified. This usually consists of talking to your lending institution and answering some preliminary questions. At this stage, they are not agreeing to give you a loan. They are simply giving you an estimate of your budget.

## REASONS TO BE PRE-QUALIFIED

- > You will know in advance what your payments will be.
- > You won't waste time considering properties that are outside of your price range.
- > You can select the best loan package without being under pressure. There are many options to choose from in today's market.
- > Sellers may find your offer to purchase more favourable if they know in advance of your ability to secure financing. This may make your offer more attractive if you are in competition with other offers.
- > Peace of mind when searching for your property.

## > Pre-approval

Pre-approval is the next step where you receive a letter indicating your approved borrowing limit. When you have found the perfect house and your offer is accepted, pre-approval will reduce the time taken for your finance to be finally approved.





# PURCHASING YOUR Property

## > The legal process

Even if you are fully conversant with all the steps associated with the legal process of buying a property, proper legal representation is advised. It is a time consuming and difficult job with legal procedures that can be complicated and risky. Simple misunderstandings on your part may also be costly. It's recommended you choose a highly skilled legal practitioner that has conveyancing experience.

### HOW CAN A GOOD, QUALITY SOLICITOR HELP YOU?

- > They can help take the worry out of your purchase.
- > They offer practical solutions, as well as legal solutions, to problems as they arise.
- > They have a breadth and depth of legal and practical knowledge. Their experience in property means that your conveyancing transaction will be as simple as possible.
- > They can work efficiently with everyone involved in the transaction so that it runs smoothly.
- > They will show you the choices you have about the important legal decisions that you must make during the process of buying. Where there is a real decision you have to make, they will give you

advice so you can make the choice that will best suit your needs.

- > They provide a full conveyancing service.
- > They carry out all the searches you need, without wasting your money or undertaking unnecessary work, and they will report to you the things you need to know.
- > They want you to understand what is happening in the conveyancing transaction.
- > They will give you straight forward advice and information on the process of buying a house, or buying land.

What work will be done for their fee?

Some of the most important steps that they undertake for you are:

- > They are happy to check the Contract before you sign it, as part of their fee. This allows them to make sure your interests are protected, and to help you achieve the result you want.
- > Once they receive the signed Contract, they send out explanatory letters to you, to your property consultant, and the other party's solicitor confirming your instructions.
- > If your Contract is subject to any conditions, they work with your property consultant, your lender and the other





person's conveyancing law firm to see that these conditions are satisfied.

- > When buying, they undertake all the standard enquiries and searches like council and title searches (including easements and plans) and any others that may not be considered standard, where these are necessary.
- > They also provide the extensive further information that you need, and they assist you to properly identify the property you are buying.
- > More importantly, when they have the results of these searches they interpret them for you, and advise you if they adversely affect you in terms of the contract and in terms of what you have agreed to purchase. This is one of the major reasons to employ a competent and experienced conveyancing law firm, to help you protect your interests.
- > If you are borrowing money for a purchase, they work with you and your lender on satisfying any requirements, that may be imposed on you, by your lender.
- > They prepare the necessary documentation. For example the transfer, requisitions and search enquiries and they check the results of them for your benefit and protection.
- > They keep in contact with you and your property consultant about when the matter should be completed.
- > When you are purchasing, they keep in contact with the other person's conveyancing law firm to finalise details, so you have the greatest possibility of moving in, when you expect to.
- > To protect your interests on a purchase they lodge a special form called a priority notice on the title, when you are purchasing Torrens Title land. They provide your lender (if you are borrowing) with final settlement amounts, details and copies of the title and priority notice.
- > They provide you with confirmation that everything is in order to proceed with the sale or purchase, after checking the results of all the searches and enquiries.
- > They adjust the rates and land tax between buyers and sellers in the way that has been agreed in the contract.
- > They attend the settlement of the conveyancing transaction with all the representatives of the other parties involved, where the cheques, title deeds, keys and mortgages are handed over.
- > They notify your property consultant that the matter has been completed.
- > They forward a letter to you reporting

the full details of the settlement.

- > On purchase they undertake an "after settlement" check search and provide you with a copy. This ensures that the documents have been registered in your name and all the details are correct.

*The information contained under the topics "How can a good quality solicitor help you?" and "What work will be done for their fee?" is copyright material used under licence from Peter Worrall Lawyers (and Business Succession Australia {Tasmania} Pty Ltd) of 133 Macquarie Street, Hobart, and is used with their permission. Further information about conveyancing in Tasmania can be obtained on their web site at [www.pwl.com.au](http://www.pwl.com.au)*



## > Making an offer

To place yourself in the very best position to secure a property it's imperative you're prepared. You should ensure that you know what is a fair and reasonable price and be clear on how much you can afford.

When making an offer, dealing through a property consultant will minimise the risk involved in dealing directly with a seller.

Missing out on a property you have set your heart on is very disappointing. Quite often this happens because the offer process is misunderstood or because there is competition for the property from a number of buyers.

### SIX STEPS TO MAKING AN OFFER:

#### PRICE

This is the actual written price you put on a Contract, which is offered to the seller. It's imperative that you place your very best foot forward as you may not get a second chance.

#### DEPOSIT

A deposit of 5% - 10% of the agreed price is recommended. However, more is always better as a good deposit can be persuasive. You also have the option to use a deposit bond. A deposit bond is similar to an insurance policy for your deposit and is secured against an existing asset such as your current home. While not used often, a deposit bond may be applicable if you are purchasing an investment property or don't have ready access to cash.

#### CONDITIONS

Your Offer can be subject to a financial clause - such as bank approval or on condition of a building inspection. The less conditions you have on your Offer the more likely it is to be viewed favourably, however it is important that you protect your interests.

### SOLICITOR

If your Offer is accepted you will need the services of a solicitor and their details to give to your Consultant. Some buyers prefer to use a conveyancer who specialises in property conveyance only.

### SETTLEMENT DATE

Most Contracts take 42 days to reach settlement; however you may request an alternative timeframe, either shorter or longer, which may be more appealing to the seller or dovetail with the settlement and sale of your existing property.

### NAME OR ENTITY

Will you be purchasing in your own name, in a company name or trust? Your solicitor and tax accountant may recommend one of these for taxation purposes.

### IMPORTANT FACTORS:

- > All reasonable offers must be submitted to the seller and treated on their own merit. Similarly an unreasonable offer can be rejected on behalf of the seller.
- > The property is still on the market while the seller considers all offers. If your Offer is the first one submitted to the seller, it does not necessarily indicate that your Offer will be accepted.
- > Your Offer should not include a date by which the Offer will lapse.

## > Negotiations

An Offer is not legally binding on both parties until both the buyer and the seller have signed the Contract of Sale and after all alterations have been initialled and dated.

A Contract of Sale must contain details of the property, the price, the deposit and the settlement date. Once the Offer is made in writing, it is then up to the seller to decide whether to accept it or not, or to give the purchasers an opportunity to increase their original Offer.

It is important to be aware that an Offer, even if the buyer has signed it, places the seller under no obligation until the seller accepts it by signing the Contract. Of course, a written unconditional Offer, with a deposit, submitted to the seller can be very persuasive. It presents the seller with the opportunity to close immediately.

Good negotiating skills mean that you will more than likely get your price and terms. Don't negotiate if you are afraid of losing the property. A good mindset is to remember that if this one gets away, there will always be another.







### > Building inspections

Building inspections are one of the best consumer protection services available. They are usually carried out by qualified builders or engineers. If you are unsure of the structural integrity of a building you are buying, you can choose to proceed with the sale but include a special clause in the contract. This gives you the opportunity to opt out of the sale should the property fail a building inspection.

It is a good idea to accompany the building inspector as they do their report so you can see any defects for yourself. The costs of a building inspection can be high, depending on how extensive the report and how fussy you are. It's important to remember that all properties, regardless of age or quality will have a list of things that will need fixing.

#### WHY DO YOU NEED A STRUCTURAL BUILDING INSPECTION?

- > To disclose property defects.
- > To ensure structural integrity.
- > To forewarn you of problems involving ground drainage, defective plumbing, substandard construction, building settlement, leakage, and general deterioration.
- > To advise what, where and how serious, or expensive the defects are.

- > To look in places you can't go - foundations and structural framing, insulation, ventilation and roof condition to name a few.
- > To examine the building's safety, eg. wiring and fixtures, fireplaces and chimneys, railings on staircases and decks.

In the event that a problem is found with the property you reserve the right to ask the property consultant to reduce the price or request they fix the problems before the sale proceeds.

Your consultant will be able to further explain the use of a building clause, and provide you with sample clauses to demonstrate.

Building inspections are one of the best consumer protection services available.

If you are unsure of the structural integrity of a building you are buying, you can choose to proceed with the sale but include a special clause in the contract.



# BUYING AT AUCTION

## > Preparing for auction day

Auctions are exciting and they provide interested people with a level playing field on which to compete. Any problems you may have with the property must be resolved before the auction. A 'non conditional contract' must be signed and a 10% deposit is required on the day.

Your solicitor will advise you on the matters such as zoning, checking the structural integrity of the house and your obligations under the conditions of sale, which should have already been supplied by your property consultant.

## > Registering your interest

After inspecting a property you are interested in buying, it is important to tell the property consultant that you are interested. This ensures that you will be advised if there is a likelihood that the property may sell prior to auction.

Whilst the property consultant cannot disclose other offers, it will give you an opportunity to place your offer.

## > The auction process

The auctioneer will conduct the auction in accordance with Tasmanian Law. He or she will read out the pertinent conditions, describe the bidding process and then proceed to invite bids.

If the bidding does not reach the 'reserve price' during the auction, the highest bidder will have the first right to negotiate with the property consultant or auctioneer immediately after the auction.

## > Confident bidding

Offer your bids clearly and confidently as this announces the intention to buy the property. Call out the bid, nod your head, or raise your hand. If you are nervous it is wise to have someone stand with you, or even talk to one of the consultants to assist you with understanding the bidding process on auction day.



## > How high do I go?

The value of the property is what the market is prepared to pay for it. After researching the market place, decide on the highest figure you are prepared to pay. If you are financed to a certain figure don't become caught up in the excitement and go beyond what you are actually able to pay.

## > Insurance

For your own protection always take immediate insurance cover on the property.

## > Settlement date

Auctions normally have a 30 day settlement from the day of the contract. Owners will often consider a variation to this which must be agreed upon in writing prior to the auction day. Talk to your property consultant if you wish to make this arrangement.

## > Passed in

This means that the price has not reached the reserve and that you can negotiate on the basis of a normal private treaty sale.

## > Phone bidding

The following procedure must be adopted when a person intends to bid by phone or through a representative:

- The proposed purchaser must be sent a full copy of the terms and conditions of sale.
- The proposed purchaser must acknowledge receipt of the conditions and send back by return fax.



> **What happens to the contract for sale after I have signed it?**

Once a sale has been agreed to by both the buyer and the seller, and the Contract For Sale has been signed by both parties, then each party is given a certified copy of the document, and each party's solicitor. Tasmanian law requires property transactions to be in writing.

> **When do I need to contact my solicitor?**

You should contact your solicitor before you sign the contract if you are in any doubt as to the contents of the contract. Otherwise, you should contact your solicitor as soon as possible after you have signed the contract, and you should confirm your instructions to us so that your solicitors can act on your behalf in the purchase.

> **As the property consultant, do you contact my solicitor and tell them I have purchased a property?**

We will formally contact both parties' solicitors and forward them a certified copy of the sale documents as soon as possible after the contract has been signed by all parties. We will also advise them of the amount of the deposit, which has been paid, and the name and address of the solicitor who will be acting for the seller.

> **What happens to the deposit monies once they have been paid?**

We will always issue a trust account receipt for all deposit monies paid to us. These monies must be banked into an official trust account on the day they are received or by no later than the next business banking day.

Very strict government controls apply to trust monies and annual audits are carried out on all trust monies received by a property consultant. Severe penalties apply for any breaches of trust account procedures. No interest is earned on monies held in trust accounts.

**WHAT**

Happens  
now?



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> **What happens if a condition of the contract is not satisfied?**

If a condition of a sale is not satisfied (e.g. finance is refused) your solicitor must, within the time period specified in the special condition, advise the seller or his representative in writing to that effect. Your solicitor must request an extension of time for any special condition to be satisfied or exercise your right not to proceed with the sale. If a sale falls through due to a condition not having been satisfied, and the purchaser has used all reasonable endeavours to satisfy it, then the contract is at an end.

> **If I am buying the property subject to obtaining finance, will the lending institution need to inspect the property?**

The lending institution, providing the necessary funds to a purchaser to assist in their purchase of a property, will normally require their valuer to inspect the subject property to ensure that sufficient security is available against the loan being sought. This process usually involves the valuer carrying out an inspection of the sold

property and an appointment for this inspection is normally arranged between the valuer, the property consultant and the owner at a mutually convenient time. It is important that the owner co-operates wherever possible with the valuer to fast-track the valuation, as any delays may lead to a delay in the approval of the finance for the purchase.

> **Why would a purchaser want to measure the dimensions of the property after they have bought it?**

Once the purchaser's solicitor has carried out a title search on your behalf, they would normally ask them to measure the dimensions of the land. This is so that the purchaser can satisfy themselves that the dimensions of the land shown on the title agree with the dimensions of the land that has been purchased, and boundaries and fences are in the correct position.

> **What does it mean when my purchase becomes unconditional?**

The purchase of a property is said to be unconditional once any conditions

attached to the contract (e.g. subject to finance or subject to the sale of the purchaser's existing property) have been fully satisfied.

> **Is the purchaser entitled to a final inspection prior to settlement?**

The purchaser is entitled to expect the property to be presented in virtually the same condition as it was when it was purchased and with all included chattels in place when they take possession of the property following settlement. Many solicitors acting for the purchaser will recommend a final inspection to their clients one or two days prior to settlement, to enable them to satisfy themselves that all is in order.

> **When does the purchaser need to insure the purchased property?**

Once the Contract has been signed by all parties and becomes unconditional, the purchaser is advised to place a cover note on the property until settlement has taken place, then full insurance including contents should be obtained to ensure full cover is placed on the property. In the case of stratum title, you will need to establish which insurance company has insured the other units as part of the stratum plan and contact them.

> **What happens to the keys to my new property at settlement?**

Legally the purchaser is entitled to vacant possession and will require the keys to the property they have purchased as soon as settlement has taken place. In almost every instance, the property consultant holds a key or a set of keys to the property during the marketing period and these are normally retained so that we can arrange inspections by the valuer and final inspection by the purchaser, if required. Sometimes the seller's solicitors hold the keys. These keys are handed over to the purchaser only when the seller's solicitors have confirmed settlement. Under no circumstances can keys be given to the purchaser until settlement has taken place or until we are otherwise specifically instructed to do so by the seller or by their solicitor. Any extra sets of keys, which the sellers hold, are either handed to their solicitor to be handed over at settlement or they are left inside the property.









A full-page background image of a young man and woman embracing warmly. The man, on the left, has a beard and is wearing a blue denim shirt. The woman, on the right, has long brown hair and is wearing a blue and white vertically striped shirt. They are both smiling and looking towards each other. The background is a warm, out-of-focus orange-brown color.

# selling

“

It is not the role of a consultant to tell you what they think your property is 'worth'. There is no 'exact value' for your property in any market. Value is relative to the purchaser, and is dependent on demand and competition.

”



# CHOOSING YOUR CONSULTANT



## > What is the role of a property consultant?

The role of a property consultant is to sell your property at the highest negotiated price the market will pay within your time frame.

It is not the role of a consultant to tell you what they think your property is 'worth'. There is no 'exact value' for your property in any market. Value is relative to the purchaser, and is dependent on demand and competition. Therefore, the market itself determines value.

Accordingly the best consultant will be able to help you choose the best sale process to maximise your sale price. They will also be able to effectively market your property above its competing properties. Finally, they will be able to negotiate the highest price that a purchaser will pay within your time frame to sell.

## > What questions should I ask?

Before you choose your consultant, you should consider what you want in your property consultant.

## > Does your consultant have?

- > An excellent understanding of your needs
- > High level integrity and reliability
- > Exceptional communication skills
- > Enthusiasm about your property
- > Strategic marketing skills
- > Outstanding product knowledge
- > First class service
- > A large network of buyer contacts
- > The ability to negotiate the best result

## > Does the company you choose have?

- > Effective marketing to 100% of the market place
- > Strong local presence with well presented offices
- > High profile and strong reputation
- > Exceptional customer service
- > Latest technology and resources
- > A large team combining property knowledge, experience and effort



# CHOOSING YOUR SALES Strategy

## > Pricing your property

You may have 'heard' what similar properties in your area have sold for, but you can't rely on hearsay. You need to weigh all determining factors in any market. The fact is values change, relative to the present market. The market determines each day the current value of your property, not the consultant, nor the owner.

The single most important factor in effectively selling your property is the price itself. To sell your property at the best possible price it is important to select the price itself very carefully. The price has to appeal to three people: the buyer, you and the property consultant.

The closer your price is to the actual current market value the sooner it will sell. Overpricing can be disastrous causing competing properties to look more attractive. A good consultant will also make sure you don't underprice your property, so that it is snapped up immediately and seen as a 'bargain'. Ideally a better outcome is to achieve the highest sale price by allowing your consultant time for their marketing and sales strategy to be effective.

A market analysis should be carried out by a consultant with the expertise to evaluate all market conditions and choose the very best price to maximise your sale. This is done using a combination of methods:

### **CURRENT COMPETITION**

What are similar properties selling for in the market at present?

### **COMPARABLE SALES**

What properties have sold recently in the area of similar design, construction, age and condition?

### **SUMMATION**

Adding together the value of the land, building, improvements, fixtures and fittings.

### **GOVERNMENT VALUATIONS**

On its own, this figure is irrelevant, but if there are a number of properties sold in an area that have a similar government valuation, then it can be determined that current sale prices are selling on average a certain percentage above the government valuation. This will vary greatly between suburbs.



## > Methods of sale

An expert consultant will recommend the best method of sale depending on the current market and the area within which you live. Methods of Sale include:

### BUYER PRICE ENQUIRY RANGE

A buyer price enquiry range is set to attract buyers looking within that range. The starting price is clearly stated, as is the price you would like to achieve. This creates a good negotiating environment where buyers can look at homes in their price range, and sellers can offer their homes for sale without a predetermined asking price.

Genuine buyers will usually base their submission upon the condition, location, and the fact that they may miss out if they don't put in a reasonable offer. Tips for setting the starting point:

- > Buyers look at the location first and the price second
- > Buyers don't think in terms of 'a price', they think of a 'price range'
- > Buyers look 10-15% below what they eventually pay
- > Buyers will make their best offer when the property first comes on the market
- > The longer the property is on the market, the less the buyer will pay

This method should be considered as it reduces your fear of underpricing and eliminates the negative impact of overpricing. It also allows the successful sale of your home to be achieved by the quality of the marketing and skills of negotiation

### OFFERS OVER

An 'Offers Over' approach is designed to get people interested in looking at your property in the same way that the retail store uses 'from \$1.99'. The goal is to attract as many people as possible to come and view your property in the hope of creating competition, multiple offers and a premium price as a result. While it doesn't preclude someone making an offer lower than the stated figure, it does help to give buyers an idea of what the expectations of the owner are. It is also helpful when negotiating with a purchaser who submits a low offer as it serves to justify a 'Counter-Offer'.

When setting your 'Offers Over' amount it is important that it is not more than ten percent under the price that you are willing to accept as it could be deemed as false advertising.

### ASKING PRICE

An asking price on a property tends to become the point from which buyers negotiate down. Sellers expect buyers to offer less than the asking price and take this into account when setting the price. This disadvantages both parties, since genuine buyers may be turned away by the asking price, not looking at the property at all. Sellers may not always be certain that they will be able to get the best sale price.

This method should be considered in a 'buyers market', rather than in a 'sellers market'. If this method is chosen it is advisable to price the property as close to what you hopefully want to achieve. In a 'sellers market' history shows that other methods of sale should be considered first, so as not to put a limit on the selling price.

### FOR SALE BY AUCTION

A property can be put up 'For Sale By Auction' on a specified time and date. Alternatively it can go on the market as 'For Sale Now or By Auction'. This means the property can be sold from the period it enters the market, right up to the time set for the auction.

These methods are recommended if it is a property where buyers will be motivated by emotion. It is quite common that properties are sold prior to the auction date when this method is used.

A straight Auction sale is recommended where there is an estate with trustees and a number of beneficiaries, or where there is no doubt that sufficient genuine bidders will compete on the day.

A reserve or minimum sale price is fixed, and that figure is known only by the owner of the property and the auctioneer. It is wise to hold off setting the reserve price until just before the auction time. The auctioneer's objective is to get a higher price than the reserve, in the competitive auction atmosphere. If bidding does not reach the reserve and is passed in (not sold) then the highest bidder can be given first opportunity to negotiate with the vendor for the purchase of the property.

## > Private inspections vs open homes

You need to balance your need for privacy against your time frame to sell, and the need to help create competition in the market place. Don't be swayed by fear or scare tactics, or by those who claim that they work harder by not having open homes. Achieving the best result will come (in part) from exposing your home to

the largest possible number of buyers to create competition, which drives up the negotiated result.

Advantages of an open home:

- > Creates more visual impact.
- > Generates more activity.
- > Exposes your home to more potential buyers
- > Creates more competition, helping achieve a higher price

## > Selling first vs buying first

Historically it has been shown that financially you are much better off to sell before you buy. This way you will not find yourself at a disadvantage at the negotiating table, feeling pressured to accept an offer that is below-market value because you need to meet a purchase deadline.

If you've already sold your home, you can buy your next one with no strings attached, and when in competition you will be in a better and stronger position to negotiate.

If you do get a tempting offer on your home, but haven't made significant headway on finding your next home, you can put a clause in the contract of sale which gives you a reasonable time to find a home to buy. Alternatively you can put in a long vacant possession clause (e.g. 3-4 months) and look at renting for a period of time if you need to.

### SELLING FIRST & BUYING SECOND

- > There is no pressure to sell.
- > You will negotiate a better price.
- > You can dictate the terms.
- > You have the confidence to buy.
- > You know how much you have to spend.
- > You will be in better position, when in competition against others who have to sell first, when buying your next house.

### BUYING FIRST & SELLING SECOND

- > There is no confidence in looking.
- > You lose your negotiation power and pay top dollar.
- > You are under pressure to sell within a time frame.
- > You tend to be stressed out causing you to sell under what your home is worth.



# Attracting THE RIGHT BUYER

By investing up to 1% of your property's value in a strategic marketing plan, you will be maximising its true potential

Marketing insures you against underselling your property by highlighting your property's real value, elevating your property above others similar to yours and attracting the buyer who is prepared to pay the best price. Marketing needs to be seen as an investment. Your property is likely to be one of your greatest assets. By investing up to 1% of its value in a strategic marketing plan you could be making thousands, maximising its true potential.

One reason why properties do not sell, or do not sell at the highest price, is because of poor market exposure. A successful marketing campaign will cover as many different advertising mediums as is appropriate. Quality products will also send out a strong message to the marketplace, and will attract genuine buyers to your property.





## > What you can expect of your consultant

### INITIAL PREPARATION FOR SALE

- > Discuss your selling requirements including your time schedule, price expectation.
- > Inspect and measure your property.
- > Arrange photography both internally and externally.
- > Conduct a market analysis of comparable past property sales.
- > Price your property using the summation method and current completing market analysis.
- > Prepare written appraisal – for discussion if required.
- > Revisit and discuss the appraisal, different methods of sale and the best method for your property.

### MARKETING AND ADVERTISING

- > Identify and explain the best marketing strategy for your property.
- > Prepare and give you a copy of the advertising strategy and schedule.
- > Advise you of the best way to present the property.
- > Arrange a photosign and floorplan drafting.
- > Design newspaper advertising.
- > Prepare and order the marketing

brochure and direct mail advertising.

- > Submit newspaper advertising.
- > Request an editorial in the *Real Estate Guide*.
- > List your property on the internet.
- > Inform database of buyers by telephone and email.

### PRIVATE AND OPEN INSPECTIONS

- > Arrange for entire sales team to inspect your property.
- > Liaise with sales team on prospective purchasers.
- > Qualify all buyers – only conduct inspections with people who are in a position to purchase.
- > Conduct private inspections with potential buyers & follow up with interested parties.
- > Feedback all information on every inspection.
- > Conduct open inspections at times to suit you.
- > Advise you of open inspection result and all comments.
- > Follow up all open inspection visitors.
- > Communicate with you on the sale progress and any changes required.

### ARRANGING THE SALE

- > Prepare Contract for Sale.

- > Check and assist with purchaser finance if required.
- > Visit purchaser's home if Contract is to be conditional on the sale of their property.
- > Present offers to you and advise on price and terms.
- > Negotiate the best possible price for you.
- > Formalise signing between all parties.
- > Collect deposit.
- > Send a copy of the Contract to solicitors of both parties.
- > Send a copy of the Contract to purchaser and seller.
- > Organise a building inspection where requested.
- > Follow up all conditions of the Contract.
- > Keep all parties informed of progress.

### AFTER THE SALE

- > Place 'SOLD' sign on the property when property has been sold.
- > Assist you with relocation if required.
- > Liaise with solicitors on settlement day.
- > Organise transfer of keys from you to the purchaser.
- > Remove sign from your property.
- > Follow up to offer additional services as required.



# AN EFFECTIVE MARKETING Campaign

## INTERNET

Any good online marketing strategy will include the two major real estate online portals - realestate.com.au and domain.com.au. With over four million property seekers visiting their site each month, realestate.com.au is a major vehicle used by buyers across the nation. In addition, a high quality agency website will combine to give your property exposure to the millions of property searchers located locally, statewide, nationally and overseas.

## PROPERTY GUIDE

Anyone in Hobart searching for a property at some point will pick up a *Mercury Real Estate Guide*. The *Mercury Real Estate Guide* is a Hobart institution. It is published every Friday with a circulation of around 55,000 copies.

Using a combined approach including both the internet and the *Mercury Real Estate Guide* is a proven formula for a successful sale. Large well designed print ads complimented by an equally well strategised web based campaign casts the net out far and wide to attract as many potential buyers as possible.

By marketing your property in this publication it automatically goes on the *Mercury* website, themercury.com.au, where they also produce an electronic copy of the weekly guide. This site attracts an average of 50,000 page impressions per month.

## SIGNAGE

The most effective signs are not generic plastic 'for sale' boards. A good sign takes the very best features inside your home and displays them at the front of your property, for all to see.

A good agency will design eye catching photo signs, highlighting the benefits of your property with useful information to potential purchasers. It will include the quality photos, and easy to follow icons and dot points. Your sign is your silent sales consultant, working for you outside your property around the clock.

## FLOORPLANS

Every buyer wants to see a floor plan of the properties they are considering. This allows them to 'walk-through' your property long after their initial visit (or before), giving them a 'bird's eye view'. A quality floor plan can show off the extent of your property and items that are easy to miss. This allows buyers within the privacy of their own home to see the full

potential of your property, and imagine it as theirs.

## BROCHURES

High quality premium brochures are an excellent way of 'making the most of every opportunity.' When taking enquiry, or showing your home, a good consultant will have material on hand that highlights the features and benefits of your property in detail. Brochures should be provided to all potential purchasers at open homes, private inspections and during office enquiries.

## PHOTOGRAPHY

A picture can tell a thousand words. Photos are used in every sales medium, including internet ads, *Real Estate Guide*, signboards, brochures, office photo displays and so on. Great photos will sell your home without words, but a bad photo can send the wrong or even a negative message. High quality photography is an integral part of successfully presenting the key ingredients of your marketing plan.



**Taking some time to prepare your home for sale can make a significant difference to your sale price.**

Freshness, neatness and good working order are the main keys for maximising sales appeal. It is useful to look at your property from the perspective of a potential buyer.

Major renovations or alterations may be unnecessary, so please consult with your consultant before undergoing any major work. Your aim should be to increase sales appeal as much as possible, with the least amount of expense. There are many small ways of improving the overall presentation of your property that will increase favour in the eyes of the buyer.

#### **THE IMPORTANT STEPS TO TAKE INVOLVE:**

- > **Cleaning**  
make sure everything sparkles and shines. Give a thorough spring clean.
- > **Getting rid of clutter**  
box up things you can live without.
- > **Depersonalise**  
buyers will be trying to envisage themselves living in the homes they inspect and it's hard for them to do that when faced with seller's personal items.
- > **Decorating and accessorising**  
a new coat of paint and some fresh flowers can really make a difference.
- > **Maintaining**  
every day on the market is a potential day for a prospective buyer to inspect your property.

# Presenting **YOUR PROPERTY**





# BOOST YOUR SALE PRICE





### Make the most out of your sale price by completing some simple pre-sale tasks.

- > Have the mail box in good order, straight and in the best accessible position - get a new one if need be
- > A well maintained lawn, neatly trimmed shrubs and a clutter-free porch welcomes prospects
- > Fill holes in the driveway, clean off oil stains and keep paths tidy, making the right 'cared for' impression
- > Clean all windows inside and outside
- > Clear out all excess materials in the garage
- > Ensure the doorbell is working
- > Paint the front door and have the door knocker shining or get a new one
- > Wash all weatherboards and external cladding
- > Clear all cobwebs
- > Straighten and repair all fences
- > Tighten loose door knobs and oil hinges
- > Repair broken windows
- > Remove all rubbish from gutters
- > Make sure gutters, fascia and down pipes are well maintained
- > Weed garden beds and cut back overgrown bushes
- > Keep dirty washing out of sight
- > Shampoo carpet if necessary, wash walls, clean blinds
- > Eliminate clutter from and organise cupboards
- > Create room by storing excess furniture to give a better feeling of space
- > Place furniture so there is an easy traffic flow from room to room
- > Remove some posters, pictures and photos to create a feeling of spaciousness
- > Let the sun shine in - keep curtains and blinds open for maximum light
- > Ensure all light bulbs are working and install moderately priced light fittings where there are bare globes
- > Your kitchen should look warm, welcoming and efficient - no dishes in the sink and smelling fresh
- > Keep the fridge spotless
- > Repair fly screens
- > Degrease the oven
- > Keep the stove sparkling
- > Keep bathrooms spotless - have fresh soap & neatly hung towels
- > Ensure all bathroom and kitchen tiles are in excellent order and shining
- > Repair all cracks in plaster and repaint where necessary
- > Install new washers on dripping taps
- > Do not have a running toilet cistern
- > Open enough windows to allow fresh air into the house
- > Clean aluminium window tracks
- > Keep fresh flowers in the house
- > Place plants in strategic spots, where space permits
- > Hang mirrors where they will reflect light
- > Have soft music playing
- > Clean fireplace or wood heater
- > Remember a warm house is welcoming

### Factors **YOU** control:

Your property's presentation, your motivation, and the price you choose.

### Factors **NO ONE** can control:

Your location, competing properties also for sale, and current market conditions.

### Factors **YOUR CONSULTANT** controls:

Your strategic marketing plan, communication, and the negotiation process.





At Petrusma, we believe in providing excellent customer service through trust, honesty and integrity and have serviced thousands of satisfied buyers and sellers.



#### > REPUTATION

We are a completely Tasmanian owned business with strong company ethics, developed over 40 years of Real Estate practice by our directors. Our reputation gives instant brand recognition and ensures trust, honesty and integrity.

#### > SKILL & EXPERIENCE

We have experienced teams of professional consultants, highly skilled through on-going training and development. We are committed to excellence, continually improving and developing our level of professionalism – embracing change and keeping abreast of technology.

#### > MARKETING

Petrusma Property is well known for its innovation and leading edge marketing. All our properties feature full colour signboards with easy to follow icons and helpful information. Whether you're a buyer or a seller our marketing materials are of the highest quality giving your property, or desired property the image it deserves, while showcasing its best features.

When selling we will take into account your needs, your property's location, as well as your desired sale price to determine which marketing package will best suit you. Our contemporary, innovative designs create a high level of appeal, and elevate your property above competing properties.

When buying we are known for our easy to follow layouts in the *Real Estate Guide*, and have a multi award-winning website. These combine to make the process of searching for your dream property easy and time effective for you.

#### > COMMUNICATION

We offer ongoing assistance, service, support and continuous follow up during a sale. When you are buying, our consultants are available for contact at all times to answer your questions. We endeavour to make your buying or selling experience a good one, by alleviating stress and making the process as simple as possible.

#### > LOCAL KNOWLEDGE

We have five strategically placed offices across the greater Hobart area. Each office specifically serves the suburb and surrounding areas in which its placed. This means that our consultants are specialists, having local knowledge that will give you an edge in the buying or selling market.





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