

Christmas presence

Susan Wellings, Domain SMH, November 26, 2011



More time...28 Wunulla Road, Point Piper

'Tis the season for a sale so do your best to make it happen.

All you want for Christmas is to sell your house?

Well, you won't be the only vendor thinking that, especially with today being the biggest auction day of the year, when a bumper 650 properties go under the hammer.

And the next couple of Saturdays also look reasonably big for auctions, with 530 planned for December 3 and 420 for December 10. "It's the 'peak' of the 'peak' selling season," says the senior economist for Australian Property Monitors, Andrew Wilson.



A bit less upfront...92 Murriverie Road, North Bondi

"Buyers have the widest choice of the year and vendors will be hoping they can get their property across the line."

Still, auction listings are about 20 per cent down on this time last year. And vendors can't be too confident, given the less-than-encouraging auction clearance rates. Two weeks ago was relatively strong, at 57 per cent, but the latest data for last Saturday shows it was 54 per cent. "If we'd got a nice lift last weekend, that might have shown some momentum in the marketplace and we might have started to push up towards the 60 per cent," Wilson says.

"But I think we're going to see that mid-50s clearance rate for the rest of the year now."



Offer to help (at a price)...25 Bradley Ave, Bellevue Hill

That said, many properties are selling soon after auction. For vendors who don't sell today, here are 10 tips for a pre-Christmas sale.

1. Cut your price

Penny Hanan saw a house on the same street as hers in Paddington she really wanted to buy but worried she wouldn't be able to sell her four-bedroom terrace before Christmas in order to afford it.

So, with the advice of a sales director from McGrath Estate Agents, James Dack, she adjusted her price down from the \$2.4 million she'd aimed for and sold it instead for \$2.25 million.

"He told us we had to meet the market and, even though it was gut-wrenching to lower our expectations, he was right," says Hanan, 40, the mother of two children aged 11 and 10, living on Moore Park Road in Paddington.

"It sold in a great time frame, so we avoided the heartache of it hanging on after Christmas and we could get the deals done."

Dack believes price is the most sensitive issue in the current market. "Whether or not you sell your property often simply boils down to price,"

he says.

"I've seen people who've refused to meet the market and had their houses for sale now for eight to nine months.

But if you adjust your price, you will sell - and you're selling and buying in the same market."

2. Be flexible about settlement

Some people may be keen to buy but want to settle early to be in their new home by Christmas, or have a settlement that extends beyond the school holidays so they can put off moving until after the break.

"They may like a settlement of 10 or 12 weeks, which will take them to February, since moving during the holidays can be a nightmare," says the principal of buyer's agency Sydney Property Finders, Dennis Kalofonos. "So being flexible about when you want a settlement can be very attractive to buyers."

Agent Alison Coopes, for instance, is offering a six-bedroom mansion at 28 Wunulla Road, Point Piper (left), for offers of about \$8.5 million with an extended settlement. "Interestingly, probably 70 per cent of sales now would be based on a more flexible settlement," she says. "It gives people time, for instance, to put their own property on the market."

3. Reduce the deposit

A deposit of 10 per cent is standard but many buyers might relish the chance of laying down only 5 per cent so they'll have more cash to spend over Christmas, says the principal of Raine & Horne Bondi Beach, Mary Anne Cronin.

"At the moment, 40 to 50 per cent of purchasers are asking to put down a 5 per cent deposit, so that's something vendors do need to consider. It means less money for the vendor and less interest earned from the deposit but that's usually put in a trust account anyway."

At the moment, Cronin is advertising a three-bedroom family house in Murrivierie Road, North Bondi, for \$1.5 million-plus, with the owners ready to consider a 5 per cent deposit (above).

4. Be upfront about being keen to sell

"The worst thing you can do is lie about your position," says the managing director of buyer's agency Curtis Associates, Chris Curtis. "If you're keen to sell, that can be part of your advertising campaign since it tends to make buyers keener as they think they'll be getting a bargain."

Selling agent Aaron Papadimitos of Devine Real Estate agrees. He won't balk at advertising a property with "vendor desperate to sell" if the circumstances warrant that. "Everyone is after a bargain, so it does really attract buyers," he says.

"And, if anything, you get a better price as you attract more buyers to the property and they compete with each other."

5. Consider offering vendor finance

A person might be eager to buy your house but the bank might not be prepared to lend quite enough, maybe because he or she doesn't have enough savings for the deposit, is self-employed without proof of a stable income, or a bank is being over-cautious.

A director at Di Jones Real Estate, Kim Jones, says a seller might then consider offering vendor finance, whereby the buyer and seller sign a contract on the vendor's terms to lend them money to cover the shortfall, typically at a rate 2 per cent higher than the regular interest rate.

"We have a few vendor clients who are doing this now, more so than in any other year," says Jones, who's currently offering a four-bedroom, four-bathroom house on Bradley Avenue, Bellevue Hill, for sale with the owners offering vendor finance (above). "It helps them get the price they want to achieve."

"The banks are being tougher now on lending money, they're not giving as much as they used to, so when vendors don't want to drop their price as much as a buyer needs and are in a position to offer finance to help, it can really help."

A mortgage broker for Intelligent Finance, Justin Doobov, says vendor finance can give buyers the benefit of avoiding mortgage insurance but they are paying more interest on the additional loan. "Buyers also have to be careful they're not paying a premium for the property, rather than negotiating a lower price," he says.

6. Offer a sleepover

Buyers might be wavering as there's one detail they're not sure about, such as how much noise there might be at night. Kalofonos says in such circumstances, he's organised for them to stay at the property for the weekend. "I've done it about 20 times in the last 10 years," he says.

"For the vendor of a harbourside property, for instance, they can allow them to stay over on New Year's Eve, in exchange for the provision for the vendor of a night in a hotel, in the hope they fall in love with the view."

7. Change your agent

If your contract is up, consider changing your agent. "A new agent can bring new energy to a campaign or have a different perspective on the property," says Nicole Grady-Combes of Raine & Horne Neutral Bay.

8. Look at your advertising

You need to grab people's attention so their minds don't drift to Christmas, Cronin says. "So upsize your ads in newspapers: go from quarter-pagers to half-pagers and halves to full pages. Look at the main newspapers and locals and make sure you've got a bigger presence on the net. And maybe have new photos taken."

9. Improve your presentation

You don't have time to repaint or redecorate but you could take out some of the furniture and hire designer pieces or ask a stylist to give it a quick makeover. "It should be professionally presented," says a director at seller's advocacy and buyer's agency Hand McPhee, Gerry McPhee. "First impressions are always important."

10. And if all else fails ...

Weigh up the cost of staying on the market, not selling and taking a big price cut versus the cost of perhaps organising bridging finance to tide you over if you've already bought elsewhere, Curtis says.

"Sometimes there's more to be lost than gained," he says. "People can see

there's blood in the water and it might be better to take it off the market and put it back in the new year. It's critical to know when to try to ride a wave in, or paddle to shore."

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