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# Selling your home





For most Australians, buying and selling their home is one of the biggest financial transactions they undertake.

**'Buy low and sell high' isn't just the motto of the stock market. It applies equally to the housing market.**

## When's the right time to sell?

Try not to sell in a hurry. A seller in a hurry can't wait to realise the true value of their home.

Try not to sell on a whim or without doing your homework. Be wary of selling because you've already purchased elsewhere. It's common for people to rush into a purchase because they fall in love with a new home. Then there's pressure to sell quickly – and perhaps too cheaply – to avoid expensive bridging finance.

### Watch the economic cycle

During recessions home buyers are scarce. With demand low, prices fall. When the economy experiences steady growth and interest rates are relatively low, demand is high and prices rise.

Many experts say that, if you plan to sell and buy again straight away, the economic cycle doesn't matter because if you sell in a downturn you buy low, and vice-versa. But it really does depend on your circumstances. People with the available finances sometimes purchase a second property when prices are low and hold onto both, waiting for prices to climb to sell one and realise the profit. In this scenario there are capital gains tax implications.

The economic cycle isn't the only factor. When interest rates are low, investors look to the share market for better returns, slowing home prices. But never assume prices are flat across the market – different suburbs and towns experience peaks and troughs for different reasons.

New roads, new shopping centres or new employer groups are examples of factors that can positively impact on prices in specific areas.

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## The best time of year to sell

Most real estate agents say that the best time to sell is spring and the worst is winter. It's not a hard and fast rule – the opposite may be true in your area. If sellers are scarce during winter, prices may rise due to the lack of properties available. This is something to discuss with agents in your local area.

If you want to trade up to a bigger and better home, the shoulder season in July-August may be a good time to sell. You can then buy in September-October when more homes come on the market.

## What's your home worth?

This is the hardest question of all and also the most important. Access to the right information is better today than it's ever been. With the right research you should be able to establish a reasonable ballpark estimate. The final price will depend on marketing, the skill of the sale negotiator and overall demand.

There'll be a number of firms who offer data on sales achieved in your area. You can also purchase quarterly reports from the Real Estate Institute in your State. There are also firms who provide 'sight unseen' online estimates of the value of your property. This is done by analysing past and present sales in the area but doesn't take into account the current condition of your home and any improvements you've made. For this reason some experts suggest you shouldn't rely on a 'sight unseen' valuation.

**The single most important thing is to shop around. People will happily get three quotes from plumbers before connecting the sewer, but agree to sell their home through an agent who simply seems pleasant. Always compare price and services.**

### Real estate agent appraisals

Make sure you get at least three estimates of the value of your home from different real estate agents. Real estate agents are after your listing and sadly some may be less than honest when it comes to offering an opinion of the true value. An unscrupulous agent may exaggerate the figure in the hope of winning your listing, so don't take any one opinion on face value. If the agents are active in the local area and have access to sales data, they should have a pretty good idea of what your property's worth. Ask them to be honest and ask for examples of comparable sales.

Thinking about selling your own home?  
Are you sure 100 per cent of the price you can  
get for your home will be better than 97 per  
cent of the price a professional agent will get?

### Independent professional valuations

Many people choose to use a professional valuer. The person you use shouldn't be associated with an estate agency and should offer an independent and unbiased view. This service comes at a cost, but when you consider the amount of money at stake it's a small price to pay.

### Asking price

The asking price is a complex issue and will depend on the method you use to sell the home. Most people have a 'love to get' price and a 'prepared to sell' price. The trick is to set the asking price at a point that gives you the best possible chance of obtaining your 'love to get' amount without scaring off prospective buyers.

You should also allow yourself room to negotiate. If you want to do some research on the asking price of similar homes in your area, the first place to start is the internet. Three of the biggest sites are:

[www.domain.com.au](http://www.domain.com.au)  
[www.realestate.com.au](http://www.realestate.com.au)  
[www.homehound.com.au](http://www.homehound.com.au)

### Should we renovate?

If you're considering renovating to make a profit, the key is not to overcapitalise. The single biggest mistake is to spend more on the renovations than can be recouped when you sell. Clearly you should get an idea of what your home may be worth after the renovation. Speak to local real estate agents and describe what you intend to do.

For more information read our LifeGuide to *Renovating your home*.

## Who should sell your home?

The decision of who should sell your home shouldn't be taken lightly. This transaction could cost or earn you tens of thousands of dollars.

### Real estate agents

Don't be intimidated by real estate agents. Remember when you appoint someone to sell your home they're working for you.

### Research

Before you invite agents to your home, do some research in the local area. Go to homes that are open for inspection and put yourself in the position of the buyer. Talk to the agents and get a sense of how much research they've done on the homes they're selling. Can they readily answer your questions? Did they take your name and number and did they follow

up during the next week to see what you thought of the property? You should dismiss any agent who doesn't appear well informed and who doesn't follow up. Also ask friends and family about their experiences with agents in your area.

When reviewing the agents, take a look at how they advertise the properties for sale. Remember it's usually the vendors (people like you) paying for the advertising. If you get the feeling the advertising is more about the agent than the home, then perhaps you should keep looking.

When you've short-listed a number of agents it's time to interview them to see which one you're most comfortable with. There are a number of issues to consider.

- Is the agent licensed and a member of the Real Estate Institute of Australia?
- The agent's experience and presence in the local market.
- The agent's sales history.
- Who'll actually host the inspection – the agent or a junior colleague?
- What level of customer service will the agent provide?
- Will the agent market the home? The agent should have a view on the ideal target market, the method of advertising and the method of sale.
- What advice does the agent have on improvements and alterations to add value to your property?
- What price does the agent think you can achieve?

Take note of the questions the agents ask and the way they communicate. Ask to see a written marketing plan, which includes details of their costs, any advertising and who pays for it, along with an estimate of the likely selling price. Avoid simply listing with the agent who produces the highest estimate. If you've already done extensive research on sales in the area or paid for a valuation you'll have your own opinion about the likely price before meeting with the agent. Wait before you share this information with the agent. If an agent appears to meet your criteria, but suggests a price that is wildly at odds with your own research, then ask for justification based on other sales results in the area.

Remember, most things are negotiable and you may get a pleasant surprise if you negotiate with potential real estate agents. You may want to consider offering a flat fee or set percentage for service and a bonus based on the agent achieving a certain sale price.

Selling your home is a big step in your life. Ask for our LifeGuide; *Understanding financial planning* for some help with your financial future.

Ask to talk to people who've sold homes with the agent in the past. The agent's only going to put you in touch with people who had good experiences, but a conversation is likely to reveal more about the agent's style and customer service than a written testimonial.

### Sole agent or open listing

Do you sign with one agent or several? Some people feel the competition can work in their favour. Others say the agent may be less focused on selling the property if they know it's also being shown by their competition. If you do list with several agents, generally the one who actually introduces the buyer and makes the sale is given the commission. Sometimes rival agents may agree to work together and share the commission.

### Selling it yourself

Before you even consider selling your home, ask yourself some tough questions.

- Do I know how to market a home?
- Do I know how to set the right price?
- Am I prepared to take all the enquiries and host the inspections?
- What sort of negotiator am I?

If you honestly feel you're up to the task then you may save yourself a lot of money that might have gone in real estate agent commissions. The more expensive your home, the more you'll save on commission. For example, if an agent's fee is 2.5 percent, they make \$10,000 on a home that sells for \$400,000, but \$25,000 for a home that sells for \$1 million. Remember you'll also pay GST on the agent's commission.

There are companies who offer selling kits, including signage, legal advice and guidance on pricing and auctions. This service comes at a set fee and some even handle the conveyancing. But you'll still have to negotiate the sale yourself. You may feel that you'll know your home better than the agent and will therefore do a better job. Just remember agents sell homes for a living.

## Auction or private sale?

If you've done your homework you should have covered these questions.

- What prices have similar homes in your area sold for recently?
- How much money will you need to move?
- At what price are you prepared to sell?

If you don't know the answers to these questions, then no matter which sales method you use, there'll be lingering doubts.

Estate agents often suggest that an auction creates extra interest, and the heat of battle can push the price way beyond expectations. That can be true, particularly if the home is unique and a number of people are keen to purchase. But what if the home is passed in well below your 'prepared to sell' price? Then you'd have to start a new marketing campaign and many buyers in the area will already know that others felt your home wasn't worth your asking price.

Some buyers don't like auctions and may stay away altogether, costing you a potential sale. Some agents tell you that an auction defines your home's true worth. Think twice about dealing with someone who says this. If they know the area they should have a reasonable estimate of the home's worth – the auction only defines the value placed on your home by those people who turned up on that day. A different day, with different people could mean a different price.

If you're considering selling your home by auction, ask the agent for evidence of clearance rates for your area. Another important factor is time frame. Many agents prefer auctions because they can draw the sale to a comparatively quick conclusion. This is obviously in the agent's interest and many people prefer a quick sale. But it doesn't mean you'll get the best price.

Finally, consider your own comfort level. Will you be happy to list the home and wait for the price you want? If you auction, will you be able to handle the tension?

### How much do I get in the end?

Make sure you know how much money you'll be left with after all fees and commissions have been paid. Hopefully you've already determined your likely budget for your next property and have factored in the various costs. For help with this process read our LifeGuide to *Buying your new home*.

Don't tell the agent what price you'd like to achieve or what price you think your home's worth before they give you an estimate. The agent is the expert and you want a professional opinion, not a view biased by what they think you want to hear.

### Capital Gains Tax

Also take into account whether you may be liable for Capital Gains Tax when you sell your property. You will generally only pay Capital Gains Tax if the house was not your principal place of residence for some of the time you owned it. For more information go to [www.ato.gov.au](http://www.ato.gov.au)

## Adding value on a budget

You don't have to spend a fortune to add thousands of dollars to your sale price.

### The front yard

Many buyers make their decision to inspect a home by driving around the suburb and seeing what's on offer. This way, they avoid the hassle of viewing homes of no interest. This is what's called 'kerbside appeal'.

A fresh coat of paint on the fence, neat lawns and a show of colour make a good first impression. In summer, have some annuals in flower in one or two colours – white gives a feeling of coolness. In winter, it may cost a bit more for a flowering shrub but it'll be worth it. Let's face it – you wouldn't sell your car without giving it a wash.

### Inside your home

Obvious things come first. Give your home a thorough clean from top to bottom. Then take a hard look at the little problems you've come to live with – the broken fly screen, a window that jams a little, the dripping tap that's discoloured the sink, tiny cracks in the plaster. You mightn't notice these things on a day-to-day basis, but prospective buyers will. Things like small cracks in the wall can be misinterpreted as signs of bigger problems, such as structural damage or landslip. A fresh coat of paint is always a good idea, but make sure you choose colours with wide appeal, something neutral that adds to your homes' feeling of light and space.

If you're working to a budget, you may not be able to do much about the floors, but remember they show wear and tear more than any other part of your home – particularly around doors and in hallways. Spend your money where it will have the most impact. The important rooms from the buyer's viewpoint are usually the kitchen, bathroom, family room and master bedroom. If there's not a lot of money to go around, spend it on those areas.

### Avoid clutter

Do everything you can to make your home appear open and inviting. If you have more furniture than the home really needs, consider putting some of it in storage.

### The backyard

Make sure your backyard is tidy and inviting without looking so pristine that buyers will think it takes hours to maintain. If you're selling your house as a 'family friendly' home, make sure it is by rectifying any danger spots for children. If there's a cubby house or swings, give them the once-over as well. This could help buyers paint a mental picture of children playing happily in the yard.

### The garage

The suburban garage is the place where useless items go to die. Get rid of them. There's nothing worse than junk all over the place with no room to open the car door or move about.

**Remember that all professional fees and commissions can be negotiated. If you think an agent is asking too much or wants too big a percentage of the sale price, offer them less. They can only say no. If that happens, look around until you find an agent whose fees are more to your liking.**



## Preparing your home for inspection

Inspection days can make all the difference to the level of interest in your home – and ultimately the price.

### Get out of the house

You don't want buyers feeling as if they're intruding. It's best to leave the house to the agent or send the kids out and just leave one adult at home.

### Fresh coffee

Your home should look and smell like a home, so put the coffee on. Some people even leave the oven on low and slowly roast coffee beans so the aroma travels throughout the house.

### Fresh flowers

This is a show of colour and, like the coffee, adds to the ambience of your home.

### Temperature

If you're selling in winter make sure the home's warm, and in summer do your best to keep it cool.

### Clean the windows and open the blinds

Make your home as light and spacious as possible. Keep windows spotless and trim back branches that overhang and block views or light.

### Watch pets

If you have an over-friendly dog, get someone to take him for a long walk. On the other hand, if your dog is likely to behave, he may add to the feeling of 'home'.

### Music

The ambience is important. Some soft music may give your home the right atmosphere.



If you're thinking of doing your own conveyancing, remember how much money is at stake. Are you fully confident about completing the task? There's an old saying that a lawyer who represents himself has a fool for a client.

## Getting help

The following contacts will provide details about a range of professionals who you may need in the process of selling your home. If you'd like advice on the code of conduct for real estate agents or a list of agents in your area, contact the Real Estate Institute of Australia at [www.reia.com.au](http://www.reia.com.au) or call (02) 6282 4277.

### Conveyancing

Before offering your property for sale, you must have a legal contract to show any prospective buyer. If you choose to do-it-yourself obtain further information from the office of fair trading or consumer affairs in your State or Territory:

- **Consumer Affairs Victoria** at [www.consumer.vic.gov.au](http://www.consumer.vic.gov.au) or call 1300 558 181.
- **NSW Office of Fair Trading** at [www.fairtrading.nsw.gov.au](http://www.fairtrading.nsw.gov.au) or call 13 32 20.
- **Queensland Office of Fair Trading** at [www.fairtrading.qld.gov.au](http://www.fairtrading.qld.gov.au) or call 13 74 68.
- **ACT Office of Regulatory Services** at [www.ors.act.gov.au](http://www.ors.act.gov.au) or call (02) 6207 3000.
- **Consumer Affairs and Fair Trading Tasmania** at [www.consumer.tas.gov.au](http://www.consumer.tas.gov.au) or call 1300 654 499.
- **Consumer and Employment Protection Western Australia** at [www.commerce.wa.gov.au](http://www.commerce.wa.gov.au) or call 1300 304 054.
- **Office of Consumer and Business Affairs South Australia** at [www.ocba.sa.gov.au](http://www.ocba.sa.gov.au) or call 13 18 82.
- **Northern Territory Government** at [www.nt.gov.au/justice/consaffairs](http://www.nt.gov.au/justice/consaffairs) or call 1800 019 319.

If you'd like a lawyer to do your conveyancing but don't know how to select one, contact the law institute or society in your State or Territory. This body won't recommend individual lawyers but will provide a list of qualified practitioners in your area. For more information contact:

- **Law Institute Victoria** at [www.liv.asn.au](http://www.liv.asn.au) or call (03) 9607 9311.
- **Law Society of NSW** at [www.lawsociety.com.au](http://www.lawsociety.com.au) or call (02) 9926 0333.

- **Queensland Law Society** at [www.qls.com.au](http://www.qls.com.au) or call (07) 3842 5842.
- **Law Society of the ACT** at [www.actlawsociety.asn.au](http://www.actlawsociety.asn.au) or call (02) 6247 5700.
- **Law Society of Tasmania** at [www.taslawsociety.asn.au](http://www.taslawsociety.asn.au) or call (03) 6234 4133.
- **Law Society of Western Australia** at [www.lawsocietywa.asn.au](http://www.lawsocietywa.asn.au) or call (08) 9322 7877.
- **Law Society of South Australia** at [www.lawsocietysa.asn.au](http://www.lawsocietysa.asn.au) or call (08) 8229 0222.
- **Law Society Northern Territory** at [www.lawsocietynt.asn.au](http://www.lawsocietynt.asn.au) or call (08) 8981 5104.

For information on specialist conveyancers contact the **Australian Institute of Conveyancers** at [www.aicnational.com.au](http://www.aicnational.com.au) or call (02) 9633 1355.

### Property valuations

The **Australian Property Institute** is the peak body for valuers and can provide names of professionals in your area.

- **ACT** at [www.act.api.org.au](http://www.act.api.org.au) or call (02) 6282 5541.
- **NSW** at [www.nsw.api.org.au](http://www.nsw.api.org.au) or call (02) 9299 1811.
- **QLD** at [www.qld.api.org.au](http://www.qld.api.org.au) or call (07) 3832 3139.
- **SA** at [www.api.org.au](http://www.api.org.au) or call (08) 8132 0092.
- **TAS** at [www.tas.api.org.au](http://www.tas.api.org.au) or call (03) 6223 3011.
- **VIC** at [www.vic.api.org.au](http://www.vic.api.org.au) or call (03) 9644 7500.
- **WA** at [www.propertyinstitute-wa.com](http://www.propertyinstitute-wa.com) or call (08) 9474 2784.

It's a good idea to lock up valuables on inspection day. Your insurance will not cover you for theft by people who have been invited into your home. In most cases the agent will accept no responsibility.

## For more assistance

Contact your local branch



Phone or visit [anz.com](http://anz.com)

### General Enquiries

P. 13 13 14  
INTL. +613 9683 9999  
24 hrs / 7 days

### Home Loans

P. 1800 035 500  
8am-9:30pm (AEST) Weekdays  
8am-4:30pm (AEST) Weekends

### ANZ Financial Planning

P. 1800 305 058  
8am – 8pm (AEST) Weekdays

### ANZ Mobile Lenders

P. 13 25 12  
8am - 11pm (AEST) 7 days

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