



EYEON Property Inspections

PROPERTY SELLERS GUIDE

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A MESSAGE FROM US

Thank you for downloading our E-book. We hope you find the information helpful. We have tried to provide you with insights about the various aspects of selling a property. Of course we understand that everyone's situation is different so the information in this book is mostly general in nature. This e-book isn't a substitute for a professional advice.

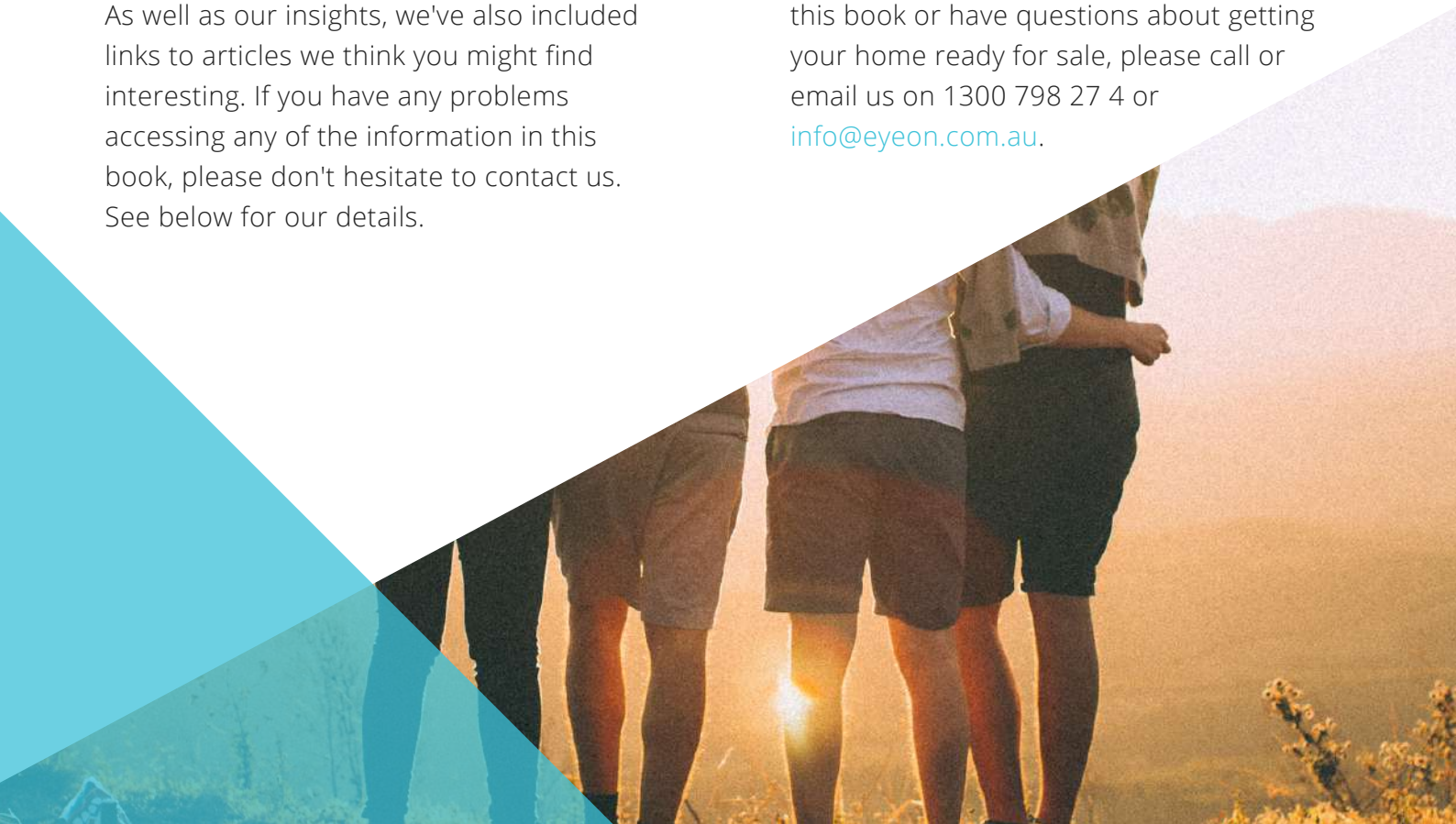
This book is an information resource. We've written this book because part of our customer service culture is to help our customers in any way we can. It's often hard to find unbiased information with no strings attached.

As well as our insights, we've also included links to articles we think you might find interesting. If you have any problems accessing any of the information in this book, please don't hesitate to contact us. See below for our details.

ABOUT EYEON PROPERTY INSPECTIONS

We help people buy and sell with more confidence. Our core service is to undertake property and records inspections of residential property. Our products are unique and designed to add value to property sellers during the marketing of their property. Our service also makes it easier and quicker for buyers to check out your property. You can find out more about us at www.eyeon.com.au.

We don't sell or manage property but we can help you if you are selling and we can also help buyers interested in your home. If you'd like to find out more about anything in this book or have questions about getting your home ready for sale, please call or email us on 1300 798 27 4 or info@eyeon.com.au.



PREPARING TO SELL

Depending on your situation, you might have been thinking about selling your home or investment property for quite a while. It's a big decision so it's not something to rush into. Of course sometimes you do need to move quickly. Either way, the topics we cover in this e-book should help you to be better informed and help make the job of selling your property a bit easier to get done.

2 BIG QUESTIONS

We think most sellers will initially be focused on two main questions:

1. How much is my home worth?
2. What can I do to maximise the value of my home?

Let's take those questions one at a time.

HOW MUCH IS MY HOME WORTH?

At the end of the day, the value of your property is the amount that a buyer is prepared to pay. So you won't really know that value until your property is sold. But there are a few ways to get a good feel for the likely value of your property. As a starting point you can do some research yourself.

PROPERTY PORTALS

Visit the Sold section of [Domain](#) or [REA](#). You can search for recently sold properties in your suburb or local area. Many of these properties show the sale price so you can get a feel for how much buyers have paid for other properties close by.



PREPARING TO SELL

You might recognise some of these properties so you could drive past them, check out the photos online if you see properties that look similar to yours.

Be a bit careful about drawing too many conclusions at this stage. There are a lot of factors that affect sale prices including land size, aspect, views, accommodation, features, property age, building design, market trends and so on. The main reason for doing your own research is so you have some background before you talk with local real estate agents or maybe a property valuer.

REAL ESTATE AGENTS

Most property vendors will approach local real estate agents to get an appraisal of the value of their home. Agents are active in their local area and should be able to give you useful information about the likely value of your home.

But remember that agents are sales people who want your business. They are marketing themselves to you and their appraisal of your home is often part of their sales process. Very few agents have formal property qualifications and so they can't give you a formal "valuation" of your property. By getting appraisals from a few different agents you are more likely to get a better feel for a range of possible prices. We talk more about this in our section about choosing a real estate agent.

PROPERTY VALUERS

Most property vendors don't engage a valuer to help them understand the value of their property.



PREPARING TO SELL

Most of the work done by valuers is for banks and other mortgage lenders to check that the property is suitable security for the housing loan. However, valuers are formally qualified to assess property values and usually specialise in a particular market area. Valuers are also regularly valuing properties which are not for sale for reasons such as mortgage refinancing. This means they are seeing a broader range of properties, not just those being sold.

A valuer will give you a detailed report on your property that compares it with other local properties and will provide a valuation range for your property. They will also take into account market conditions and other factors that can enhance or detract from property values. Real estate agents will also look at many of these factors but their process is more informal.

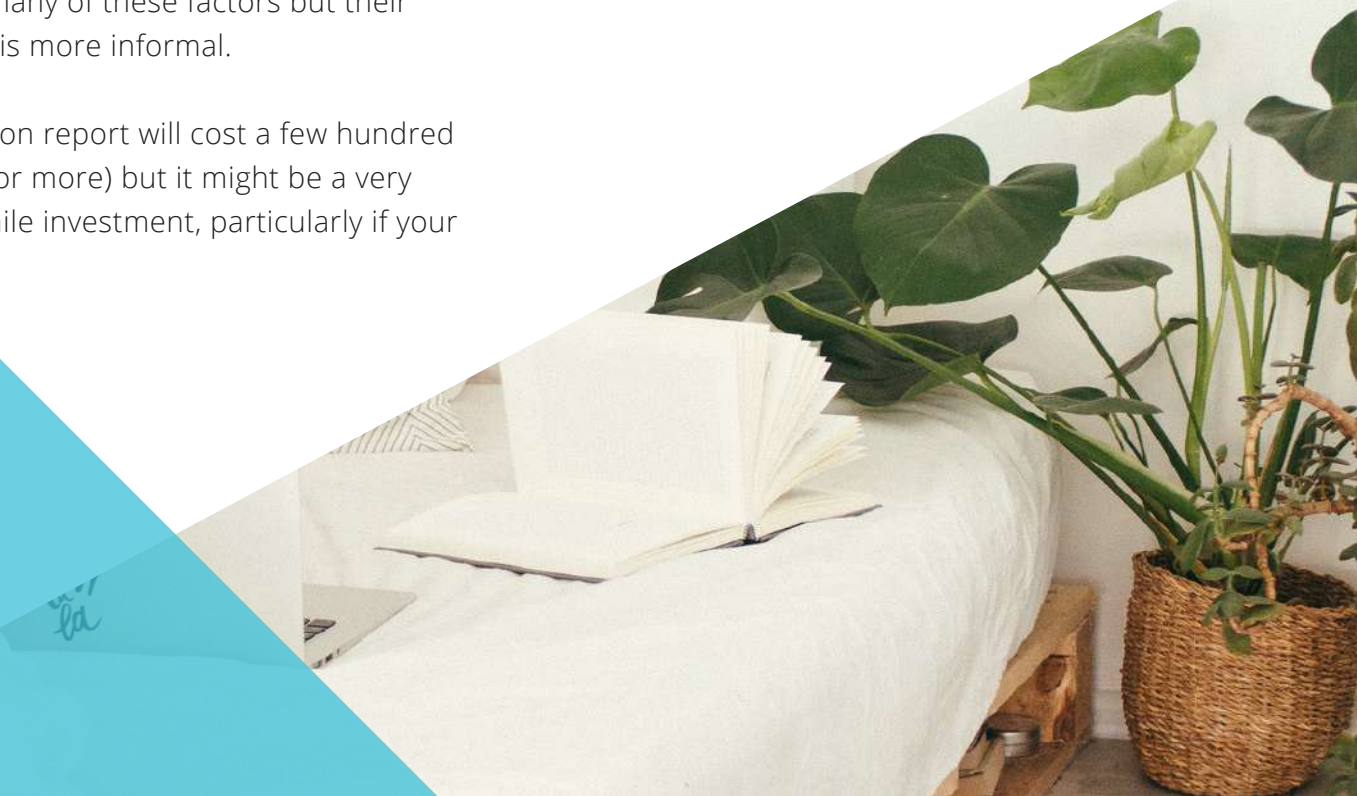
A valuation report will cost a few hundred dollars (or more) but it might be a very worthwhile investment, particularly if your

property is not typical of most properties in your area. A valuation report will also give you valuable information that can benefit you when you start talking to real estate agents; namely an independent assessment of your property.

TAKE THE TIME

It pays to take the time to prepare your property for every open inspection. De-clutter your home. Soft music and heating or cooling can set the right ambience. Fresh flowers, towels and soaps in the bathroom, and magazines and books in the living room can also create a great atmosphere.

Check out these [hot tips](#) on how to get your home ready for an open.



PREPARING TO SELL

MAINTENANCE

You do not need to go overboard but it is vital that any small maintenance and repairs jobs are done. We've put together an information document and a video series to help you prepare your property for sale. You can view them [here](#).

PASS THE SMELL TEST

Make sure that the property smells good. Get rid of any bad or strong odours. Introduce some attractive aromas into the property for open houses. Also remove any pets and things like kitty litter during open inspections.

You may find these articles helpful:

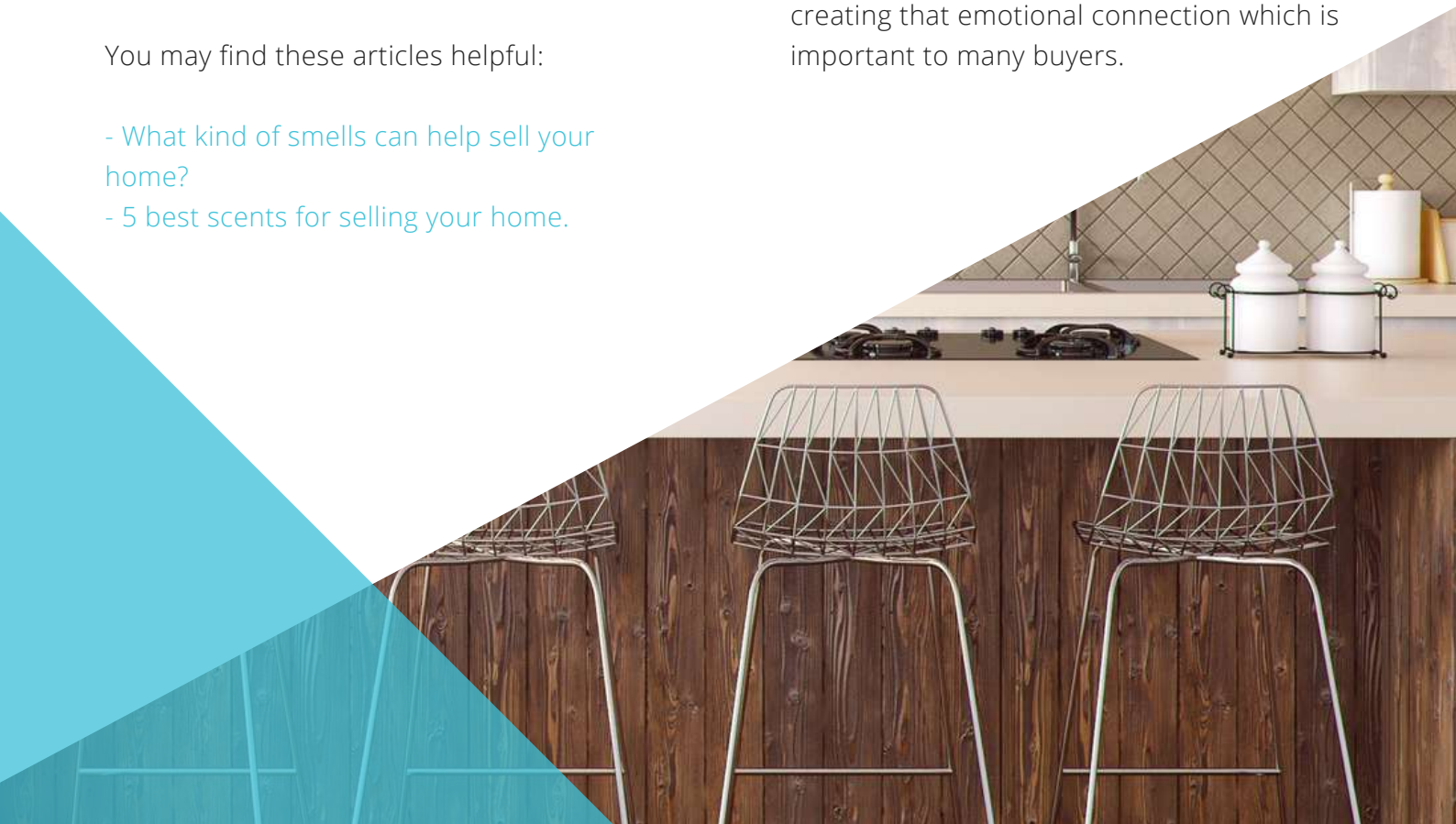
- [What kind of smells can help sell your home?](#)
- [5 best scents for selling your home.](#)

THINK LIKE A BUYER

If you were buying a property what things would you be looking at when you go to an inspection. Make sure your property ticks all those boxes.

HOME STYLING

A recent trend has emerged of bringing in modern furniture to complement or replace existing furniture to lift the look of properties. This seems to work in some cases, but it is expensive. You need to be confident that the additional investment will be rewarded by a significantly higher sale price. It does seem that styling can help in creating that emotional connection which is important to many buyers.



LOOKING BELOW THE SURFACE

One subject that doesn't get much attention in most articles written for property sellers, is getting the "unseen" areas of your property ready for sale. These are also the areas that a building inspector will be looking at (houses/townhouses).

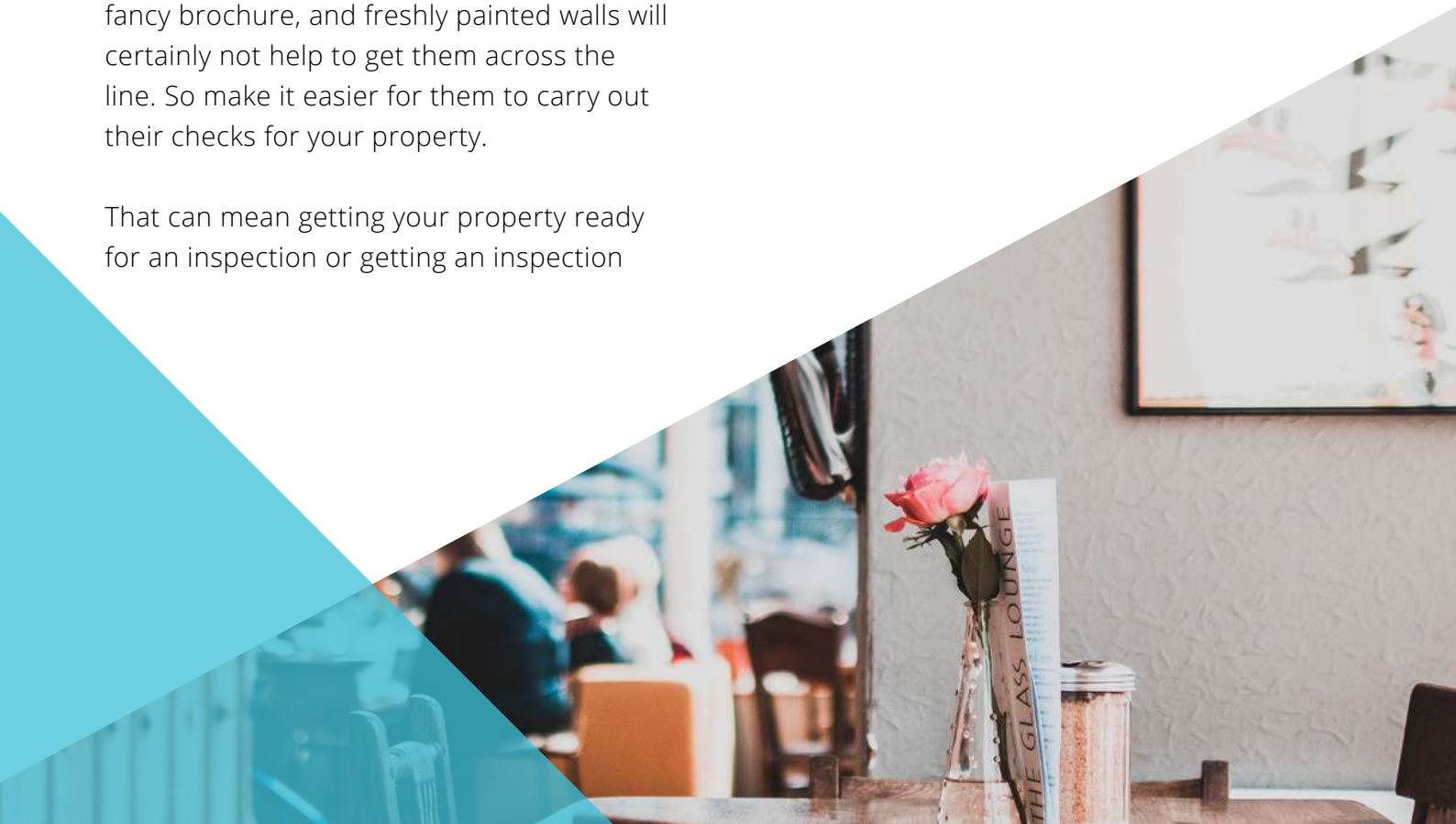
Preparing your property for sale is usually focused on the parts of the property buyers will see when they visit your home. But other areas like under your house, in the roof, the garage and so on are largely ignored until an inspector is knocking on your door.

This doesn't make sense. We'll say this again and again in this e-book: think like a buyer. A buyer wants to know more than what's in a fancy brochure, and freshly painted walls will certainly not help to get them across the line. So make it easier for them to carry out their checks for your property.

That can mean getting your property ready for an inspection or getting an inspection

done in advance of marketing, so buyers don't have to arrange it. This is our area of expertise. If you'd like to find out more about our service, you can visit www.eyeon.com.au or call us and we'll explain (1300 798 274).

As mentioned earlier, we've also written a [few articles](#) about getting various areas of your house ready for a building and pest inspection. You can also view our video series on this topic [here](#).



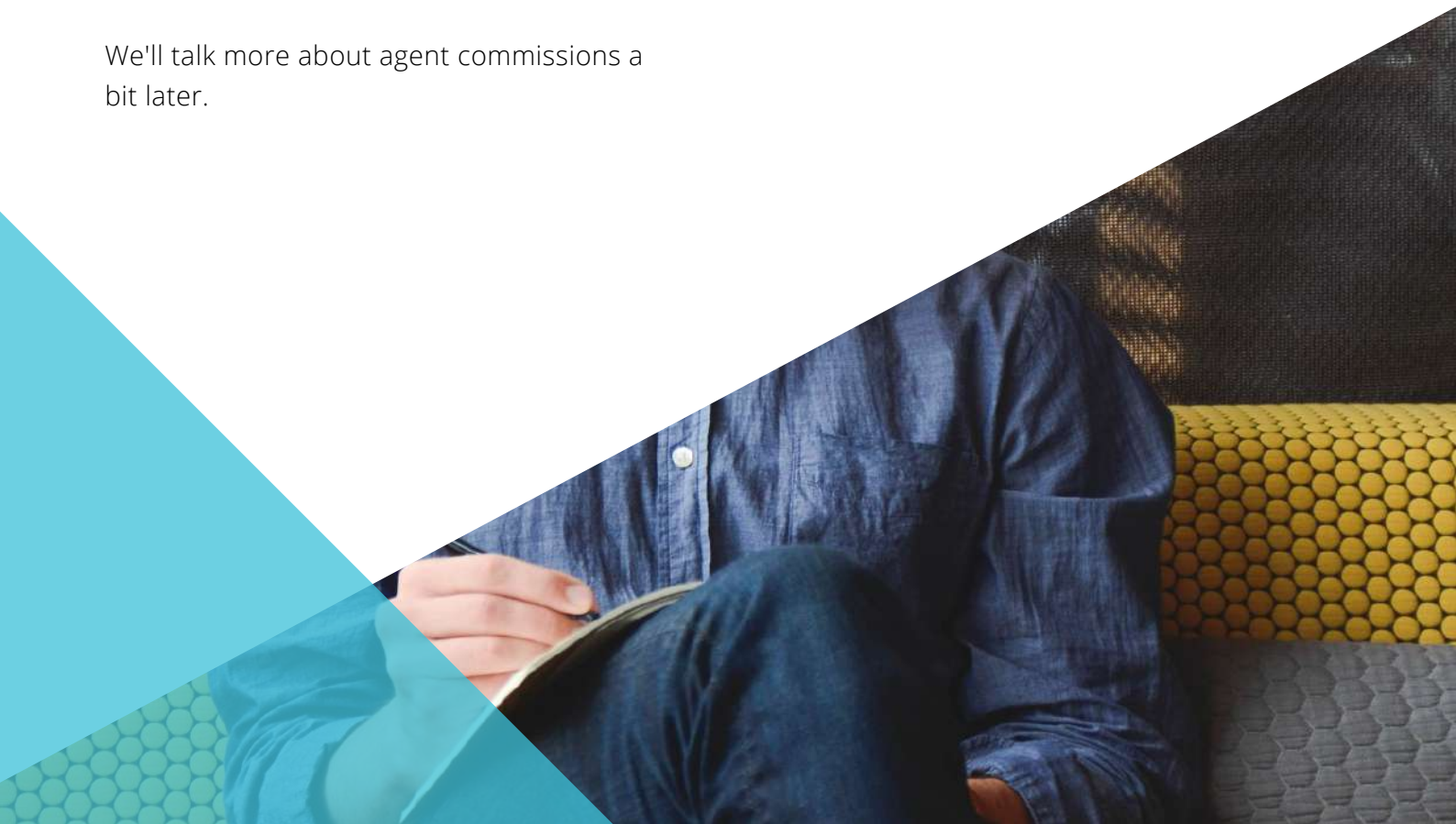
HOW ARE YOU GOING TO SELL

In many ways this is the main game. This is where you make the most important decisions and incur the most cost in selling your property.

Most vendors (90-95%) use a real estate agent to help them sell their property. The other 5-10% advertise it themselves, mostly using a support service like [Buy My Place](#) or [For Sale By Owner](#).

The reason most people use a real estate agent is because they know how to do it, and it takes up a lot of time and energy to do it yourself. Of course it costs a lot more to use an agent, but most people just accept that cost as part of the process of selling.

We'll talk more about agent commissions a bit later.



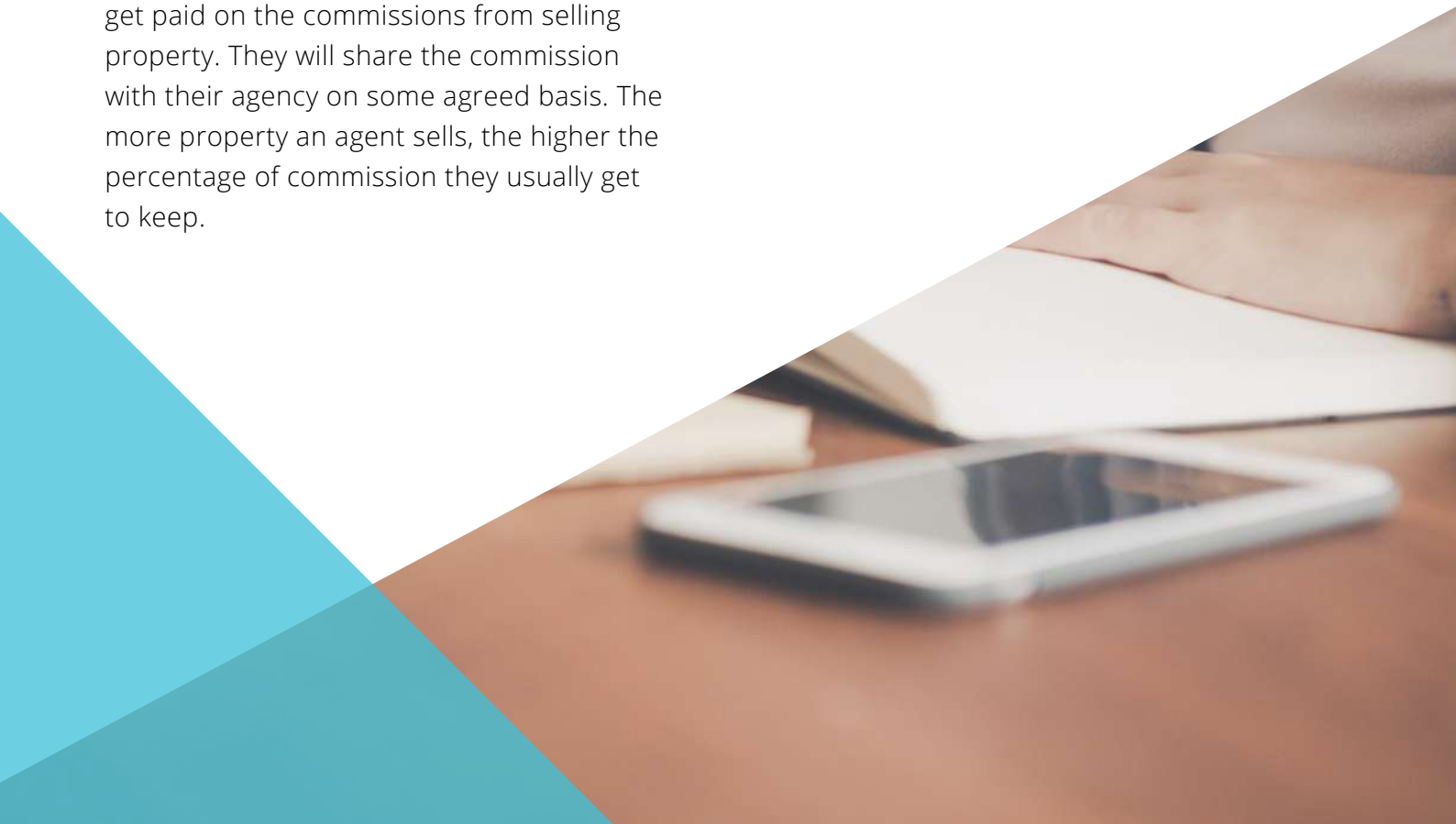
CHOOSING A REAL ESTATE AGENT

If you've decided to use an agent, you want to find the best one. If you live in a larger city, there are probably a number of local real estate agents in your area. Narrowing down the list of potential agents can be done fairly quickly with a bit of research. Put simply, the 80/20 rule usually applies to real estate agents in your local area. That means 80% of properties are sold by 20% of agents. And we don't mean real estate offices, we mean individual agents. If you look at it the other way, 80% of agents only sell 20% of the properties.

Real estate agents work for themselves. Whether or not they work for a large national brand or a small boutique, agents get paid on the commissions from selling property. They will share the commission with their agency on some agreed basis. The more property an agent sells, the higher the percentage of commission they usually get to keep.

Do the best agents sell the most property? This seems reasonable but remember the agents that get the most property listings might just be the best at selling themselves. Having said that, it seems reasonable that agents who are good at selling themselves will also be good at selling property. The bottom line is they are good salespeople.

Finding the most active agents in your area can be done a few ways. REA has a great tool to show you which agents have had the most listings in your area. By searching your suburb and adjacent suburbs you'll quickly get a sense of the agents that sell the most property. Visit the tool [here](#).



CHOOSING A REAL ESTATE AGENT

You can also drive around your area to see which agents have the most signboards up at the moment. You might have other ways of getting agent recommendations like neighbours or friends who have bought or sold recently, agents who have been in contact with you before you decided to sell and so on.

Alternatively, you can receive a FREE service to help you choose who sells your home. Our partners offer a free and independent advice to help you choose the best local agent to value and sell your property, so that you can get the best possible price in the shortest time-frame.

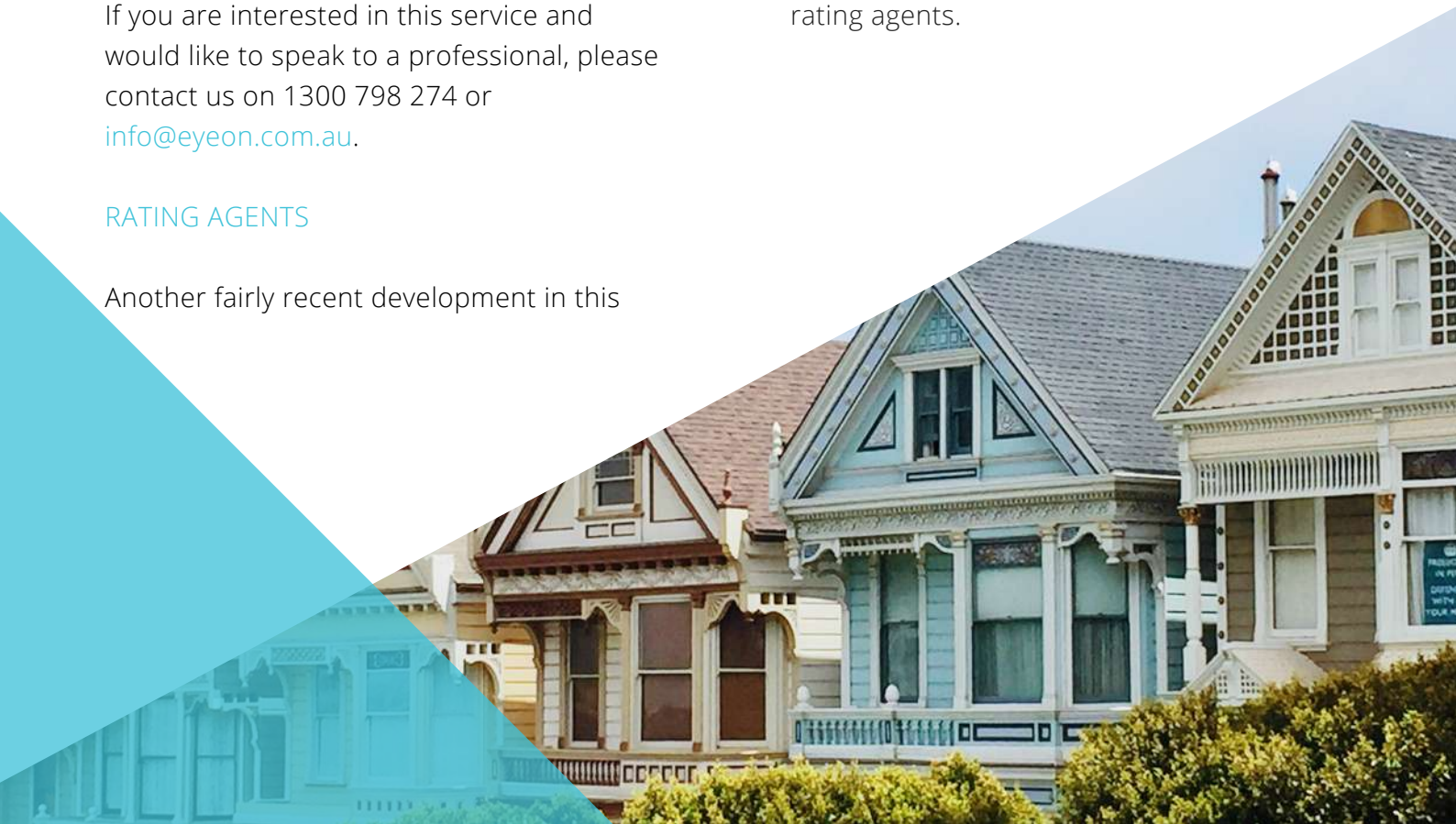
If you are interested in this service and would like to speak to a professional, please contact us on 1300 798 274 or info@eyeon.com.au.

RATING AGENTS

Another fairly recent development in this

area is the rise of agent "rating" sites like [Open Agent](#) and [Local Agent Finder](#). These agents act as an intermediary between sellers and agents. Their service is "free" to sellers and they make their money by getting a share of the agent's commission by connecting a seller with an agent. Their share of the commission is 20-30%.

This is useful information because it tells you how much an agent is prepared to give up if a seller is brought to them. Remember this when you have made your shortlist of agents. See more about this below in the Commissions and Property Marketing section. You might also choose to use these services to get their referral to the best rating agents.



CHOOSING A REAL ESTATE AGENT

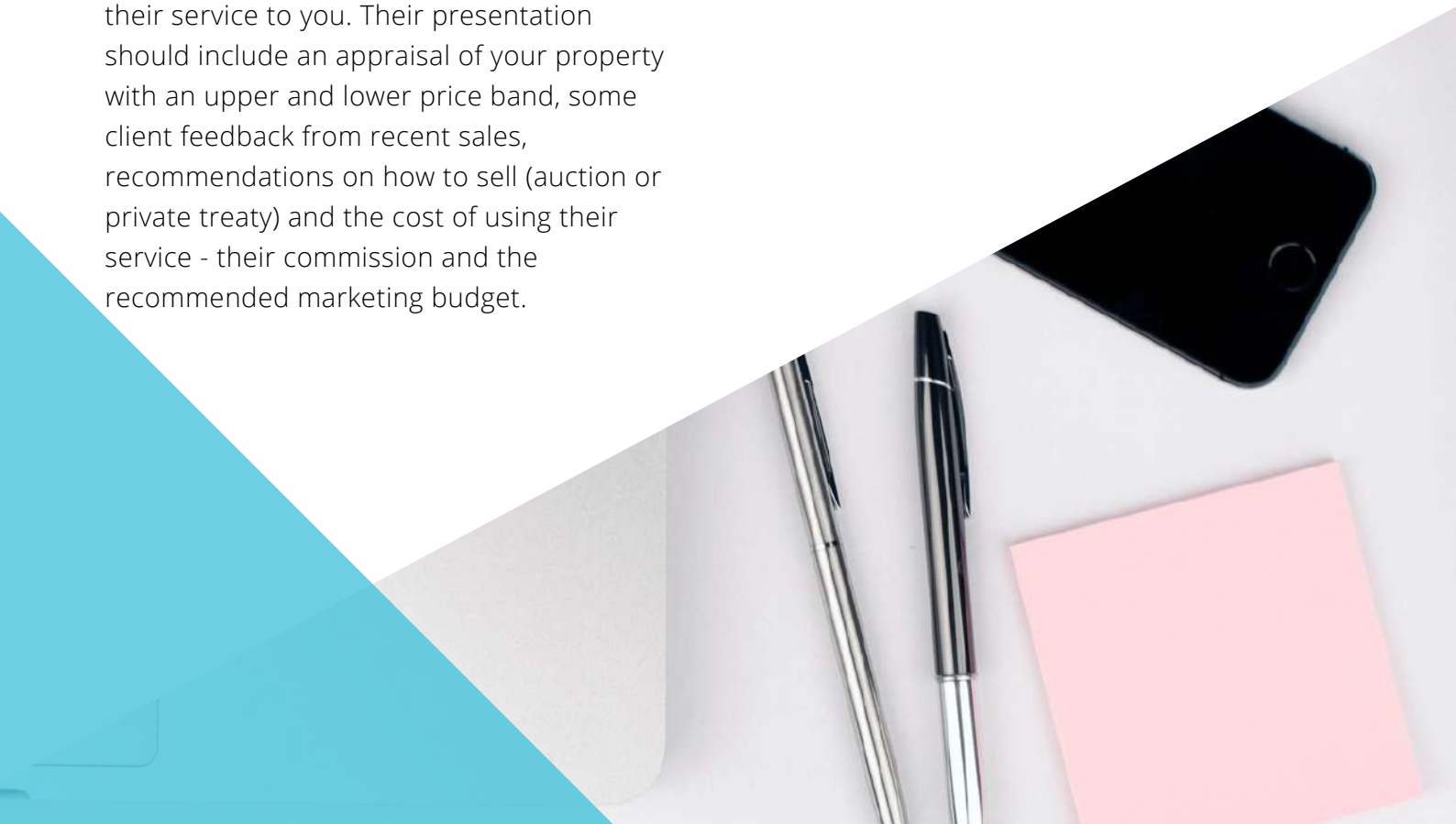
SHORTLISTING

Once you have narrowed down the list of potential agents, visit some of their open houses on other listings to see how they are representing other properties. Are they professional, do they engage well with everyone visiting the property? Leave your details as a potential buyer and see if they follow up with you.

Remember that you need to work with the agent so some agents might suit you better than others.

We suggest a shortlist of three agents. Ask them to come to your property and present their service to you. Their presentation should include an appraisal of your property with an upper and lower price band, some client feedback from recent sales, recommendations on how to sell (auction or private treaty) and the cost of using their service - their commission and the recommended marketing budget.

Following the presentations, you'll hopefully have a good feel for your preferred agent. At this point you need to be prepared to negotiate to get the best deal you can from the agent.



COMMISSIONS

Agent commissions vary from city to city but they range between 1.5%-3% of the selling price. In lower priced areas commissions are often a bit higher as a percentage of the sale price. This makes sense as selling most properties will require a relatively similar effort so if the selling price is less the dollar commission needs to be high enough for the agent to keep offering his service.

However, all agents want new listings and they are likely to negotiate. As mentioned earlier, if agents are prepared to pay 20-30% of their commission for a hot lead, they should be prepared to offer a similar deal to you if you tell them they've been shortlisted.

At the higher end of the market, agents will still try to get a commission of 2% or more. Many vendors pay these commissions but there is not a significant difference in the effort or process involved in selling a property worth 2 or 3 times another property.

If you have a well presented property and your price expectation is reasonable, your property will sell and most agents would manage the sale quite well. In this case, you are in a better position to negotiate the sales commission with the agent.

In choosing between two agents, you might naturally be attracted to the one with higher price expectations. If that agent is confident about his ability to achieve this price, you could structure the commission to give him an incentive to achieve a higher price but a lower commission if he fails to achieve a good result.



COMMISSIONS

For example, if one agent thinks they can achieve a sale price of \$800,000 while other agents think only \$750,000 is achievable, you might suggest a low base commission of say 1 to 1.5% up to \$750,000, 5% commission on the extra sale price between \$750,000 and \$800,000 and 10% commission on the amount over \$800,000. This motivates the agent to strive for the highest price. If the agent achieves a really good price, he gets 10% of the additional sale amount but you still keep 90%.

At the end of the day, the agent's commission shouldn't be the sole deciding factor but negotiating on fees should be part of the process of choosing an agent.



PROPERTY MARKETING

Almost all property is marketed online, and just about every potential buyer will be looking on sites like Domain and REA. It's true that many people still look at the property sections of newspapers, but the cost of placing these ads needs to be balanced with the benefits.

In recent years, the portals have introduced premium online ads. They are bigger, show more agent branding and appear higher in the search results. But they cost a lot more. If you were a buyer looking for a 4 bedroom house in your area, would you just look at the premium ads? Of course not. So the extra cost of these ads might not be justified.

Remember that online marketing, signboards, leaflets are all designed to get people to look at your property. Once they've seen it, the value of that marketing is largely diminished. From this point, it becomes a sales process where the agent needs to use his skills to identify the

serious buyers and get them over the line for a price you'll be happy with.

Also note that property marketing also helps in building and maintaining the selling agent's profile. They definitely benefit from your property marketing but don't usually contribute to the cost of that marketing. So, consider saying to an agent, who thinks it's important to have a premium online listing, that he should share the cost with you.

STYLING

Depending on your property, styling can provide a real lift to its presentation. It's a sizable investment but can definitely help in creating that emotional connection which is important to many buyers.



BUYERS' PROPERTY CHECKS

Once buyers have seen your property and decided they like it, they will want to know more about it. This usually means having the contract for sale reviewed by a solicitor and getting a property inspection report.

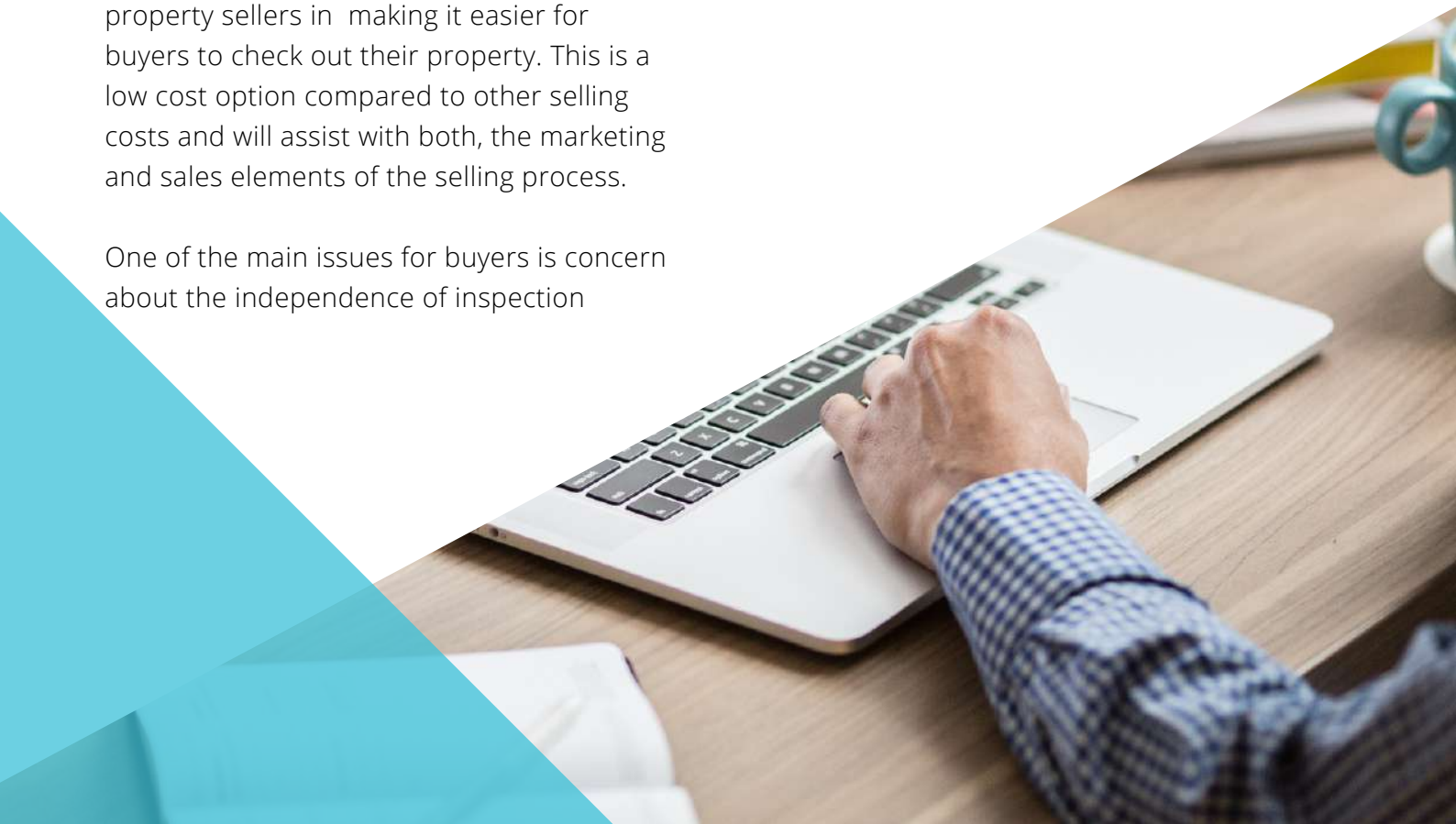
For houses, buyers will usually get a [building and timber pest report](#). For apartments, it's more likely to be a [strata records inspection](#) report. For small blocks of flats and town houses that are part of a strata scheme, buyers may decide it is best to get both reports.

Traditionally, the inspection process has been undertaken by the buyer. However, we believe there are strong benefits for property sellers in making it easier for buyers to check out their property. This is a low cost option compared to other selling costs and will assist with both, the marketing and sales elements of the selling process.

One of the main issues for buyers is concern about the independence of inspection

reports. We believe it is vital for buyers to be able to get quality follow support and to feel directly connected to the inspector. Our product, [Open Access](#), is designed to help buyers carry out their property checks at low cost, while getting quality support and insurance protection.

Some vendors and agents believe it is a good idea to get a report done and then give it out to buyers. There are a [few issues](#) with this approach. However, we recognise that this is a growing trend and have designed a [product](#) that solves all of the problems associated with "free" reports.



BUYERS' PROPERTY CHECKS

GETTING YOUR PROPERTY READY FOR A BUILDING INSPECTION

If you'd like some tips on getting ready for a building inspection of your house you can watch our video series - [Building Inspection Tips](#).

WHAT'S DIFFERENT ABOUT APARTMENTS?

When you are selling an apartment, it's important to understand exactly what you are selling. Unlike a house where you are selling some land and the house that sits on the land, apartments are different. The only thing you are really selling is the space inside the walls of the apartment. The rest of the building and the land is owned by an owners' corporation.

Each apartment owner holds an interest in the owners' corporation which gives them certain rights and obligations. They have the right to become involved in the affairs of the

owners corporation through attendance at meetings, voting rights and participation on strata committees.

They also share the obligation to meet the costs of running and maintaining the building. Buyers will want to know about the current financial position of the owners corporation, whether there are building or other issues, is there a risk of special levies?

We talk more about selling an apartment [here](#).



CHOOSING YOUR METHOD OF SALE

Basically, there are two schools of thought on the best way to achieve the best selling price.

1. Setting a price for the property which is higher than the estimated market value and then negotiating with buyers from that level.
2. Starting with a low price with the intent of creating "herd" interest in the property around an auction that can drive up bids.

When choosing a real estate agent to sell your property, they are likely to recommend a particular sales strategy. The most common methods of sale are Public Auction and Private Treaty. There are advantages and disadvantages of both options.

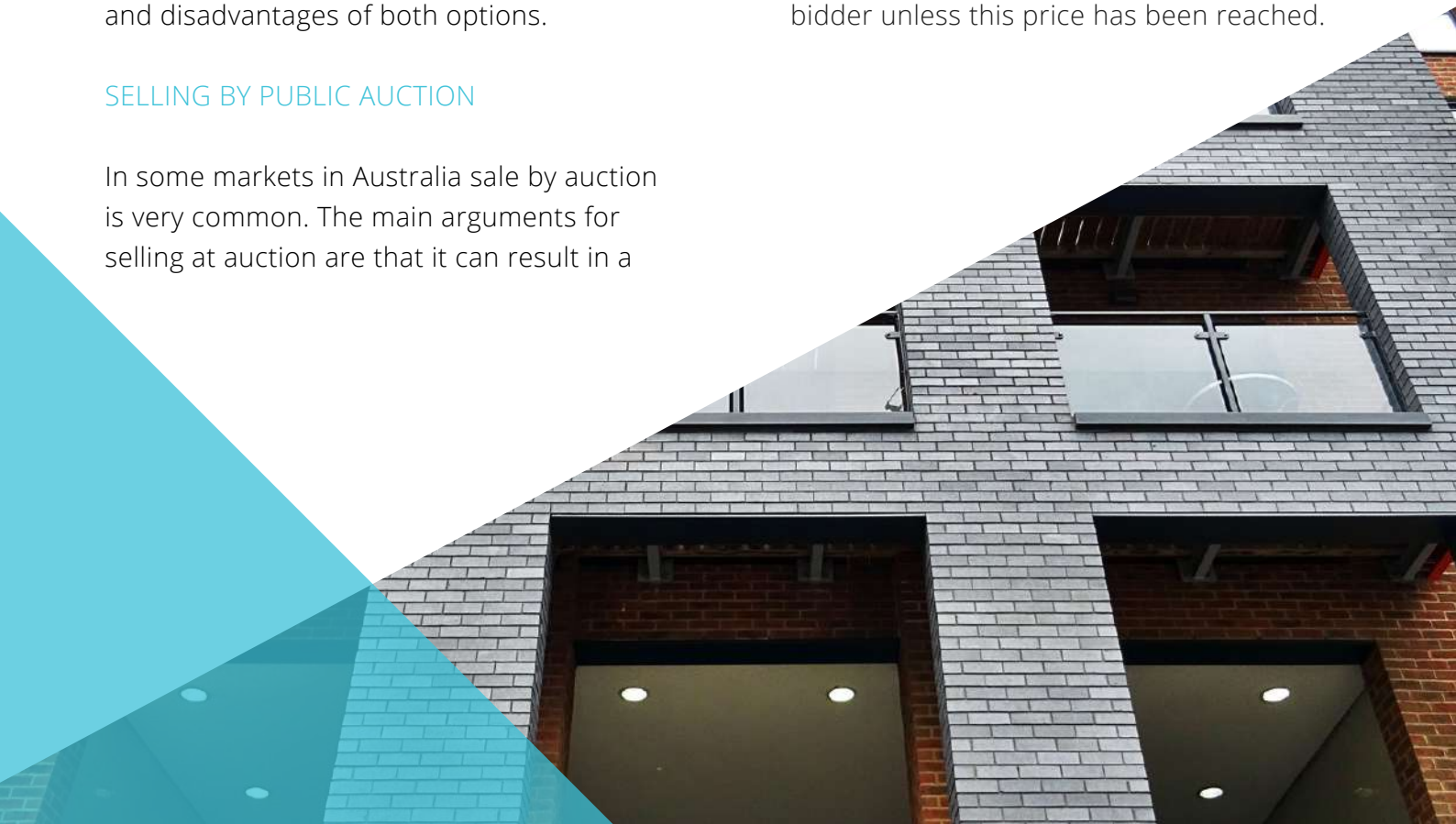
SELLING BY PUBLIC AUCTION

In some markets in Australia sale by auction is very common. The main arguments for selling at auction are that it can result in a

higher price for the property and can reduce the time that the property stays on the market. Because a sale date (auction date) is set, buyers need to make a decision about the property on that date.

If the property is attractive to buyers, it is hoped that competing buyers will bid up the price of the property. This certainly does happen, but the success of this approach is dependent on a number of factors like the strength of the market, the level of interest in the property, and so on.

Before the auction starts, the sellers and their agent will set a reserve price. The property will not be sold to the highest bidder unless this price has been reached.



CHOOSING YOUR METHOD OF SALE

This price is not revealed to bidders until it has been reached. If the bidding does not reach the reserve price and the property is not sold, it will then revert to a private treaty listing.

However, as the bidding prices for the auction are now public, other buyers will benchmark their offers against those bids. It is common for real estate agents to use a low starting price in auction campaigns in an effort to widen buyer interest.

However, this practice has come under strong scrutiny as some agents have set price guides at levels well below the estimated price range agreed with the seller. It is also worth noting that setting a low starting price can sometimes work against achieving a high price.

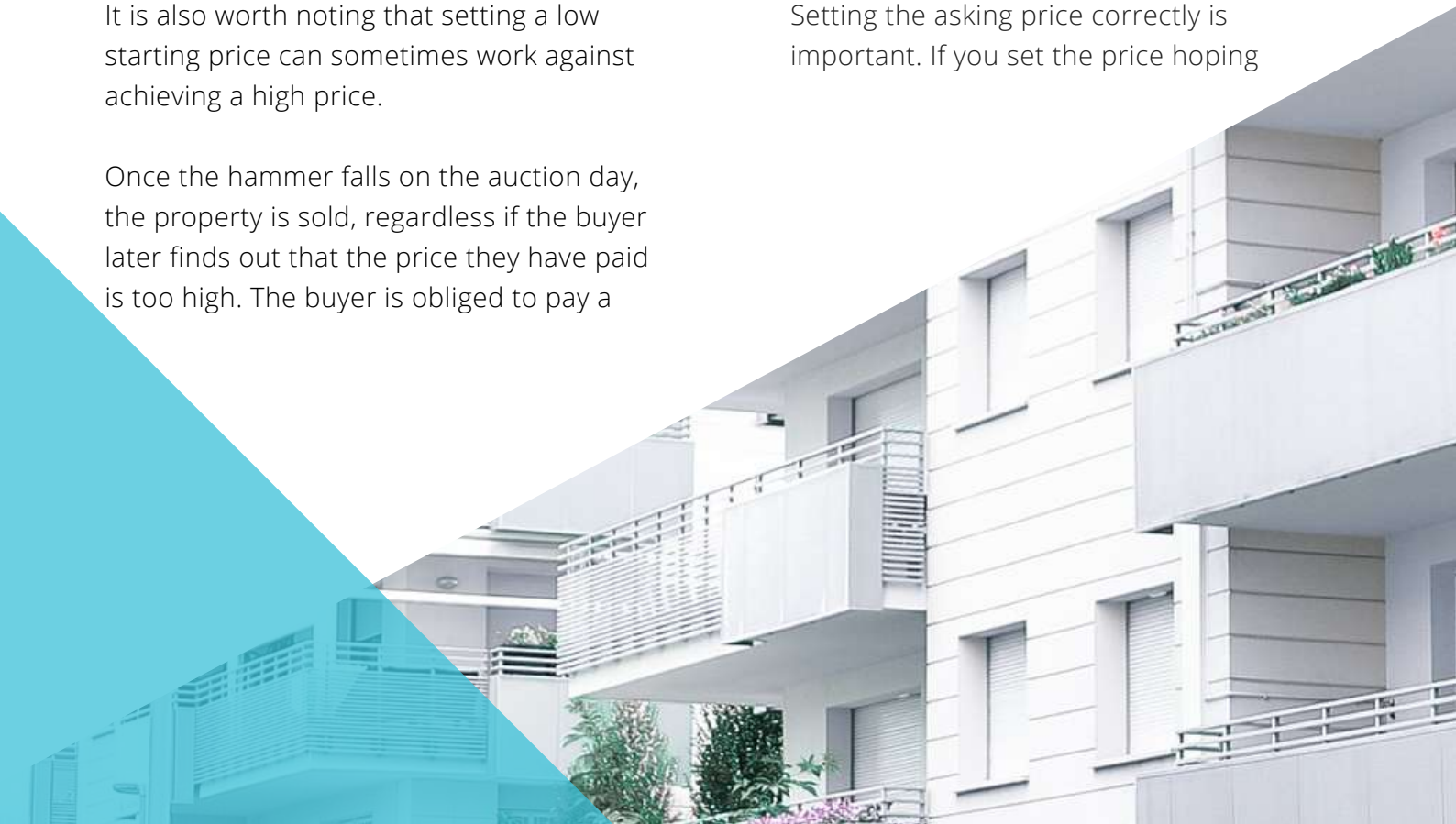
Once the hammer falls on the auction day, the property is sold, regardless if the buyer later finds out that the price they have paid is too high. The buyer is obliged to pay a

deposit of 10% of the purchase price at the time of purchase. If the buyer does not complete the purchase for any reason, the seller would usually be entitled to keep the deposit.

SELLING BY PRIVATE TREATY

Under this selling option, you establish a desired selling price and advertise the property for sale at that price. Clearly, it is important that you have determined the market value of your property if you decide to sell with this option. You should consider how best to establish market value as discussed earlier.

Setting the asking price correctly is important. If you set the price hoping



CHOOSING YOUR METHOD OF SALE

dream offer you might find that your property sits on the market for an extended period. This can damage the value of your property as buyers will wonder why it hasn't sold. Remember, there's often quite a big gap between the price you'd love to receive and the price that a buyer would hope to pay.

If your property isn't selling it can only be for one of two reasons:

1. The selling agent isn't doing a good job, or
2. The price you are asking is too high.



CONCLUSION

We wish you all the best with the sale of your property!

And if you need any help, please don't hesitate to contact us on 1300 798 27 4 or info@eyeon.com.au.

