



PROVIDENCE

How To **Maximise The Selling Price** Of Your Home Or Investment Property

**Plus, The 5 Keys To Achieving A Quick and
Stress-Free Property Sale, For Top Dollar**



**ABOUT THE AUTHOR:**

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Lynton Stevenson started his property ownership and investment journey more than two decades ago, starting with the purchase and renovation of his first home in Tasmania.



Since then he has been around property more or less continuously. Buying, selling, investing, renovating and advising.

Along the way he discovered that not all agents are equally good at selling all properties. And also, that there are simple things a property vendor can do to achieve a much better price in a shorter period of time.

Now, Lynton and his team help property owners around the whole country maximise their results when selling.

This Report shares their proven approach to do just that.



Who This Report Is For

This Report is written for anyone who is about to sell their home or investment property.



This information will be particularly useful to you if:

- **You are thinking of selling**, but are unsure how to select the best agent for you.
- **You're ready to sell, but are short on the time** and "mental bandwidth" required to find and engage an agent, prepare your property for sale and ensure an excellent result.
- **Your property has already been on the market for too long** without success, and you're ready to consider a change in approach.
- **Your property is located in a different State or Territory** from where you live, and you want to know how to ensure an excellent outcome.
- **You're looking to secure the best price**, without being lured in by over-promising real estate agents who can't deliver

If any of these scenarios apply, then you'll find the information in this Report very valuable...



Why The Traditional Home Selling Model is Broken

The vast majority of property sellers use a real estate agent to market and sell their property.

It's true that an excellent agent can deliver a great result. And by a great result, I mean a **smooth and fast sale at a premium price.**

The best agents will extract the highest possible price from the buyer. They may be able to attract multiple offers. And they may also use effective negotiation strategies to secure a higher sale price and more advantageous terms.

That's the best case scenario.

But the reality is that most real estate agents are by definition "average". They won't necessarily work hard and consistently to maximise your sale price and shorten your time on market. They're happy just to do an "OK" job.

So while the best agents are worth their weight in gold, I maintain that the traditional home selling model is broken for a number of key reasons. Namely:





WHY THE TRADITIONAL HOME SELLING MODEL IS BROKEN

#1 There are Strong Incentives for Real Estate Agents to Over-Quote



Many home sellers have had this experience: you decide to sell your property, so you contact 3 local real estate agents. As part of their presentation, each of the agents provides an estimated sale price.

It's natural to want to go with the agent who seems to be most confident about fetching the highest price. But only if that price is actually realistic.

Once you're signed up, that's when the drama usually begins. Let's say your agent estimates a sale price of \$750,000. It may be that the true market value is closer to \$700,000.

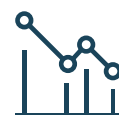
After a few weeks, the agent comes back to you and says something like, "market feedback is that the property is worth around \$700K".

At this stage, there's not a lot you can do. If you hold on to the higher figure originally quoted, it may be impossible to sell within a reasonable timeframe.

If you decide to hold firm and refuse to drop your price, the property may remain unsold. And the longer a property remains on the market, the more prospective buyers start to assume there's something wrong with it.

A quick sale is a good sale. It's critical to get the price in the right "zone" at the start

#2 Effort is Greatest at The Start, and Goes Downhill from There



Many home sellers report that the performance of their real estate agent starts off strong and falls from there. For example:

- The agent is highly polished and professional during the process of getting your listing.
- Getting advertising and marketing underway is done promptly.
- The first one or two open homes are OK.
- From there, follow up starts to become less responsive.
- If the selling process begins to drag out, service typically drops further and further.
- Eventually, momentum is completely lost.

The problem here is that with the traditional model, there isn't a lot of accountability to ensure efforts continue throughout the sale process, right until you see that SOLD sign outside your property.



WHY THE TRADITIONAL HOME SELLING MODEL IS BROKEN

#3 ALL Agents have Their Strengths and Weaknesses



One of the biggest mistakes that many home sellers make is assuming that an agent is equally good at selling all types of property using all types of selling strategies.

Some agents have far different success rates when it comes to selling properties at different price points in different suburbs.

Ideally you want to ensure that your agent has a proven track record selling properties at **your** price point in **your** area.

Just because an agent has had lots of success selling median priced townhouses doesn't mean they'll be able to sell a luxury home (and vice versa).

Then there are agents who might have sold a lot of property at auction over recent years.

But in Sydney, for example, what has been more of an "Auction market" is now becoming more of a "Private sale" market.

If this is the case, it would be important to ensure your agent has had success with private sales, not just auctions.

#4 The Standard Commission Model Doesn't Drive Performance



Typical real estate agent commissions sit somewhere between 1.5% and 2% of the sale price (in Brisbane they can be as high as 3.3%).

The standard thinking is that because the agent makes more money if they fetch a higher price, they will be incentivised to work hard on your behalf.

In fact, this many not be so.

For example, on a \$1 million property sale, the agent will make \$20,000 in commission. If they really work hard to get \$1.02M instead, they will make \$20,400 in commission - only a few hundred dollars more.

That extra \$20,000 on the sale price makes a big difference to you - but an extra \$400 may not make such a big difference to the agent. Most agents would prefer to make a quick sale at an "OK" price, rather than work extra-hard to achieve the very best price.

So you may end up with an "OK" result, rather than a really great result, unless you structure the commission agreement to incentivise a great result.



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How To Fix The Home Selling Process: The 5 Keys To Achieving A Quick and Stress-Free Property Sale, For Top Dollar



When you're selling an asset as significant as your home or investment property, the difference between "average" and "outstanding" may be tens of thousands of dollars extra in your pocket.

So it pays to get it right.

That's why we launched our vendor advocacy service called *Home Owner Assist*. This is a **free service** for property sellers. We form a transparent agreement with the eventual selling agent whereby the selling commission is shared.

And in return, we apply the following 5 Keys to achieving a quick and stress free property sale, for top dollar:



THE 5 KEYS TO ACHIEVING A QUICK AND STRESS-FREE PROPERTY SALE, FOR TOP DOLLAR

#1 Select Your Real Estate Agent Strategically



As you saw above, there is a lot more to selecting an agent than how slick their presentation is.

No matter where your property is located within Australia, we conduct a shortlisting and selection process designed to pick the most suitable agent for you.

We will always think highly of an agent who has a **demonstrated record of success** with your type of property in your area.

Of course, the final decision over who you work with is yours.

Our client purchased a house in Concord in the western suburbs of Sydney in the late 90's and made money. He then purchased an investment property, thinking he could replicate his success.

The investment property was a 1-bedroom apartment in the newly established suburb of Wentworth Point. He purchased it for \$400K in 2002. Unfortunately, he didn't check other Development Applications at the time. It turned out there were vast quantities of similar apartments being built in the same area.

14 years on, when it came to sell, he decided to use the rental manager who had also been managing the property. Why? Because he was a nice guy.

After speaking with us, we interviewed the rental agent, along with two others in the area.

The managing agent indeed had the best track record, reasonable fees, and strong communication and presentation skills (just a few of the factors we evaluate when selecting an agent).

After several weeks the agent came to us suggesting we take an offer of \$500,000, saying this was the best offer we would get. The client was disappointed that after 14 long years, all he was going to make was \$100,000.

We advised the agent not to accept the offer. We believed a better offer was available, based on our research and understanding of the market.

Soon afterwards, the agent brought us another offer. This time it was for \$510,000. The agent begged our client to accept the offer, saying it would be absolute best offer he would get.

Again, we advised the agent to go back to the bidders and get a higher offer. Our experience told us that with 5 interested buyers, the opportunity to create competition between all parties was high. More work needed to be done.

After several more offers were put forward, our client eventually accepted an offer for \$545,000 - \$45,000 higher than the original "best" offer.



THE 5 KEYS TO ACHIEVING A QUICK AND STRESS-FREE PROPERTY SALE, FOR TOP DOLLAR

#2 Choose The Right Sales Strategy



Some agents use default sales methods that may or may not be appropriate for your property.

And with the wrong selling strategy, you will tend to get a poor outcome.

Let me give you an example:

Over the past 5 years in Sydney, it's been an auction market. However, in the past 12 months or so, it's been more of a private sale market.

For agents, auctions are much quicker and easier. The auctioneer does most of the work. The agent collects their commission and moves on to the next sale.

A private sale is more time sensitive and requires more work to negotiate between multiple buyers. When the market conditions are right, this can also create a better result.

This is just one situation where the right selling method can influence the outcome.

In fact, there are 7 main selling methods that we consider when advising a vendor on the right sales strategy. These are:

1. Auction
2. Private auction
3. Private sale
4. Expression of Interest (EOI) / Tender
5. Sale By Negotiation
6. Sale By Set Date
7. Off-Market Sale

Depending on where and why you're selling, as well as the outcomes you want to achieve, one selling method will usually be more appropriate than the others.

#3 Get An Independent Market Appraisal



Real estate agents tend to estimate selling prices optimistically - at least at first. Once you're signed up with them, they may start to "condition" you as the seller toward a lower price so they can make a quick sale and move on to the next property.

That might sound harsh and mercenary, but it's true.

The problem is, if your initial asking price is too high, you may deter genuine buyers. And if the asking price is too low, you may end up selling too cheaply.

When we work with home sellers, one of the steps we always undertake is to order an independent market appraisal of your property to ensure it is priced appropriately.

Getting the right valuation gives you the most realistic expectations, and also allows a good agent to focus on the most eligible buyers around your price point.



THE 5 KEYS TO ACHIEVING A QUICK AND STRESS-FREE PROPERTY SALE, FOR TOP DOLLAR



#4 Hold Your Agent Accountable

Once you select an agent, the next step is to make sure they perform consistently and energetically to drive results for you.

After helping you select the most suitable agent, we stick with you throughout the selling process to ensure your agent delivers.

We are constantly following them up around activity levels, interest and results to ensure your listing is always front of mind. The following example shares why this is important:

After extensive Due Diligence, we recommended a suitable agent to represent the sale of our client's property. The agent took our client's property to market via private sale .

The property was well received by buyers. However, at around the same time, the agent obtained other listings for higher priced properties, independent of our client.

This introduced the temptation to sell our client's property quicker than otherwise normal.

Overwhelmed with enquiries and properties, the agent's communication became less frequent and it became clear that he was trying to sell our client's property quickly.

An offer came in, and the agent advised our client that it was best and final and we should accept it.

We instructed the agent to go back to the buyer with a counter. As a result, the buyer ended up stumping up another \$15,000 more than their so called "best and final" offer.

The client was very happy that we pushed back and asked the question. \$15,000 happier!





THE 5 KEYS TO ACHIEVING A QUICK AND STRESS-FREE PROPERTY SALE, FOR TOP DOLLAR

#5 Structure Commission Agreements To Drive Results



Traditional “flat” commission agreements do not tend to incentivise extra efforts to secure the **best possible selling price**.

We will often negotiate performance fees with agents that give them stronger incentives to achieve a premium price (and put more money in your pocket). For example:

We started by setting a price of \$950,000 for the sale of our client’s 4 bedroom home. This was in line with both our market appraisal and the expectations of the agent and the seller.

We then offered the agent a performance-based bonus to create further incentive to obtain a higher price.

A standard 2% sales commission applied if the property sold for the asking price.

However, if the agent were to get anything over \$1M, they would receive 10% on every additional dollar.

As a result, the agent really pulled out all the stops and sold the property for a whopping \$1,076,500. This was \$126,500 more than the client’s expectation. And the agent was happy too - he earned an extra \$7,650 in commission for his efforts.

In Conclusion

So that’s it: with the right agent, the right strategy, the right valuation, the right accountability and the right performance structure, you’ll tend to get the best outcome.

Too often, property vendors get at least one (and sometimes all five!) points wrong.

And the result is a slower sale... a more stressful sale... and a sale for less than is possible.

That’s why we work with vendors to ensure these 5 Keys are executed properly. The result is a great outcome for all parties. And to make matters even easier - our service is 100% free to you.



Taking The Next Step

You can take some of these ideas in this Report and do all the work yourself, and I have no doubt you'll achieve a better home selling outcome.



But considering our professional service is completely free of charge, why not explore getting us to do this for you instead?

The next step is to book a *Home Selling Strategy Session* with one of our Senior Consultants over the phone.

During this session we will:

- Listen very carefully to your experiences so far with home selling and also what you're looking to achieve
- Provide a high-level strategy as to how you can sell your property quicker and for more money
- Answer any questions you have about the process
- And, if you're interested, we'll share how we can assist you in moving forward together

This chat is without cost or obligation of any kind. And our free service is available in every state of Australia.

At the very least, you'll emerge from this session with a clear roadmap for achieving a great result when you sell your home or investment property.

Contact us now to make a time for your *Home Selling Strategy Session*.

We look forward to speaking with you soon.

Lynton Stevenson
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“Well let me just start by saying, what an amazing service!

I had never heard of a Vendor Advocate before but having Providence there to choose the right agent and act as an extension and mediator definitely aided in the whole process of selling my property.

I hadn't sold a property for a long time and to be quite honest I was anxious about the whole thing. I had heard too many horror stories from friends and the like when it came to selling; from bad agents to bad advice regarding market timing to no buyers turning up at inspections. I was not looking forward to selling.

Providence guided me through the entire process from providing me with a realistic expectation of price, market timing, local market knowledge and shortlisting the most appropriate Real Estate Agents.

Having a Vendor Advocate on my side was an absolute God send, Providence harbored and shielded all the stress while keeping me informed and updated throughout and where appropriate.

Providence worked with the agent to increase the final offer, getting me a price that exceeded my expectations. Providence were an absolute pleasure to deal with and I would highly recommend their services for anyone looking to sell their property.”

SAM P

providenceproperty.com.au