



A Guide to achieving
a premium price

Welcome

Selling your home is one of the most important transactions you will undertake in your life. So the opportunity of creating the very best result is paramount.

Over the past 6 years I have learned that a premium result doesn't just happen, it is created. To help you understand the premium price sequence and utilize these crucial elements yourself in your future property sale I have created this easy to follow guide.

Hope you find it useful.

Warm regards,

**Mark McCann
McGrath Estate Agents**





Crucial element 1 - Presentation

This is probably the most known however widely forgotten element in a property sale.

Presentation doesn't mean just how clean your house is but how it flows, what colours are used, how the buyers feel when they first pull up outside your home and how they receive your property walking through every inch of the inside all the way out to the porch or backyard.

Often we engage the services of a stylist or interior designer to provide our clients with advice on what will best appeal to the senses of prospective purchasers for each property as an individual. Every home is different and so too the advice.

Quite often some homes will require landscape attention and others furniture restructuring, while others will need a freshen up in paint colours and some staging in certain rooms.

This element of your property sale I would say is the number 1 element that will create a spring board for your future sale.



Clean carpets and cushions are paramount

The room should be completely free from clutter

Clean windows bring the natural light in

Crucial element 2 - Price

Building an exceptional price usually comes about by first engaging the market place with some logical price evidence and positioning.

What I mean by this is working off recent comparable properties in the immediate area or close by will help create a firm foundation in logical price positioning to begin with. Buyers first look for value evidence before they will inspect in most cases.

This is a rule that is handy to remember:
Buyers start logically and finish emotionally

What this rule generally means is your property has a mental agreement on price positioning from prospective buyers then they will move to the emotional connection with your property provided the general feel and criteria of your home suits

them. Once a buyer becomes emotionally attached then it becomes a lifestyle decision rather than an exact dollar and cents decision. It is in the highly emotional part of this equation that an opportunity for a premium result will be found.

If a buyer feels your property is overpriced then (even if they like the property) it will stop them moving to the emotional part of this process because logically they just don't agree and quite often they will leave the property without offering.

This is why some homes sit on the market for extended periods, more often than not, there isn't anything wrong with them, it's more that the market place isn't agreeing logically with it.

Crucial element 3 - Method of Sale

The right method will go hand in hand with price. There are only two methods that work effectively in residential real estate which are Auction or Private Treaty.

Auction

The auction method is great for homes that are highly desirable or hard to price exactly.

The auction method leaves the outcome open whilst also accelerating the sale process by placing a closing date on the marketing process, this really does compel buyers to make a buying decision prior to the auction date, which can create a heightened sense of urgency and excitement in the buyers minds and ultimately help in the premium price formula for some properties.

Auction isn't for all homes, however is invaluable for others. A common misconception about auction is it costs more to go to auction. This isn't necessarily the case, it is the marketing plan associated with the type of property rather than the auction process itself that calls for a more elaborate marketing plan because the property requires it to stand above its competition.

Private Treaty (Normal For Sale)

This method is suited to homes that are easy to price or have firm comparables that are readily worked off allowing your agent and or the owners to agree that the value of the home is easily gauged within 2 or 3% of its estimated value.

If a home is easy to price and has a number of close comparable sales that are recent then this is the way to go. The private treaty method gives the market place total clarity on what you are asking for your property and is received very well by the market. The only danger with this method is if not used on the right home you can run the risk of over pricing or under pricing your home very easily if not assessed properly in the beginning, which can be a very expensive mistake.

Quick tip, If you think lots of people will love your property and the price could vary between purchasers then auction your home. If you can price your property accurately and feel the buyers will agree with your price point based on recent comparables then private treaty is the way to go.

Crucial element 4 - Marketing

The right marketing campaign for your property is like the fuel of your property sale.

If you consider there maybe hundreds of properties that buyers could choose from across a number of suburbs at any one time, the effectiveness of your marketing campaign will be the difference of lots of potential buyers noticing your property or some potentially missing it.

There is something I would like you to remember about marketing: The structure and quality of your marketing campaign will determine the amount of separation you create from other competitive properties in the market place.

Marketing isn't just advertising, it also consists of:

- Your internet strategy
- Your agencies database capabilities
- Your agencies unique positioning tools
- Advertising
- Signage
- The synergy of the office you select and networking capabilities both local and Sydney
- The quality of your photography
- The buyer centric design of your marketing format

The right marketing structure is essential in ensuring this premium price element is maximized however it is an individual assessment of each property to design a program that suits you.



Having all the tools you need is essential to a successful sale

Crucial element 5 - Your Agent

Not all agents are the same.

Some are highly skilled while others are not, just like in any field. Your agents crucial function is not to just show buyers through your home, it is to help you protect your price.

Their negotiation skills are paramount.

Unfortunately negotiation is not a trained skill in the industry however it is the main reason you engage an agent, to help you determine and govern the strongest possible price.

You can only base your selling decisions on the quality of information you receive from your agent during the process and their skill set will determine the quality of that information. That's how important

this function is. There is one thing I would like to know before I engaged an agent to sell my home and that is how will they negotiate on my behalf.

Remember you don't get to see what an agent says to your potential buyer so you should know this up front.

When interviewing agents to sell your property ask them to demonstrate their negotiation ability as this can be very costly down the track if they aren't an expert in this area.

Crucial element 6 - Buyers

This is where the process culminates.

Having the choice of multiple buyers is really what you are aiming for.

This doesn't always happen but can more often than not if the other elements fall into place.

All the other elements act as a foundation or spring board into the market place supporting this outcome.

Without all the previous elements being covered and maximized you can never assuredly know you have given yourself every chance of securing the very best outcome.

A premium buyer or buyers are created through emotional attachment and also urgency to a large degree, remember the rule:

Logical – Emotional

The outcome of dealing with an emotional buyer or buyers is they traditionally spend 5-20% more on a property than they first thought they were going to spend.

The key is giving yourself a chance of dealing with more buyers who are more emotionally connected, this is where the magic happens.

Here is a re-cap on the formula for achieving a premium price:

1. How your home looks and feels
2. The pricing of your home
3. The best method that will suit your property
4. Marketing
5. Your agents ability
6. More buyers emotionally connected

Once these have been achieved sit back and enjoy your selling experience.

visit markmccann.com.au for more info

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