

Newsletter – April 2017

REFERRALS ARE REWARDING!

Do you have other investment properties we can manage for you? Consolidate them all under our management for consistency as well as other benefits. Switching your property management to One Agency Jupiter Realty is an easy [2-step process](#) which won't cost you a cent, and it won't affect any existing tenancy lease.

Or perhaps you know someone with investment Property seeking expert management service?

If so, please contact Pravin Pathik on 0420 969 100 or pravin@jupiterrealty.com.au. He will surely be delighted to help, and we very much appreciate your referrals.

Pets or No Pets?

Australia has one of the highest pet ownerships in the world and the RSPCA estimate that around 39% of all households own a dog and 29% of all households have a cat. Other popular pets include birds, guinea pigs and other small mammals like rats, mice and rabbits. A Pet Ownership survey conducted in 2013 showed that 83% of Australians grew up with some form of pet and out of the households that don't currently have one, 53% of those surveyed would like to.

All that accounts for a lot of families and a lot of pets! So – not allowing pets in your rental property significantly reduces the pool of potential tenants.

What are the pros and cons of approving pets in your property?

The pros

- Responsible pet owners often make responsible Tenants as they are less inclined to be transient and want to upend their families on a regular basis.
- Pet Owners find it more difficult to find pet-friendly properties and are more likely to stay in a property when they have this permission.
- You can often charge rent at the higher market value as there is more competition for pet-friendly properties.
- It is likely that a pet owner will want to sign a longer lease.

The cons

- Potential damage to the property – although remember, you can have an approval process for pets and use your discretion based on the owner, their previous references and the type of pet they have.
- Potential noise complaints from neighbours regarding barking dogs that are left unattended.
- Pet odours that permeate fixtures in the house despite exit cleaning.
- Future Tenants being put off by a property that has housed a pet that they may be allergic to.
- If you are thinking of allowing pets, then it may be wise to consider:
 - Making pets dependent on individual approval. Your property ads could include the words – Pets may be considered with prior approval.
 - Collect detailed information on the pet before approval including:
 - The Breed, age and weight of the animal
 - A recent photograph of the pet
 - Is it spayed or neutered?
 - If there is a requirement for the pet to be licensed by the council – sight a copy of this.
 - How long has the Tenant owned the pet?
- Draw up a pet agreement that is signed by yourself and the Tenant. This Agreement would state that any pet has to be pre-approved and the criteria you agree on including vacate requirements such as pest fumigation, etc.
- Criteria could be drafted that stipulate that the approval is only for pets of a certain size (e.g. up to 10kgs) or that the pet is housed outside.
- Ensure that your Landlord Insurance will cover you for any potential pet damage.
- Have the Tenancy reference checks specifically ask about the Tenant's pets.
- Is your property pet-friendly and if it is a unit – what do the body corporate rules allow?

Remember – A pet is only as good as its owner and it is not the pet who is signing the Lease. The onus of responsibility lies with the Tenant to maintain the property in good condition. Children and Adults can inflict more damage than a sleepy cat or well-behaved dog and it is important that Tenants are thoroughly reference checked and screened.

Bid to Win – your Auction strategy

Bidding at an Auction can be a very intimidating process for the uninitiated. But, with a little bit of preparation and research – you can give yourself the best chance of success.

Unlike sale by private treaty – an Auction does not set a price and allows the Bidders to determine the value. Sellers always have some element of control as they set the Reserve. The Reserve is the MINIMUM the property will be sold for. Sometimes the Reserve that is set just prior to the Auction is adjusted down during the course of the Auction to reflect Buyer sentiment.

Preparing yourself and doing your research are key. Here are some of the things you should consider pre-and during the Auction process to help you achieve the results you are hoping for.

Pre-Auction

- Do your market research. Attend Auctions of similar properties in the neighbourhood and observe
 - The opening bid and bid increments
 - At what price the property is called "on the market" - as this will give an indication of what the Reserve is and what the Seller believes the property is worth
 - What the property sells for
- Find out who the Auctioneer is going to be and google them to look for videos of their Auctions. This will give you a good idea of the pace at which they Auction. Most Auctioneers will give all Bidders PLENTY of time to make a bid – often calling for "last and final bids" a number of times.
- Get your finance pre-approved and know how you are going to make the Deposit on the day.
- Organise someone to bid on your behalf if you are not confident yourself. Remember that anyone bidding on your behalf will need written authority to do so.
- Go over the Contract of Sale and note the conditions, Auction inclusions, Deposit required and Settlement period.
- Set your limit – and stick to it!
- Make sure that you take photo identification with you to the Auction.

At the Auction

- Pick the spot that gives you the best vantage point of the Auctioneer and the other Bidders. In some states, Bidders have to have to be Registered and hold up paddles or numbers when they bid, so they are easily identifiable.
- Bid clearly and confidently. There is a good argument for making a strong first bid as soon as the Auction opens. You can bid by calling out the increments of what you are offering on the previous bid, or by calling out the full amount.
- Make sure you don't bid against yourself! In some situations, you may make a bid, and the Auctioneer will seek a higher bid from the crowd. If you are the last Bidder, there is no need to do this – sit on your bid.
- Watch for signs of slowing from the other Bidders. Are they walking off, shaking their heads or getting into heated debates with their spouse/partner?
- Make sure you are the last Bidder if you want to buy the property. Even if the Reserve has not been met – if you are the last Bidder – you will be the one that the Agent negotiates with.
- Listen for the Auctioneer calling the property on the market – and if they don't – ask the question "Have we reached the Reserve yet?". You can ask this as many times as you like.

What to expect

- If you are new to Auctions – there are some scenarios that might occur that you do not expect – these can be:
- The Auction can be stalled for the Auctioneer to seek further instructions from their client. Typically, if the Reserve has not been met, and the bidding has stalled, or is very slow, the Auctioneer will talk to the Seller to determine if they wish to reconsider their Reserve.
- The Sales Agent and their team may come to negotiate with you during the Auction. If you are in a strong position, that is, there is limited competition – this is the time to ask for a change to the terms of the contract if you need them – e.g. change to the amount of Deposit or the Settlement terms. In this situation, the Auctioneer or Agent will stall the Auction and seek instruction from the Seller. In the event that the Seller agrees – the altered terms and conditions will be extended to all Bidders.
- You are the only Bidder. If this is the case – stop after your opening bid and wait until after the Auction when the Agent will negotiate with you.
- Properties brought immediately after the Auction – even if not during the actual Auction Call are still sold under Auction conditions.

Auctions are a very fair way to negotiate and are the best way to determine value. Enjoy the sport of them and remember to not get too caught up in the emotion and excitement of bidding.

What method of Sale will work for you?

Making a decision to sell is one thing – how to sell is quite another!

There are 2 main options:

- Sale by Private Treaty
- Auction
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How do you select the best method of Sale when there is so much conflicting advice out in the market place?

Many people swear by Auctions – but they are really better suited if there is competition in the market OR your property has a unique feature that makes it more desirable or more in demand - e.g. a waterfront property.

Let's compare the pros and cons of the 2 main selling methods:

Auctions

Pros

- Intense marketing campaigns over 4-6 weeks that generate interest and promote activity with a set date for sale. Ideal for when the market is "hot".
- Potential of an offer pre-Auction day
- Reduced days on market
- An unconditional Sales Contract
- No ceiling on sale price – the Bidders determine the value and, depending on competition, this amount can exceed your expectations
- The Seller is in control of how much the property sells for dependent on the Reserve they set
- A large percentage of properties that don't sell at Auction are still sold within the Sales Authority period
- The Seller can determine Terms such as a settlement period to suit them
- There is a finite marketing campaign expense for Auctions

Cons

- Cost of hiring an Auctioneer – although this is generally between \$400 - \$600
- Not good if selling multiple properties at the same time in a block of apartments as the first sale can set a precedence of price for all the others
- May deter buyers who need to negotiate different terms of Sale

Private Treaty

Pros

- You can set a price expectation and advertise a price range to attract qualified buyers
- Time to consider and negotiate all offers
- Buyers make offers "blind" without the benefit of knowing what others are offering
- The perception of value of the property is not diminished as can be the case when the property is passed in at an Auction
- Less intimidating for Buyers – this can be important if the property is geared towards first home buyers or unsophisticated Investors
- Flexibility to enter into extended settlement periods or a sale subject to finance or building/pest inspections
- Greater privacy for the Purchaser
- Ideal for when the market is "cold"

Cons

- There is a cooling off period for sales sold under Private Treaty and this could negate the contract
- The sale might take longer than a sale by Auction that has a deadline to work to
- You may not get the top price for your property

Either way – setting realistic expectations of price and selecting an Agent who has good local knowledge, a strong track record will bring you the best and fastest results.

To MEET or CONTACT US

It is important to us that we are available to you when you need us. Due to the nature of our roles in Property Management, staffs are frequently with Clients and Customers, or at properties. If you would like to meet with a particular team member we recommend you contact our office via email or phone displayed on the header on first page and arrange an appointment. We find this to be the most effective way to minimise inconvenience to you. Please contact us via the same means for any repair or maintenance related enquiry, and remember to leave a voice or text message in case we happen to miss your call.

COMPLIMENTS AND COMPLAINTS

Our team at One Agency Jupiter Realty places high value on customer service. While your compliments are highly appreciated, your complaints are just as valuable to us in terms of improving our level of customer service to you. We are happy when our customers are happy. Your success is our success.

Please send your compliments and complaints to admin@jupiterrealty.com.au for our immediate attention.

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