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REAL ESTATE | BY DESIGN

PREPARING YOUR
PROPERTY
FOR SALE

PREPARING TO SELL

You've probably heard all the hype about the rampant Auckland property market.

As a result, perhaps you think that all you need to do is to put your house on the market to achieve an instant, highly profitable sale.

Yes, you could simply do that—and it just might work.

But are you really getting the best price for your property?

You just might be leaving thousands of dollars on the table by not putting in enough effort to prepare your property for sale.

In this special report, we examine the steps that you should take to ensure that you are getting as much as possible for your property, whatever the market.

THE 7 STEPS TO MAXIMUM VALUE

These seven steps will help you to make the most of your property:

- 1 Understand prospective buyers and their needs and wants
- 2 Look at your property through their eyes and identify the features, benefits and amenities that will matter most to them
- 3 Take a fresh look at your neighbourhood from their perspective
- 4 Identify any essential maintenance, typically minor wear and tear, that needs to be addressed
- 5 Consider any more significant improvements that might increase the sales price substantially
- 6 Prepare your property to ensure it looks its very best during the sales period
- 7 On viewing days, use a few simple techniques to make your property look better than ever

1 UNDERSTANDING THE BUYER

The first and most important step that you need to take before selling your house is to determine exactly who are the most likely types of buyers.

This will have a direct impact on the other decisions you might make, such as:

- to which aspects of your property you should devote the most attention in your marketing
- what repairs and renovations you carry out before putting your house on the market
- how you decorate your home for open days and viewing

There are currently five primary types of purchasers of Auckland property. They include:

FIRST HOME BUYERS

Although 20% minimum deposits and skyrocketing Auckland property prices have driven many would-be first home buyers out of the market, this group still represents approximately one-fifth of sales in the area, often thanks to a combination of family financial assistance and rigorous savings programmes.

First home buyers are looking firstly for affordability, then room to grow and the opportunity to make improvements to the property they purchase. Typically, their goal is to use their first home as a springboard for their next, more valuable property.

If your home falls into the “affordable” category, then you may choose to target

first-home buyers.

A word of caution, however. Most first-time buyers have previously either rented properties or lived with their parents. As a result, they're not used to being responsible for major upkeep or repairs, and so will typically be wary of taking on a property that appears to require any substantial repairs or improvements.

If first-home buyers are your most likely target, take care of any maintenance problems before listing and ensure that your property looks as if it's ready for anyone to just move in and enjoy.

PROPERTY INVESTORS

Another significant property buyer: the investor. Investment buyers are also looking for affordable properties which will generate a good rental yield.

Generally speaking, rental yields will be higher in cheaper suburbs than in more expensive areas, because of the pricing constraints of the rental market. In other words, the suburb within which your property is located will have an impact on its appeal or otherwise to investors.

In addition, investment buyers are ideally looking for properties that are close to public transport routes and have ready access to local amenities—both are significant drawcards for potential tenants.

Investors, too, will be looking for low maintenance properties, to minimise the effort required when they become landlords.

1 UNDERSTANDING THE BUYER

(Continued)

UPGRADERS

The next category of property buyer is the Upgrader—those who are already in the property market and are looking to upgrade to a better or larger home.

Their needs can be varied: circumstances may have changed as they move through a different life-stage—for example, a couple having their first child, moving to a specific school zone to accommodate growing children, needing additional space for an elderly relative and so on—or simply because they can now afford to move to a better home or suburb.

To cater to this market, the property you are selling will need to be better than the sort of entry-level accommodation that's appropriate for first-home buyers.

DOWN-SIZERS

Downsizers are typically aged 60-74, mostly with no children living at home. These are predominantly Baby Boomers, and as such represent a large segment of the population.

As Empty Nesters, the Downsizers are looking for smaller homes now that they no longer need enough room to house large families—but they prefer to remain in the same neighbourhood, close to their friends, family and facilities with which they're familiar.

They're looking for low maintenance properties, conveniently situated near local amenities. If the property you wish to sell fits those criteria, Downsizers just could be your primary prospects.

RETIREES & AGED CARE

Many of the older segments of the Baby Boomer generation, and those now 75 plus who hail from what was called the Mature Generation, are reviewing their properties. But most of them aren't even remotely interested in rest homes.

They're looking to stay in their own homes or move into houses that have been slightly modified to minimise physical challenges to aging bodies, with features that are easy to use, easy to navigate and easy to maintain. Some examples: better lighting; bigger light controls; easy grip handles; adjustable shower heads, seats and bars; and slip-resistant surfaces in baths and showers.

If you intend to target this segment, you will need to ensure that your property is modified to fit their needs.

CHOOSING YOUR SEGMENT

Take the time to choose your appropriate target segment and then carry out your preparations accordingly.

2 YOUR PROPERTY IN THEIR EYES

FIRST IMPRESSIONS MATTER

What went through your head when you first saw your current home? Put some time (and paper) aside to remember exactly what caught your interest and stirred your emotions.

Might a new prospect still see the house the same way? Are those first impressions consistent with the desires of your target prospect?

TAKE A FRESH LOOK

Head outside, look at your house anew, and try to imagine that you are seeing it for the first time. What does it look like from the street? Charming? Delightful? Big? Solid? Try to capture its essence in a few words.

How would you describe the setting? Rambling? Neatly manicured?

Time to consider some of the physical attributes of the house. Examine the construction. How would you describe it? Frame? Brick? Masonry? Stone?

How do you think an objective observer would describe the condition of the house? Recently renovated? Immaculate? Excellent? Well kept, restored, brand new, fading, seen better days?

Anything special about the land? Is it a corner section? Fully or partially fenced? Any garden, trees, a decent lawn? An ornamental path? Sprinkler or irrigation system installed? Any outbuildings? Washing line? Pergola?

Now head inside the house and conduct a similar evaluation.

Also make note of any relatively recent additions and/or alterations.

Any amenities that have been installed or added such as Heat Pumps, Double Glazing, Underfloor Heating, Smart Home Networking, UFB (Ultra Fast Broadband)?

MATCH PROPERTY TO TARGET

Okay, you've probably gathered enough information. Now it's time to prioritise it. If you have friends or family who are sufficiently similar in attitudinal or demographic characteristic to your target purchaser, ask them if they'd mind spending a little time with you, going through your notes and highlighting whatever they would consider most relevant to their needs.

Pull all that information together, polish it as best you can and then create a first draft to provide to your real estate agent.

3 THE NEIGHBOURHOOD

REVISIT YOUR AREA

Take a walk around your neighbourhood, really observing your surroundings. That nice park around the corner? Make a note. Easy walking distance to the shops? Write that down. Friendly family in Number 5? Capture on paper. Never really noticed that bowling club, but a retiree might? Duly noted.

During your walk, you hopefully identified the key amenities within walking distance, but are there any other neighbourhood attributes worthy of note? Is your property near schools, kindergartens, shopping, public transportation, tennis courts, a golf course, a country club or a park? Are you on a quiet street or cul-de-sac? Is it an easy commute?

Here are some key characteristics that you should consider (their relevance, again, will depend on your designated target group):

THE NEIGHBOURHOOD

- Near popular places of work or within x minutes commuting time
- Near Public Transportation
- Near Motorways or Main Roads
- Moderate/Heavy Traffic Volume
- In a popular School Zone
- Near Shopping
- Near Parks & Public Spaces
- Near Doctors/Dentists
- Near Hospitals/Childcare
- Near Churches
- Near Community Facilities
- Near Sports Facilities
- Near Entertainment Facilities
- Near Trains
- Near Airport
- Traffic Noise
- Other Noise Levels

COMPOSITION

- Families
- Couples
- Young people
- Elderly
- Flats

AREA

- Zoned residential
- Near industry
- Neighbourhood properties well maintained
- Neighbourhood covenants
- Zoning restrictions
- Planned development
- Intensification plans

4 ESSENTIAL MAINTENANCE

KEY PRINCIPLES

You shouldn't spend a fortune to do up a property that you're going to sell. However, a few well-chosen touches can help you achieve the highest possible value for your home.

Most properties suffer from those all too familiar examples of "wear and tear" such as leaking taps, cracked window panes, missing drawer handles, dusty curtains and the like. It should not be hugely expensive to put these things right, but it can be time consuming and often rather tedious.

Still, it is very definitely worth the effort, and can add thousands to the value of your home.

Take another inspection tour of your home, this time taking note of any minor repairs and painting that needs to be done.

A house that "sparkles" on the surface will sell faster than its shabby neighbour, even if both are structurally well maintained.

Additionally, buyers feel more comfortable purchasing a home that looks well-cared-for because, if what they can see is maintained, they assume that what they can't see has also been maintained.

5 SIGNIFICANT IMPROVEMENTS

Have you made any significant improvements to the house since you first purchased it?

Make a note of those improvements, ideally including the dates on which they were completed—buyers love to hear about recent enhancements that mean they don't have to worry about those elements.

NB If there are some alterations that you always meant to do, you should note that you are unlikely to make back your investment if you carry out those renovations now. As the chart below indicates, household renovations typically add less value to the property than they cost to implement.

For example, adding a bathroom will typically only increase the value of the property by a sum equivalent to 56% of the cost of the bathroom addition.

6 PREPARING YOUR PROPERTY

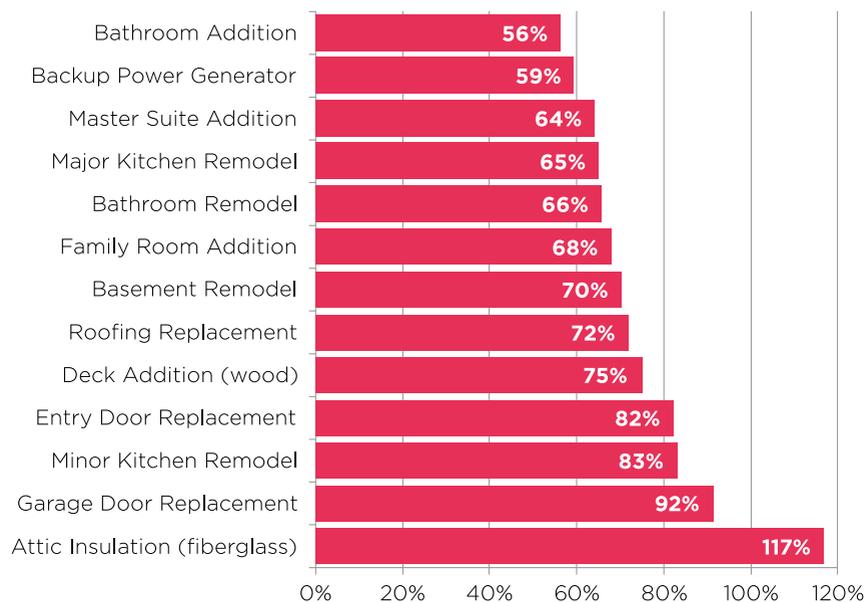
Now it's time to consider the various elements that you need to address to ensure that your property is at its absolute best when it is being viewed.

In the pages that follow, we review both the Interior and Exterior and consider exactly what needs to be done to bring the property up to scratch.

There will probably also be a number of minor niggles that you've put up with over the years, meaning to do something about them.

Now is the time to put them right!

HOUSE RENOVATIONS | COST INCURRED VS. VALUE ADDED US Data: Remodelling 2016 Cost vs Value Report



INTERIOR REVIEW

TRANSFORM THE INSIDE

As we've already mentioned, a clean, sparkling house creates all manner of positive perceptions for prospective buyers.

Here are some of the steps you need to take to create those perceptions.

CLEAN FROM TOP TO BOTTOM

1. Thoroughly clean your home—most especially bathrooms and appliances. If necessary, hire a professional for a really thorough job.

2. Keeping your house clean throughout the sales period goes without saying, but don't forget that people will be looking in your oven, closets and in your cupboards. Guests will also notice dirty windows, so clean these before a property showing. It may also be time to get a new shower curtain and patch up aging grout. You can buy inexpensive porcelain repair paint to cover up scratches and chips from a local hardware store. You may want to clean out your medicine cabinet and give the interior a nice coat of white paint.

DECLUTTER

3. Remove excess furniture—remove as much furniture as possible. This can make your rooms look dramatically larger, and can be the single best thing you can do to maximize the appeal of your home. Sparse or empty rooms will allow viewers to imagine their belongings in place. Keep windowsills clear. Store kitchen aids aside to leave the countertops clear, and free up space in closets so that clothes are not jammed

together.

4. Fix broken doorknobs, leaky taps and sticky windows. Oil difficult doors and other hinges. Cracked plaster should always be fixed, even if it's as old as the house.

5. Many people will not buy a house if they have to put in a new carpet. Replace the carpet before showing your home, if needed.

NEUTRALISE

6. Your decorating style may be drastically different from a potential buyer's. They may stand in your living room silently musing how the busy wallpaper would clash with the couch, and decide the redecorating hassle is not worth it. Neutral colours are your best bet, and they even make a room look more spacious. Consider painting or adding soft throw rugs and towels to the kitchen and bathrooms.

BRIGHTEN

7. Perhaps the cheapest way to make rooms seem warmer and brighter is by buying higher intensity light bulbs, putting them in every lamp in the house, and then turning them on. Also always open drapes and angle blinds to brighten rooms. This gives the house a friendly glow. Buyers will react positively, and feel good about your home.

8. Brighten things with fresh paint. White, off-white, or beige walls make a room look bigger and lighter. And you can be fairly certain these colours will go with the new buyer's furnishings. Painting the inside costs very little, gives a "new" smell, and makes a big difference in buyer perception.

9. Clean all your windows and mirrors so that they sparkle.

10. Launder draperies and curtains, if needed.

11. Dust blinds and furniture.

12. Clear off the kitchen counters — that includes small appliances & dish-draining racks. Make the counters look as large as possible.

13. Clean out the inside of kitchen cabinets. Leave them looking clean and spacious.

14. Clean the oven and all appliances. Wash the grease splatters from around the stove. Don't forget to polish the chrome on the sink. Clean out the refrigerator, use a clear wax and polish the floors.

15. A grungy bathroom will kill sales. Make each bath look like a guest bath. Polish the tub, toilet, and bathroom sink. Clean all tile, grout, and caulk, replace cracked tiles, and regrout if necessary.

16. Get out your tool kit, and fix all those little things that you've lived with over the months or years.

17. Tighten loose doorknobs, drawers, cabinet handles, towel racks, switch plates, and outlet covers.

18. Tack down any loose moulding, glue down any lifted wallpaper; replace any cracked switch plates.

19. Fix sticking doors and windows, squeaking doors, and wobbly stair bannisters.

20. Fix leaky taps and remove water stains.

21. Replace burnt out bulbs. Repair light switches that do not work.

22. If it's time to spray or bomb for bugs, don't wait until the last minute.

23. Get dust, flies and moths out of light fixtures.

24. Remove personal items that are conspicuous.

25. Living room - Strive for a lived-in, cozy feeling. Discard worn, chipped, and frayed furniture. Add lamps if it is dark. Open curtains. Set out fresh flowers.

26. Kitchen — Appliances should be spotless and everything working perfectly. Replace or repair anything that sticks, squeaks or drips. Clear clutter from countertops. Take the personal photographs and magnets off the refrigerator door. They are distracting to the buyer and make the kitchen appear messy, even if it is not.

27. Master bedroom — This is the second-most appealing room to a buyer (after the kitchen). Remove excess furniture to make it appear larger. Show the true size of the closets by removing or packing items that can be stored elsewhere.

28. Bathrooms — Make sure bathrooms are always neat and clean. Remove clutter from sink countertops. Make sure showers are free of scum and tile grout in good shape. Most buyers pay close attention to this!

29. Basement — If possible, make the basement look like a "living area." Again, clear out as much clutter as possible (consider moving it into storage). Check the basement for musty smells and signs of mildew or leaks, correcting any defects.

30. Inspect bathroom and kitchen fixtures to make sure they sparkle, are leak-free and are otherwise functioning well. Remove stains from countertops, sinks, bathtubs and showers.

31. Test major mechanical components, including the water heater and electrical system.

32. Make sure windows and doors open and close easily. Replace cracked or scratched glass.

33. Be aware of the amount and type of insulation and where it is placed.

34. Fix squeaking floors

35. Clear clogged drains

36. Clean fireplaces

37. Use room deodorants to remove mustiness

38. Vacuum/shampoo rugs

39. Clean/polish heating elements.

40. Neaten up or throw away what you don't intend to move.

41. In The Kitchen: Use bright curtains. Clean ventilating hood/fan. Make sure drawers slide smoothly. Put appliances out of sight. Clean/polish appliances—inside and out.

42. In The Bathrooms: Clean fixtures, bath, toilet. Replace toilet seat. Clean shower curtain.

43. In The Bedrooms: Make the beds. Use your most attractive bedspreads, pillows and curtains.

44. In The Living Room/Den: Plump up cushions. Stack newspapers, magazines. Clean television screen.

45. In The Dining Room: Polish table, buffet, etc. Clean glass in china cabinet. Make sure chair seats are in good shape.

46. In The Laundry area: Remove hanging clothes. Put away powders, sprays. Clean/polish washer, dryer, tub.

47. Get rid of any odours. Get rid of ash-trays. Use an air freshener if the house does not smell right. Eliminate the smell of dogs, cats, kids, spicy food, etc. Odours are hard to explain away and are always noticed.

Finally, here (from a University of Otago project*) is a list of elements you should review to ensure your property is safe and secure:

KITCHEN & LAUNDRY

Wall and ceiling linings, and floor intact
Surfaces clear of mould
Functioning stove and oven
Effective ventilation to the outside
Adequate food preparation and storage
Working artificial lighting
Potable water supply
Hot water temperature at tap (55°C)
Waste water drainage with sound connection
Visibly safe power outlets and light switches
Secure storage (1.2 m high or child-safe lock)

BATHROOM & TOILET

Wall and ceiling linings, and floor intact
Surfaces clear of mould
Operational toilet
Sewage connection functional
Functioning bath or shower
Effective ventilation to the outside
Waste water drain connected
Working artificial lighting
Visibly safe power outlets and light switches

LIVING AREAS

Wall and ceiling linings, and floor intact
Surfaces clear of mould
Working artificial lighting:
• Living, lounge, dining
• Hallway
• Stairs (switch at each end)
• Other
Visibly safe power outlets and light switches
Heating, fixed, effective and safe
Opening window (each area) with secure latch
Window security stays (where required)
Curtains/drapes present

BEDROOMS

Opening window, with latch
Window stays (if required)
Wall/ceiling linings intact
Surfaces clear of mould
Working artificial light
Safe power & light switches
Smoke alarm within 3 m
Curtains/drapes present

CEILING

Insulation to requirements (120 mm)
No gaps, tucks, or folds
No dampness in insulation
Clearance from lights, ducts and roof
Thermoplastic insulated cabling

UNDER FLOOR

Insulation to requirements
Dry underfloor
Ground vapour barrier
No ponding

EXTERIOR REVIEW

**List based on a Rental Housing WOF Pre-Test, University of Otago Housing and Health Research Programme*

MAKING THE OUTDOORS GREAT

1. Keep the lawn edged, cut and watered regularly.
2. Make sure the lawn is free of drainage problems.
3. Trim the shrubs and hedges, weed the flower beds, prune the trees, rake the leaves, sweep the walkways. Eliminate dead trees or branches. Pick up any debris, toys or lawn equipment. A clean front yard will make a strong first impression. Keep the outdoors looking sharp.
4. Plant some colourful, in-season flowers (in pots or plant boxes if necessary) to liven up appearances.
5. Check the foundation, steps, walkways, walls & patios for cracks and crumbling. Repair if necessary.
6. Inspect doors and windows for peeling paint.
7. Clean out and align gutters
8. Inspect and clean the chimney
9. Repair and replace loose or damaged roof shingles.
10. Clean decks, patios and steps, removing unnecessary furniture, toys and debris. If you want to really brighten up an old deck, consider high-pressure washing — the results can be amazing. For a relatively inexpensive cost, you can make siding, patios and decks shine. That can make a huge difference to a potential buyer.
11. Tidy up any pet areas.
12. Repair any broken windows.
13. Inspect walkways and driveways. Fill and repair holes or cracks.
14. Repair porch/steps.
15. Clean the porch light and any exterior lamp posts.
16. Ensure that front entrance lights work.
17. Repainting the entire exterior of your home is a fairly expensive venture, and really unnecessary unless the walls have bad blistering or peeling. But you can do wonders by simply repainting window sashes, trim, and shutters.
18. Repair and repaint the mailbox.
19. Replace faded house numbers with shiny new brass ones.
20. Repair screens and windows and wash them for a bright, sparkling appearance.
21. Clean/paint/repair garage. Clean any oil off the garage floor. But keep the garage door closed.
22. Straighten the TV aerial if required, and tidy up visible cables.
23. Walk your fence line. Repair broken areas and paint or stain sections in poor condition.
24. Repair and repaint loose siding and caulking.
25. Re-seal any asphalt driveways.
26. Store any old, beaten-up jalopies elsewhere.
27. Put away lawn equipment. Arrange outdoor items, such as firewood or outdoor furniture, neatly. Wash the outdoor furniture and, if it is rusted, either paint it or hide it.
28. Fix or replace the clothesline and any other items that sag or tilt.
29. Apply a fresh coat of paint to the front door, and add a clean doormat to create an inviting “first impression”.
30. If you have a doorbell, make sure it works.
31. Trees can make a huge difference for a relatively small investment. Plant mature trees in appropriate locations.
32. Hide the rubbish bins.

7 ON VIEWING DAYS

ON THE DAY

The house is bright and shiny. Now people are going to come and view. This is what you should do.

1. Before prospective buyers walk in the door, give your home the welcoming aroma of fresh-baked bread or cinnamon rolls. (A pot of cinnamon and water on the stove will give the same results.) Do not smoke in the house!
2. Put out fresh flowers, your best towels and a nice tablecloth.
3. The television, sound system and radio should be turned off. Let the agent and buyer talk, free of disturbances.
4. Send children and pets outdoors to play (ideally at a neighbour's). This will eliminate confusion and will keep the prospect's attention focused on your home.
5. Make yourself scarce. Many prospects feel like intruders when the owners are present. They tend to hurry away, or fail to ask the questions they'd like to ask. Your absence will put buyers at ease, and give them a chance to spend more time looking at your house, absorbing its advantages and visualizing themselves living there.
6. Leave drapes open for light and airiness. If it's evening, all lights should be turned on to give the rooms a larger appearance and a cheerful effect.
7. Make sure the kitchen sink is free of dishes.
8. Be courteous but don't force conversation with the potential buyer. They want to inspect your house, not pay a social call.
9. Never apologise for the appearance of your home. You'll only call attention to things the buyers might have overlooked.
10. The agent knows the buyer's requirements and can better emphasise the features of your home when you don't tag along.
11. Let your agent discuss price, terms, possession and other factors with the customer.
12. Let your home be shown even when you're not there. If you don't, you're limiting the showings—and actually keeping your house off the market many hours a day.

CONCLUSION

You've done your preparation, the house is nearly ready to sell. Just a couple more points to note.

COMMON QUESTIONS

Here are common questions that many informed buyers ask:

- Why are the owners selling?
- Which nearby properties have been sold recently? At what price?
- Are there any issues with the title to the property?
- Are there any urgent repairs required to the property?
- Is a LIM available?
- Are there outstanding consents for renovations or other work?
- Are any local developments planned, in the area or on nearby properties?
- What insulation is in place? In the roof? The walls? Under the floor?

Do your homework so that you know the answers before you're asked.

SAY YOUR FAREWELLS

Selling your home can be an emotional time, even if you already have purchased your next home and begun to move your attention there.

So, before strangers start coming into your house, commenting and critiquing, let it go.

Say your goodbyes, tell yourself it's time for a bright, exciting new chapter. Turn to your friends and family, they can really help.

OUR STORY

REAL ESTATE REDEFINED

In 1995 Barry Thom & Grant Lynch created Unlimited Potential with a firm belief that there was a better way. Their new approach introduced a fundamental change to the prevailing idea of what defines success in real estate, with the focus being the quality of each customer's experience ahead of quantity of sales. As Barry and Grant note:

BIGGER IS NOT BETTER

"The reasons that inspired the creation of UP are the same reasons that are driving us today. We'd both worked in large real estate operations and seen that bigger was not necessarily better for the homeowner. Every vendor's situation is different and every property is different. We believe the only way to consistently provide exceptional service is to focus on a limited number of customers at a time.

HONESTY, TRUST AND TEAMWORK

"Our company is founded on honesty, trust and teamwork. You can expect our people to listen carefully before they create an approach to selling built around your preferences. It's about developing a high-quality bespoke solution that leaves nothing to chance.

MARKET SHARE NOT A PRIORITY

"As owners, we are committed to leading a great company not a big one. So market share is not our first priority. We imagine our top priority mirrors yours - to get the best possible price for your home in a way that feels right for you."

IF WE CAN BE OF ASSISTANCE

Please contact one of our offices below:

REMUERA

T (09) 529 1478

E info@uprealestate.co.nz

HERNE BAY

T (09) 361 6658

E hernebay@uprealestate.co.nz

MT EDEN

T (09) 631 5538

E mteden@uprealestate.co.nz

WWW.UPREALESTATE.CO.NZ



GRANT LYNCH & BARRY THOM (COMPANY OWNERS)

