

Choosing the right marketing campaign and sale method

A strong marketing campaign needs to cast your net out to every potential buyer, but that doesn't mean you need to break the budget doing so. A suitable marketing campaign will vary in price based on your location and how well your agent has negotiated rates with their providers. Remember an agent should only be charging you cost price for advertising.

Pay now or later?

Most agents like the agreed costs to be paid up-front prior to commencement. However, if your current financial position doesn't allow for it, be honest and tell your agent. Most sales agents will be happy to arrange a payment plan or will agree for marketing costs to be deducted from settlement proceeds. Alternatively, negotiate an all-inclusive selling fee that includes the agent's commission and marketing costs to be paid as one at settlement.

Marketing recommendations

A good agent will provide you a written summary of how your property will be marketed over the first four weeks of the sale campaign. It's a good idea to make sure this is itemised and individually costed so you know what you are paying for and there are no surprises later. Here are some suggestions on what to have your agent include in the marketing plan for your property:

- Professional photography - time poor buyers will view online ads prior to visiting your home. Professional photos will ensure an inspection and are very much affordable
- Floor plan - more and more buyers request this at inspections and it is an important marketing tool
- Internet - ensure your property reaches every buyer by featuring on all major real estate websites. Most agents have subscriptions to these sites and the cost is minimal given the exposure your property will have

- Print media - you may not think an advertisement in a newspaper or magazine is worth placing, however depending on the demographic you are targeting, print media continues to bring buyers through homes. Look at local papers and see what stands out for you
- Signboard - this is your 24 hour sales representative. Choices vary from a generic board to a photo signboard. Either one is recommended to alert buyers of your sale.

Do your research

Check how agents are marketing properties online and in your local paper. Would you be happy with these ads for your property? In a buyer's market, you need to get an advantage over other sellers, and simply having professional photos might just give you the upper hand over your competition.

A professional real estate agent is there to answer enquiries and negotiate the best price for your home. A strong campaign mixed with internet and online advertising will help attract more buyers to your home. Without marketing, how do you know you will get the best price for your home?

Private treaty or auction - which selling method is best?

The choice of sale method best suited to sell your home will be dependent on many features, including: location, price range, timeframe to sell and the individual characteristics of your home. The best method should be discussed between you and your selling agent. Here are a few points on each to help you decide what might suit your property best.

Private treaty

- The asking price should be based on recent comparable sales
- Sale is subject to conditions such as pest and building report, finance, cooling off period etc
- The asking price may be too high or too low and is not known until the buyer feedback is provided
- Provides an opportunity to set your own price
- Prospective buyers compete with vendor
- The asking price appears capped
- Sale price is negotiated down from asking price
- Buyer or seller can be in control dependant on market conditions at the time of sale
- Prospective buyers may dismiss property if advertised price is out of their range.

Auction

- There is no set asking price and seller is protected by a reserve amount
- Unconditional sale - once the purchaser and buyer sign the contract, the property is sold
- Most auction campaigns last four weeks
- Prospective buyers compete with other buyers
- Three opportunities to sell - accept offer before auction; at auction; or after auction
- Sale price is negotiated up
- Seller is in control of the process
- Price is uncapped - potential for a premium sale price
- Doesn't exclude prospective buyers based on price
- Third party opinion of campaign provided from auctioneer
- Marketing costs are the same as a private treaty sale - just add the auctioneer's fee.

For more information

The LMI Toolkit on the Genworth website contains tools and resources that will assist you to better understand LMI and the mortgage market. Among these resources are case studies, fact sheets and videos that further explain LMI, the process of buying a home, and information on what you should do if you find yourself in financial hardship.

genworth.com.au/lmitoolkit

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