

1- THE WINNERS

I hate negativity and to have to write about the negative side of real estate goes against the grain. But it is essential you know the negative issues so you can avoid them. However, what I would like to tell you about first are the winners who have heeded these warnings and the results they have achieved. These are but a few of the thousands of brilliant examples where New Age Selling techniques have been employed. Properties which have been on the market for years have been sold in just weeks after being converted to New Age Selling methods – and for top prices. Often these properties sell for more than the vendor expects and, on some occasions, unbelievable prices are achieved.

NSW: In the Sydney suburb of Kingsgrove Mrs Stefanidis tried to sell her property during the boom. After eighteen months on the market and using three agents who tried auction, fixed prices and by negotiation she finally placed it with an agent who sold it in three weeks for a record price of \$890,000. How? By using New Aged Selling.

VIC: Geoff and Dinah Parks listed their Melbourne property with Ian Reid, a New Aged Selling pioneer, expecting to get \$200,000. They got a sworn valuation, which came in at \$195,000. Normally they would have auctioned the property but they had heard that Set Sale[®] avoids all the tension of an auction and offers far more opportunity to get a better price. Within three weeks their property sold for \$230,000, \$35,000 more than the valuation and \$30,000 above what they expected at best.

SA: Tom and Caroline Vanstone invited three agents to appraise their property and chose the Set Sale[®] agent. The valuation was \$285,000 and at the first open there were 51 couples and 10 registrations of interest. By the time the second open was conducted the Vanstones had eight written offers. The property finally sold in just two weeks for \$355,000, \$70,000 or 14% more than expected.

WA: Mr and Mrs Kaldip wanted to sell their property and were hoping for \$250,000. Agents told them they could expect \$225,000. The property was listed again using New Age Selling and it sold within three days for \$290,500. Yes, \$40,500 more than they expected!

ACT: To test which system is better – auction or Set Sale[®] – we need to have two identical properties, in exactly the same location and on the market at exactly the same time. This rare opportunity occurred in Canberra when two flats on the second floor of an apartment building were marketed at exactly the same time, one with Set Sale[®] the other by auction. The auction property sold for \$259,000 and the Set Sale[®] property sold for \$300,000, \$41,000 more. Game, set and match for Set Sale[®].

ACT: Tim Overall from Southern Cross Real Estate listed a property adjacent to a slightly similar one, which sold prior to auction for \$460,000. He achieved \$930,000 in only 5 weeks to the absolute delight of the vendor who in their wildest dreams never expected to achieve that price.

TAS: An Executor Set Sale[®] was marketed by PMM on the eastern shore of Hobart. The valuation was \$195,000. In the three weeks it took to sell the property, more than 200 people inspected it. There were seven offers starting at \$185,000 with all but two above the top of the range. The property finally sold for \$235,000.

Our most incredible experience so far was achieved in Melbourne with New Age Selling pioneers, Ian Reid and Staff. A property which they felt would bring \$800,000 was confirmed by a sworn valuation of \$800,000 and went on the market using Set Sale[®], one of the New Age Selling strategies. A prospective buyer also obtained two valuations from sworn valuers who confirmed the previous valuation. The property sold within a month for a massive \$1,200,000. Not only that, the difference between the winning offer and the next best was \$195,000.

Now here is the point. Had that property been put on the market with a fixed price, the asking price would probably have been \$850,000, at least \$350,000 less than was achieved. On the other hand, had the property been auctioned, it would probably have sold for only \$1000 more than the second best offer of \$1,005,000 – \$194,000 less than it achieved. Neither a fixed price or an auction would have achieved any of these results. So how were they achieved? This booklet will tell you.

The New Age Selling strategies of Set Sale[®] and Buyer Ranged[®] are reaping enormous rewards for vendors and getting fabulous prices, mostly in just a few weeks. It has now been used for years and has passed the test of time. The fact is these strategies can sell properties at any price, any time, any where. Be a winner too!

2 - THE EIGHTEEN TRAPS

First Trap – Asking Too Much

The greatest fear all property owners have is underselling their property. To avoid this most people ask for more than they would want. Unfortunately buyers are doing quite the opposite. They look at properties advertised at 10 - 15% less than they eventually pay. Therefore, asking too much does not attract enough buyers for your property and the majority of those few who are attracted are really looking for properties in a higher price range.

Subsequently the property doesn't sell and stays on the market an awfully long time. In the worst case the property has many price reductions until it eventually sells for less than could have been achieved had the right price been asked initially. In many cases it is withdrawn from the market out of sheer frustration.

Second Trap – Asking Too Little

Obviously if you ask too little you will undersell your property. When using the fixed price method of selling if it sells almost immediately you will have that nagging suspicion that you could have got more, and you are probably right.

Third Trap – Using a Fixed Price

Of the eighteen traps this is the worst. Without any doubt the worst way to sell a property is to put a fixed price on it. No one, not even valuers, know exactly what price a property will fetch. Real estate is all market driven just like the stock market. Using a fixed price is not only fraught with danger but it is made worse when you take into account fluctuating market conditions.

When the market is rising you will undersell even if you think you are asking more than the expected selling price. The simple fact is: **You will never be offered more than the fixed price you ask.** On the other hand when a market is falling asking a fixed price leaves you high and dry without a sale. Naturally after a period of time you will reduce the price but all you are doing is following the market down and the new lower price you are now asking will still be too high because the market has decreased further. Tragically you follow the market down and get much less than you probably would have achieved had you chosen a different strategy.

Why? The fixed price asked is always based on historical sales evidence and the goal posts have now changed. It is therefore inaccurate as prices fall and the gap between your asking price and the probable selling price becomes wider.

Does this mean that I am suggesting an auction is the only answer? **Absolutely not.** You have two other options to sell your property, which involve neither an auction nor a fixed price. Both these "New Age Selling strategies" offer you a total solution to all 18 Traps. More of that later.

Fourth Trap – Taking Too Long To Sell

Whenever you put your property on the market there is a large pool of unsatisfied buyers looking in your suburb and price range wanting to buy their dream property. In the first 30 days of it being on the market, they will come and look at your property. If they don't like it or think it is over - priced, they will leave.

If you haven't sold it within 30 days you will have used up that pool of buyers and all you will have left is the trickle of new buyers coming onto the market.

For two reasons the best price is always achieved in the first 30 days. Firstly, there is a ready pool of buyers. Secondly, buyers who have been searching for months for their dream property will pay top dollar when it first comes on the market because of the fear of loss. If your property hasn't sold in the first month buyers then know they can negotiate a better deal from you because it hasn't sold. By the third month they really know they can negotiate and you are placed in a weak position and your price really begins to drop.

Good agents will present you with strategies that will concentrate on the first 30 days and will ask for a 90 to 120 day exclusive authority. **WARNING: BEWARE OF AGENTS WHO ASK FOR 180 DAYS TO SELL YOUR PROPERTY.** If they need that long it is only because they overpriced it to get your business and need time to beat your price down to where the market is really at.

It is for these reasons that **the best price is always achieved in the first 30 days.**

Fifth Trap – Disclosing Your Price

As soon as a single fixed price is declared everyone will offer less. Even if the property is an obvious bargain everyone assumes it's the maximum they are asking and that they will take less. As a result people mostly ask for far more than they want then don't get the buyers.

There are numerous reasons why a price can be wrong. First of all the market may be going up and the price based on recent history may be incorrect. Therefore, you will under-sell. On the other hand the market may be going down in which case you are over-asking and you will go through a series of painful price reductions that simply follows the market down. You or your agent may misjudge the value of the property. Often with the New Age Selling strategies vendors get far more than even their dream prices and there are people who have under sold using any other system.

The New Age Selling strategies Buyer Ranged[®] and Set Sale[®] involves the use of scientifically researched ranges which means you can maximise your inquiry without disclosing your price or having the tension of an auction.

Under no circumstances should you disclose your price. Instead use a “Buyer Inquiry Range[®]” to achieve maximum inquiry, resulting in the best price and a quick sale with little hassle.

Sixth Trap – Over Inflated Price Expectation

It is so easy for people to get an over-inflated opinion of what their property is worth. In the first place sellers only see the advertised asking prices which are usually already over-inflated. They don't see the actual selling prices which can be considerably less than the asking price. Next they go to an open or the neighbours property and they always think, “Mine is better” because the style of property is different. To add insult to injury real estate agents are then called in and often outbid each other simply to get the listing. Finally, a negotiation buffer is added if they go down the fatal fixed price method. As a result the property doesn't attract sufficient buyer inquiry and vendors can spend months waiting, sometimes fruitlessly, to find the right buyer. This scenario describes the classic “overpricing syndrome”.

Seventh Trap – Not Advertising

Only two things will ever stop a property from selling: the price and the promotion. If the price is too high, as it almost always is with a fixed price system, then it won't sell until it's brought down. Even more importantly, if no one knows it's for sale it will still not sell even if the price is right.

Today we live in a world where we can readily access goods without leaving home. I call it armchair shopping. In other words we want to sit in our armchairs, look at selections in newspapers, store catalogues, television ads, search the Internet and generally let our eyes do the walking. The days when buyers were prepared to go around and look at real estate agents' windows have largely gone. This is demonstrated by the fact that only 6% of properties today sell from window displays.

Achieving the best price for your property is all about encouraging as many people as possible to inspect it. This will result in the maximum number of offers, thus placing the agent in a strong negotiating position to get you your best price. An essential part of that process is advertising the property adequately.

Be warned. Agents who don't charge advertising don't promote and will only sell your property when it becomes so cheap that it sells itself.

Eighth Trap – No Opens

The evidence that an open is the best way to sell a property is irrefutable. There are four major reasons:

1. **It is preferred by buyers.**

A buyer can view more properties in one afternoon of open inspections than a whole week of trying to make appointments through real estate agents. The trouble buyers have to go through to try to make a time to see properties that suit the vendor, the agent and the buyer is just all too hard. They will therefore ignore your property if it is not open.

2. **The property can be prepared to pristine presentation.**

Builders would not allow their show properties to be presented in any other way but a perfect presentation, and nor should you. It is impossible to prepare it perfectly every time an agent rings to make a private appointment. However it is possible to prepare the property perfectly with a planned open so the property gets presented at its very best and you get the best price.

3. **It is best for you.**

What would you rather do? Spend hours each time the phone rings to prepare it for each buyer appointment or do it just once a week and get 20 or 30 inspections for the one preparation. With an open you only need to leave your property once instead of all the time for every buyer.

4. **Buyers will make their best offer when they can see they have competition.**

Some agents will mislead you into believing the open inspection is not a good way to sell your property. With private inspections, buyers can't see the interest other buyers have in your property. However an open shows buyers that there are other buyers interested and therefore they are more inclined to give you a higher offer. Tragically, sellers often decline the first offer thinking, "If that's the first offer I can do better" only to sell it for less later after the initial rush is over. Open inspections make sense for everybody.

Ninth Trap – Silent Sales

Whilst some people may have a valid reason for not wanting anyone to know their property is for sale, the reality is you can't sell it unless people know it's for sale. To only rely on a real estate agent to tell people by word of mouth is very rarely going to succeed, but where it really hurts is having only one rare offer which does not allow you to be in a strong negotiating position. Therefore you may have to accept an offer less than your property is worth. The more people you tell your property is for sale, the more people you attract to an open, the more offers you will get and the better your price will be.

Tenth Trap – Lack Of Proper Preparation

If you were selling your car privately, would you advertise it and show it in a filthy state inside and out, full of garbage? Of course not. You would make sure it's clean and polished and you would fix all the obvious faults so there is nothing anyone can pick and use as a lever to reduce your price. If that applies to a car worth several thousand dollars, then it applies infinitely more to a property worth hundreds of thousands of dollars.

"You don't sell the sausage, you sell the sizzle" and you don't sell the property, you sell the lifestyle. People who are buying are looking for something better. You must show them a lifestyle that is considerably better than the one they already have. They don't want to move down to a dingy bathroom with old-fashioned tiles and a torn shower curtain.

A few hundred dollars is all it needs and I can promise you it will be paid back many times over. More importantly it may possibly make the difference between selling and not selling. It is not the cost, mainly it's the care. The effort that you put into the garden and the property will get you that fabulous price in the first thirty days.

Eleventh Trap – Appointing The Agent Who Quoted The Highest Price

The scourge of the real estate industry are the agents who “buy” a listing. These dishonest agents purposely will tell you that they can get a wonderful price just to secure your listing. They will then list it for as long as possible (for at least 180 days) and then work specific methods to get the price down to what it should have been in the first place. Ask yourself “Why would a professional agent require six months to sell my property?”

This is called conditioning and if you want to test them simply ask to see their office and you will find they will have a board on the wall of their sales room marked “price reductions” or even “super price reductions”. Don’t under any circumstances give this agent your listing until you have checked this out.

Twelfth Trap – Not Getting An Independent Sworn Valuation

The only way you will be satisfied that you have achieved fair market value is to get a sworn market valuation from a valuer independent of your real estate agent. Unlike an agent who may overprice your property just to get your listing the valuer is legally required to be truthful and sworn to be accurate. Be sure to get a market valuation and not a mortgage or finance valuation because both of the latter would be conservative and not reflect the true market value.

Now here is the importance of taking this step. You can now put it on the market at the right price range. Therefore it sells quickly getting you the best price without all that stress and hassle. Secondly, the advertising and promotion, which should be concentrated in the first 30 days, are not wasted. But most important of all you can use it as a basis of setting an incentive with your agent as detailed in the Fifteenth Trap.

Thirteenth Trap – Listing With A No Sale, No Fee Agent

Would you work hard for someone if there were no absolute guarantee they were going to pay you? Honest agents don’t have to claim no sale, no fee because both you and they know the professional fee isn’t going to be paid until they get you the result in any event. Most honest agents will offer you a superior marketing program which, with your participation, can achieve a super price quickly. Those honest ethical agents will be upfront about it.

The only free cheese is in the trap. No sale, no fee is exactly what you get. Agents who advertise “no sale, no fee” are just trying to get your business at any price and generally their failure to sell the property is greater than 50% of the properties they list. They work on the basis of getting as many listings as possible by over quoting the price and they make money out of the small amount that sells after many price reductions.

There are no free lunches in life and you should be very suspicious of anyone offering you one. The two most important reasons why you need to appoint an agent is to get their marketing and negotiating skills. Any agent who solicits for business this way does not even have the ability to negotiate their own wage, so what is going to happen when it comes to negotiating your sale? Yes, you’re going to undersell it. If they can’t negotiate their own wages they certainly don’t have the ability to get you the best price.

But that’s not the worst of it. You get no service, no promotion, no open inspections and no result until such time that you reduce the price to a level where it is easy for them to sell. At the end of the day they are going to push you to accept the first offer they get instead of waiting to achieve a second offer to use as a negotiation lever **because they will have to pay for the next ad.**

Fourteenth Trap – Giving It To A Number Of Agents

Statistics show irrefutably that properties handled by more than one agent take twice as long to sell as exclusive listings. Which also means they sell for less than they should have had they been sold within the first 30 days.

You want your agent to put their heart and soul into selling your property and no agent will do that unless they have it exclusively. Agents don't get paid unless it sells and they are certainly not going to work on a property someone else may sell. What's more, they are not going to spend money on advertising a property another agent may get the fee for and they can't even get a recovery of the advertising costs they paid for. I am quite sure if you were in their position you wouldn't either. Honestly would you?

Fifteenth Trap – Going For The Cheapest Fee

You are calling in an agent because you want your property properly marketed and the best deal negotiated. You will not get that from a cheap agent. Someone who is not able to protect the value of their own wage is not going to be able to protect the value of your property.

Consider this. Let us say your property is worth \$200,000 and the agents are offering to do it at 3%, which means the fee to sell is \$6,000. The most you will get, as a discount is 20%, which is \$1,200. I will guarantee any agent who will accept a \$1,200 reduction in their fee doesn't have the ability to negotiate \$200,000 for your property. The cost to you can be at least \$5,000 or \$10,000 less than you are asking. So saving \$1,200 has cost you heaps. Rather negotiate a flat service fee and add a buyer fee incentive above \$200,000 and you are on a winner.

Sixteenth Trap – Wrong Agent's Fee Structure

Most agents work on a fee structure of around 3 - 4%. Many have a diminishing scale. In other words the greater the price the less you are charged. This system makes no sense because it gives no incentive for the agent to negotiate your best price. Indeed it encourages agents to sell it at any price to get a fee. For example, say the property is worth \$200,000 and the fee is 3%. The fee at \$200,000 is \$6,000. If they only negotiate \$190,000 the fee is \$5,700, only \$300 less. They are not going to risk losing the offer and \$5,700 for only \$300.

The best and only fee structure that is satisfactory to you is one where the agent works on a flat fee to get you what the property is worth and then add to that an attractive incentive for the agent to negotiate you more. This is called a "buyer fee". For example, let's say your property has a market price of \$200,000 and you work on a flat fee with the agent to \$200,000. Now offer the agent 30% on everything he can get above \$200,000 and I guarantee you will get top dollar. Many agents using my system of Buyer Ranged[®] or Set Sale[®] regularly achieve 10 - 15% above what vendors expect, especially when placed on this fee structure.

All these traps can be avoided by listing with an agent who can offer "New Aged Selling" techniques, some of which are described next.

Seventeenth Trap – Investing In Property Out Of Your Area

Real estate investment is great. Believe me I have built a portfolio of nine properties in just over five years. But there is one huge trap. **Beware** of the seminar sharks who advise you to buy properties a long way from where you live.

Many of these marketers are big cons. The properties are usually situated in attractive areas like Surfers Paradise. They will offer to guarantee a tenant for three years and they can do that because **you will pay 25% above the current market value for the property.** They will tell you to buy away from where you live because if it's close you will get too emotionally attached. Their marketing costs are expensive, so to pay for them and make huge profits they sell you property in areas of which you have no personal knowledge and at prices above the market value. One of the five golden rules in property investment is – **you've got to be able to drive past it.**

Eighteenth Trap - Agents Who Over Quote Vendors And Under Quote Buyers.

One of the worse practices in real estate are agents who buy the vendors listing by quoting them high prices when they list the property. With no sale no fee agent, they will do this with no intention of properly marketing the property and get little inquiry due to the lack of promotion and the high price.

Even worse are the agents who will quote you high and then proceed to advertise it for as much as \$200,000 below what the property is worth to falsely attract buyers. Very often they will say “Over \$200,000” or “Low \$200,000”. What they are attempting to do is attract many low priced offers in the hope of convincing you that's all your property is worth and you will accept a low offer which will make it an easy sale for them. All of this can be avoided by properly marketing your property using a correctly structured “Buyer Inquiry Range[®]” which will achieve top dollar extremely quickly.

3 - BUYER RANGED® SELLING

Ten years ago I realised that vendors and buyers would be advantaged by a new pricing strategy which would eliminate the fixed price problem. What we needed was a system that eliminated putting a fixed price on the property and was different from the no-price marketing strategy of the auction. One that gave all the advantages to get the maximum price and at the same time open the door to every potential buyer. It was essential for the system to be bottom-up so that no buyers were excluded. The answer, like all good solutions, was amazingly simple.

In Adelaide, at the end of 1990, I developed an entirely new strategy called By Negotiation, which has since been developed into “Buyer Ranged®”. This dynamic strategy is the fastest growing in the western world and has brought results which have amazed vendors and real estate agents alike. This is because it involves the most exciting innovation to happen to selling this century - **Buyer Ranged® Selling**.

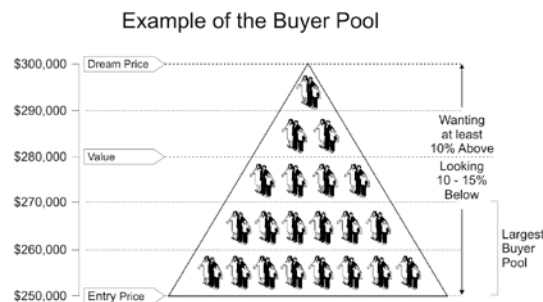
Instead of marketing with a single fixed price or no price at all, we market the property with a Buyer Inquiry Range® which attracts all the potential buyers including those looking below the price they will eventually pay and the dream prices the vendor would ideally like.

This is how the system is explained to buyers on all the brochures marketed with the system –

“BUYER INQUIRY RANGE®”- HOW IT WORKS

When a property is marketed with the traditional fixed price, sellers always ask about 10% above the market price for a number of reasons. With some, it is because they have a fear of underselling. With others, they may have an over-inflated view of what their property is worth. At the very least, all sellers will want a buffer to allow for any negotiation.

On the other hand, the pool of buyers looking for a property in a suburb and a range react entirely differently. They form a triangle with very few above the market price. Most will look 10 - 15% lower than what they will finally pay because when they find their dream property, even if it is above what they intended to spend originally, they will buy it.



The fixed price system services neither the sellers nor the buyers. Sellers' properties stay on the market for a long time and sell for much less than they anticipated. On the other hand, buyers miss out on seeing those properties therefore miss out on the opportunity to buy their dream property.

As a result, a new system was invented. This involves a “Buyer Inquiry Range®” and this is how it works:

Instead of setting a fixed price which eliminates at least two thirds of the buyers, a range is set to attract buyers looking within that range. In other words, if you are looking in this range, you should come and look at this property and maybe you will be able to successfully negotiate for it.

What Do I Do?

Simply place an offer of what you believe is the right value compared with other properties you have seen. Be prepared to negotiate. We suggest the middle of the range is a very good place to start because the value is usually two thirds up from the bottom of the range. Simply submit your offer and our agent will negotiate a deal satisfactory to both parties.

In the past it was only the sellers and agents' opinions that mattered. Now it's your turn. You have a simple way of negotiating your dream property which previously you would have missed.

How Your Offer Will Be Handled

We work with integrity for buyers and vendors equally. Our promise to you is that we will never reveal your offer to another buyer and give them an unfair advantage over you. We simply ask you to offer what you are prepared to pay to secure the property.

Like an auction, the vendor's price is not declared but unlike an auction, the inquiry range gives buyers an indication of where it may be at.

It is important to note the mechanics of the system. First of all, we have not just stated a bottom price - like "over \$160,000". I believe this is somewhat devious and could possibly be bait advertising. With Buyer Ranged® we are saying, "Buyers who are looking in this range should inspect this property." We are not capping the price because it is the indicated range and not necessarily the vendor's price. This gives a huge advantage over the fixed price for sale strategy and increases the inquiry two to three times.

The buyer's reaction is totally different. They see the range, **look at the bottom and assume the middle**. In other words, the bottom of the range attracts and encourages them to go and look at the property. For example, with a Buyer Range of \$160,000 - \$200,000. They know the \$160,000 is well within their budget so they will go and have a look. They are also aware that it could even be over \$200,000 but they will probably start at the middle. Most buyers will have seen properties in the area and know the competitive prices. They will have an inspection knowing the realistic values and start sensibly but a little lower than the price they expect to pay. Of course, occasionally some will start at the bottom.

Because we are never certain what the market price of a property is, it could be that on occasions, the property will sell in the lower part of the range. However statistics show that only 15% of properties sell in the bottom third. This is because the range attracts two to three times more people than a fixed price. More importantly, these people are the correct pool of buyers who are prepared to negotiate. As a result, far more offers are submitted and whenever we get a situation where there are two or three people vying at the same time, our negotiating position is dramatically strengthened. Consequently, we create a tension-free negotiation climate where buyers can negotiate against one another. The winner's offer, which is often above the seller's expectation, is presented and the tension caused by a public confrontation is avoided. Very significantly all the offers are conducted in privacy, not publicly like an auction so they don't know what the other offers are. As a result we can negotiate even better prices.

We all know we normally ask a high price to avoid underselling, and so we dramatically reduce the inquiry. This system gives you the best of both worlds and often meets the vendor's expectation.

The mechanics of the system are very simple. There is a table which gives you the correct Buyer Inquiry Range® for each market price showing the lower and upper indicators. It has taken ten years of trial and error to get this range to work perfectly through all prices. Not only does every market price need to have the correct range applied but the price layers also have to be correct. For example, the buyer layers are \$5,000 until \$150,000. Then they change to \$10,000 layers. **Stick strictly to the table shown to you by the agent. It has been proven to work.**

Always remember it is the Buyer Inquiry Range®, not your asking price. The inquiry range encourages great interest and can even draw an offer above the top end of the range. If you change the range, especially at the bottom range, you will wipe out the biggest level of the buyer inquiry that you could get from that buyer triangle. Users of the system have found time and time again where they have allowed the vendor to bring the bottom-up by say \$5,000, they have not achieved the sale. However, when it is eventually dropped to the correct level, a sale has occurred within weeks for much higher than the bottom end.

For example, Stephen Clark from Remax Coast and Country Properties on the central coast of NSW had a property which should have been marketed with a range of \$120,000 - \$150,000 because the vendor wanted \$135,000. The vendor insisted on a range of \$125,000 - \$145,000.

Three months later it was still on the market. Stephen then adjusted it to the correct range of \$120,000 to \$150,000. The property sold in two weeks for \$135,000, exactly what the vendor wanted.

You must equally understand the most important point of the whole system. Dropping the range to \$120,000 did not cause it to sell at \$120,000 or even \$125,000. What it did was attract someone from that bottom layer of buyers who was prepared to pay \$135,000 once they were attracted to the property. You will not sell your property until you first attract the target buyer and you must remove all the hurdles standing in the way.

Time and time again when a property is marketed in the wrong range, reducing the bottom indicator attracts a new layer of buyers who are prepared to pay the full price. In fact it is more accurate to explain it another way. By increasing the bottom of the range from \$120,000 to \$125,000, the vendor effectively wiped out the biggest and best layer of buyers. This is better demonstrated on The Buyer Triangle. Time and time again it has been proven that a buyer at that bottom level will make a purchase 10% - 15% above the price they are aiming for, provided you get them to the property first.

Bottom-up systems will always work much better than top-down alternatives quite simply because a bottom-up approach includes buyers mainly of whom drop out if it gets too expensive. The problem with a top-down approach is it doesn't include them in the first place. It won't sell though if we don't get them there first and equally, buyers won't find their dream property unless they see it.

Florence Chan from Chansis First National in Parramatta in NSW had a property on the Set Sale[®] strategy which uses the Buyer Ranged[®]. It was on a main road which is always more difficult to sell. The vendor wanted \$200,000 and Florence used the range \$180,000 to \$230,000 at the start when it should have been \$170,000 to \$210,000. When it didn't sell, she spoke to me and I told her to put it in the right range. Once this was done it sold quickly for \$200,000. Again you would have thought that \$180,000 - \$230,000 would have done the job. Wouldn't you? Also you would have thought all you would get by dropping the inquiry range to \$170,000 is maybe \$180,000. But no, it achieved \$200,000 once Florence had attracted the right buyer and she did her job of negotiating it correctly.

Buyer Ranged[®] is a bottom-up negotiation and because the system achieves considerably more inquiry, it also produces more serious buyers for the property resulting in more offers. Therefore we vastly improve our negotiating position. It's rather like having three times more bidders at an auction. And here's another significant point: There is no stress involved for either the buyers or you, the seller, which is just one of the reasons why it is quickly becoming a preferred option.

The bottom line is that sellers achieve mostly better prices in a shorter time than by using For Sale. The increased inquiry sells the property more quickly avoiding the price reduction phase.

You then get the best price in the shortest time with the least amount of hassle.

The buyer equally benefits from the system. In the first place, they gain access to a property which excessive pricing would normally have eliminated them from viewing.

Secondly, they don't waste their time inspecting properties that are below the price they are willing to pay. In addition, the Buyer Inquiry Range[®] motivates them to view a property which the no-price marketing methods often discourage. In the final analysis, buyers will only pay what they believe the property is worth and what this system does is eliminate the prospect of the property being undersold.

I must also re-emphasise a point which you may have missed. We are advertising this as the Buyer Inquiry Range[®] and this does not restrict you from achieving above the top of the range, which often occurs. For example a Melbourne agent sold four of his first ten Set Sales above the top of the range.

4 - SET SALE®

In 1995, my family and I went to Western Australia for three years to run a large real estate group of over 40 offices. At the same time I maintained my seminars and training throughout the rest of Australia, New Zealand and the USA. In Perth I found the situation in real estate to be very different from the rest of the country. Unlike the rest of Australia their auctions had a very low degree of public acceptance and were only being used in less than 1% of the properties, mainly in highly desirable suburbs.

Many WA companies over the years had tried to promote auctions but with little success. For some reason they were not being accepted. Furthermore, properties were being marketed with mediocre marketing programs in comparison to elsewhere. Certainly Buyer Ranged® was being widely used and was fast becoming one of the most popular selling methods.

One day, sitting on my stump thinking, I considered the pros and cons of all selling strategies, including my own. Buyer Ranged® was being used extensively but it did not always have the excellence of a promotion package or a set date that the auction had. I thought what we needed was another new strategy which packaged the best items from all the existing strategies, and included a few innovations to eliminate all the problems experienced by vendors and buyers. A major consideration was developing something which removed the hurdles between the buyers and the sale of the property and at the same time achieving the best price for the property in the thirty-day period. The result of this was a new strategy called Set Sale® which is packaged with the following eight features:

1. **Market Valuation.** First, an independent valuer provides a market valuation which gives you three major advantages. Normally vendors are confused when they get all the different prices from the agents they call in. This way, you know exactly the correct market price and can be confident of neither underselling or overpricing. Then the correct Buyer Inquiry Range® is used right from when it first hits the market therefore, you don't waste any of your precious first two weeks with the wrong ranges. In addition Set Sale® normally takes 2 weeks. Research has shown conclusively the best price is achieved after the second open inspection.
2. **Buyer Inquiry Range®.** Second, the property is also marketed with a Buyer Inquiry Range®.
3. **Deadline.** Next, a maximum deadline of 30 days is set giving buyers a time limit so you can plan ahead without wasting time. However, the aim is to sell it after the second open home.
4. **Intensive Marketing.** Properties are then marketed through a high impact 30-day promotion period similar to an auction providing buyers plenty of opportunity to see a property by open inspection or anytime by appointment. This guarantees maximum exposure by advertising everywhere the buyer will look including better signage. However the aim is to sell it in the first two weeks.
5. **Two Buyer Options.** There are two ways buyers can respond. They can either make an offer at any time or they have a soft option and can register their interest without having to declare their price and will be contacted when other offers are received.
6. **No Restrictions.** Setting pre-conditions normally eliminates at least 30% of the buyers, the sale can be subject to any conditions agreed between yourself and the buyer. However, Set Sale® gives you the ultimate protection with the 48-hour clause. This means if the buyer has conditions on the sale you can accept the offer yet still continue to market your property to other buyers and if you want to accept another offer the original buyer is given 48 hours to either go unconditional or release the contract to the second buyer.
7. **No Auction Stress.** Because there is no auction, tension for both the buyer and you is eliminated therefore attracting even more buyers. This is the most stress free user-friendly system for all concerned.
8. **Private Negotiation.** Finally, the most important feature of all is the private negotiation of the Set Sale® strategy. With a fixed price you get less than you ask. With an auction, the price you receive will only be a

little more than the second best bidder because it is an open bidding system. This doesn't happen with Set Sale[®]. First of all the strategy attracts the maximum number of buyers, far more than any other strategy. Then Set Sale[®] agents are trained in this highly skilled negotiation. Thirdly, not only is your price not revealed but they don't know what the other offers are. We promise never to reveal an offer and give a single buyer an unfair advantage. Therefore buyers have to offer all they are prepared to pay.

What I in fact did with Set Sale[®] was to take the very best features of the other four strategies; a good promotion, Buyer Ranged[®], registration of interest and the ability to make offers any time, and added a new one - the valuation. Then I removed any negative that would eliminate a buyer, like conditions, stress or fixed price. Now we have a strategy that has the best of everything.

The important point to note is this: Not only have we set it up to best ensure a sale within 30 days, but all the hurdles normally placed between the buyer and a successful sale have been eliminated. The experience with Set Sale[®] so far in New Zealand and Australia is that 95% have sold by the Set Sale[®] date. This makes it the most successful strategy ever because the buyer inquiry increases by as much as ten times that of a normal fixed price. With Set Sale[®], we create four selling opportunities throughout the course of the sale.

Opportunity 1 The Preparation Stage

This is a two-week period prior to the promotion when three things must happen. First of all, the agent must point out to the owners all the inexpensive improvements that could be made to the property that can add thousands of dollars to the price. Sometimes the smallest thing can not only add thousands of dollars to the price but also create a quicker sale by not putting the buyer off. Weeding the garden or uncluttering a room can make all the difference. Secondly, the agent prepares the marketing properly without having to race to place an ad to meet a deadline for an open on the first weekend. The first open takes place on the third weekend following the listing. Finally, the agent can take through selected buyers who would be advised of the improvements being undertaken.

Opportunity 2 The Promotion Stage

During the four-week promotion stage, the property is opened every weekend. It is heavily promoted in every significant publication so that no matter where the buyer looks they are going to run into it. The signboard should be a photo sign which is a large board with three photos of the three best features of the property. In other words, all the wonderful benefits which cannot be seen from the kerbside are shown. This eliminates one of the most fearful things in real estate - the drive-by inspection. The number of sales that are lost because buyers may have had a negative impression from the outside is enormous. When we can bring the inside to the outside on the sign board, this problem is eliminated and the sale is far better assured.

I introduced a very important new aspect to the property sale. Buyers can either negotiate now or they can **register their interest**. This second step is via a simple slip of paper which buyers can fill in without commitment. It overcomes the problem of buyers who leave the property without giving any indication of their interest because they need time to think and don't want to be put under pressure and sold to by an agent. They can register their interest, enabling them to be contacted either if an offer is submitted or two days prior to the Set Sale[®] date. Buyers are given a brochure of the property and on the back of the brochure the system is explained.

Unlike auction which encourages people to bid at the auction, the Set Sale[®] system encourages negotiation immediately. Because we have had registrations of interest we can get back to those people when an offer is submitted or by the Set Sale[®] date and negotiate with them to increase the opportunity of a better price. As a result, a sale is often concluded in the first week rather than being dragged out for four or more weeks.

Opportunity 3 The Negotiation Period

If a successful sale has not been concluded two days prior to the Set Sale[®] date, then all the registrations of interest are activated and negotiations commence. This way we have all the advantages of the immediate negotiation in the promotion stage with the set date as a back stop like in the tender and auction processes.

Opportunity 4 Under Consideration

If it has not been sold during this period, buyers are still being shown through the property. This is the period when all the final offers can be considered and negotiated.

Conclusions:

The New Age Selling strategies, Buyer Ranged[®] and Set Sale[®] are having an enormous impact on property sales. Buyer Ranged[®] has stood the test of time, becoming one of the most preferred strategies and it has had a huge impact on real estate. The Set Sale[®] is now the preferred method of sale for most vendors.

One of the fundamental problems with traditional real estate is centered around price and negotiating. Buyers want to know two things. First of all, they want to know what the vendor will take so they can offer less and a fixed price does that ensuring you will never get more. If they cannot find out what the vendor will take, as in the case of an auction, they then want to know what the other offers are so they can offer as little as \$100 more to secure the property. Of course the auction system tells them that. The reason for this is they want to secure the property by paying as little as possible which is certainly less than what they may be prepared to pay.

Buyer Ranged[®] and Set Sale[®] eliminates these weaknesses. Because of the Buyer Inquiry Range[®], they don't know what the vendor will take. Added to this it is a private negotiation where we will not reveal the other offers. As a result, buyers who were anxious to secure a property have to go to the maximum they are prepared to pay which results in the very best price for you, the vendor.

I invite you to examine the traditional strategies of fixed price and auction from every angle and you will find they cannot achieve what the New Age Selling strategies achieve for you.

Wishing You Every Success
DAVID PILLING

NOW YOU'VE READ THE BOOKLET

FIND OUT MORE

**Contact Frank De Raadt today
On 0412 885 288 or 1300 337 223**