

5 Major Real Estate Fallacies / Realities; 4 Sharemarket Red Flags

- 1 Estate agents' / salespersons' 'pitch' to vendors :

"Trust me with your property - I can negotiate the best price for you."

NOT SO. Price negotiations **SHORTSELL** property.

SELLER BEWARE: Become an informed real estate consumer and avoid ending up a **LOSER**.

- 2 Estate agents urge vendors to *"Auction for best price."*

NOT SO. Auctions **UNDERSELL** residential property by \$10,000 to \$500,000; commercial property can be undersold by \$10m to \$30m (see example in the attached flyers).

VENDOR BEWARE: Don't be an auction SUCKER.

- 3 Incorrect statements on the property market are often made; e.g., one by Richard Wakelin, Melbourne Property Advisor, *The Australian Financial Review's smartinvestor*, September 2015:

"You cannot make money flipping assets when investing in direct residential property. The transaction costs are too high."

NOT SO. Mr Wakelin's information is outdated - see following Point #4.

- 4 The real estate market has become much more financially rewarding for property sellers / investors because sale costs can be \$3,000 for residential property and \$20,000 for commercial, rural and special purpose property. An **ADDED BONUS** for vendors / investors: **GUARANTEED MAXIMUM PRICE** - something the real estate industry consistently fails to achieve and will **NEVER** achieve because of its flawed sale methods.

- 5 Comments by the CEO of a large real estate group published September 2, 2015:

"Sales reps who in good times earn \$450,000 will be lucky to earn \$250,000 this year".

VENDORS TAKE NOTE: Salespersons make \$250,000 - \$450,000 / year and their CEO's \$millions from **UNDERSELLING** clients' properties by auction & negotiation.

SMSF Trustees take note : 4 Sharemarket Red Flags

Once the real estate industry's **FLAWED** sale methods become common knowledge, shares in estate agents' / News Corp's property listing company REA Group (around \$40, with a high above \$50) are predicted to undergo 'market correction' because vendors will not pay HUGE fees to list their properties with REA - refer to **Document Reviews**, *safeSMSFstrategy* website referred to in the attached flyer. Also, pending IPO's of **Fairfax's Domain Listings**, **McGrath Estate Agents** and **LJ Hooker** may not provide windfall profits for 'stags' and may tank.

See over the page for a Synopsis of the real estate industry's failings

This flyer and the attached 4-page flyer have been published by the non-Government-affiliated **Consumer Advisory and Advocacy Australia Group**, comprising three independent organisations covering **Property, Superannuation, Health**.

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The Most Financially Rewarding FREE Information Property Owners / Vendors will ever receive

A realistic scenario:

You put your property on the market, your agent acknowledges your *hoped-for-figure*, and is likely to suggest 'a *more realistic sale price in the current market*' (usually below yours).

However, by being street smart, you can achieve \$25,000 - \$10 million MORE than the agent's predicted price. You also **AVOID** paying an indirect **PROPERTY WEALTH TAX** to the Australian Tax Office and in this way you *Beat the Tax Man* legitimately and legally.

Why are vendors disadvantaged by estate agents' price negotiations and auctions?

- Estate agents /sales representatives aim to 'close' a sale / 'wrap up the deal' in the shortest possible time to lock in a commission equivalent to an 'ordinary' worker's ANNUAL or HALF-YEAR salary.

Agents' self-interests, **NOT vendors' interests**, receive the highest priority in EVERY property 'deal' that is 'brokered' by an agent or sales negotiator.

- A negotiated sale price is a *less-than-maximum* price if the SAME person looking to secure a sale commission is dealing/ negotiating with the seller AND buyers.
- Buyers at auction are **NOT required NOR compelled to declare / disclose their price limits at any stage of the auction** - *neither* during bidding, *nor* when the property is 'on the market', *nor* during post-auction 'negotiations' if the property is passed in. Auction buyers invariably acquire property for a price below their limit, most times way below their limit.
- Vendors who are **advised / urged / pressured to sell before auction** miss out on extra capital because of **EXCLUSION** of interested buyers who could have paid more than the sale price. Agents / salespersons who advise vendors to sell prior to auction are worried about losing their commission if the auction should fail and the vendor transfers the listing to another agency.

How can property owners / vendors avoid becoming LOSERS?

Read the attached 4-page flyer, study information on the *Propertileaks* website, including *Document Reviews*, then download the detailed e-publication. Fully informed, *astute* property owners will always **MAXIMISE their investment capital** when selling any type of property. To help others protect their investment capital, please advise relatives, friends, and colleagues to visit the *Propertileaks* website for a free download of part of the enclosed 4-page flyer.