



# NUUS / NEWS @ IRMA KNIPE PROPERTIES APRIL 2010

Points of interest to take note of in this issue:

- Sales of residential properties are showing a definite upward trend.
- Be realistic about market values.
- Keep your price down and sell faster.
- 

## Take note

“People will forget what you said. They will forget what you did. But they will never forget how you made them feel.”

## Take note

**ABSA says:  
Home owners  
can expect their  
property values  
to go up, on average,  
by about 6%  
in 2010.**

## *5 lessons every house seller or buyer should take to heart*

**It is essential to do your homework before any deal is signed.** When buying or selling a home it is important to be well informed about the market. Endeavour to find out if there are any factors which they need to know about the property before putting in an offer.

**Sellers should never let themselves to be intimidated by their agent.** Sellers are the clients. If they get the feeling that they are being “worked over” they should discuss this with the agent. Always get more than one agent’s opinion.

**Test the market before signing up for a bond.** Gone are the days when the normal practice was simply to go to one’s own bank and accept the bond on the conditions they offer. Make use of a experienced bond originator to come up with at least 3 options before accepting a bond.

**Check the water, electricity and rates charges that have to be paid on your property.** Quite often buyers do not factor these services into their monthly budgets. Rather opt for a slightly less expensive property than risking to lose your prop-

erty due to unexpected rises.

**If selling, be realistic about market values.**

A certain proportion of sellers are not really serious. They often test the market with unrealistic prices. Within 10 to 15 weeks of a house coming onto the market and not selling they must be made to accept that their price is too high. Often this will result in the house being withdrawn from the market, says Lanice Steward, MD of Anne Porter Knight Frank estate agents at one of their regular training sessions.

## Keep your price down and sell faster

“Sales of residential properties are showing a definite upward trend and home sellers should take advantage of the situation by aiming to raise their asking prices. However, if they really want to benefit from the current resurgence of confidence in property, they should be doing all they can to achieve success, especially making sure that their asking prices are very competitive” says Martin Schultheiss, CEO of Harcourts Africa.

There are 3 reasons for this, the first being that although demand is increasing, buyers are still being very choosy. Secondly, bank lending is still slow and very cautious. Finally, achieving a quick sale definitely means big savings in holding costs. The average time that a “well priced” property is on the market before being sold has dropped from around 5 months to around 3 months now, which means 2 months’ savings in terms of bond repayments, for a start.

## 7 tips for young property investors

Young upwardly mobile property buyers are now a force in the property market, especially if they are living and working overseas most of the time.

Discussing this, Tony Clarke, MD of Rawson Properties, said that this trend to gain momentum despite the new strength of the rand and the slower capital growth predicted for property.

Clarke has seven pieces of advice for upwardly mobile people contemplating property as an investment, all of which, he said, has been tried and tested in the market and in his own career.

**1 Accept that property is always a long-term investment with ups and downs.** If you are

out for a quick buck, you will not find it in property.

**2 Set yourself the goal of building up a property portfolio which you expand steadily.** Do not sell your investment property, not even to buy another.

**3 Do not rush this process.** Avoid the temptation of buying many highly bonded properties. Rather buy one and gear it correctly before you move on to the next purchase. Later, as your income increases, it may be possible to buy more than one property at a time.

**4 Diversify your portfolio.** Try to invest in both freehold and sectional title residential property,

as well as small commercial and industrial units. Try also to avoid being in one area. The markets fluctuate: if you are spread wide, the rises and falls will be cushioned.

**5 Accept that your own home is part of your portfolio.** Too often, as salaries increase, so does the desire for a bigger and better home, resulting in huge bond repayments having to be paid. Rather have a moderate home and save by having a small bond here and use the spare cash to buy elsewhere where you will earn rent.

**6 Unless you face financial disaster, do not sell.** The ancillary costs of buying and selling are high—you will have capital gains tax (CGT),

agent's fees, transfer costs and conveyancer's fees—all of which will eat into your costs.

**7 Focus on income rather than capital growth.** The more cash you can actually collect monthly, the better your chances will be of buying elsewhere. Focus on the cash and the capital growth will look after itself.

If you appreciate this property paradigm and execute accordingly, you should be able to look back in 10 years with a content smile.

Reality check: beyond property investment gurus, financial advisors and legislators—the buck stops with YOU!

## Does your agent deliver the goods you expect?

Great agents know that their job isn't over when the property registers. In fact, clients could need you more after their registration than at any previous point in your relationship for any of the following reasons:

After moving into your new home, you may have discovered repair issues that need

attention. You might need the name of a honest, trustworthy and fair service provider.

Your purchase may have sparked your thoughts about building wealth through real estate investments. You might seek advice about how to acquire and retain properties as a

step toward wealth creation.

You may simply be interested in how the market around you is doing. Your agent can become your resource.

Research shows this is an area of agent deficiency. How well is your agent performing in this area?





**Besoek ons webtuiste @  
[www.irmaknipeproperties.co.za](http://www.irmaknipeproperties.co.za)**

**Martinsonstraat 8 Rozendal Stellenbosch 7600  
T el 021 886 4108 Sel 083 651 0390  
Epos [irma@mweb.co.za](mailto:irma@mweb.co.za)**

#### **ABOUT OUR BUSINESS**

Irma Knipe Properties pride ourselves on the fact that we deal freely in one of the scarcest commodities in Southern Africa – prompt and friendly service. We are committed to providing you, our valued customer, with excellent service and a first-rate infrastructure.

Whatever information you need regarding municipal services, financing your property purchase, rental and purchase contracts, offers or any other topic, be it related directly or indirectly to our expert business. We are an independent real estate company with all the infrastructure necessary to provide a professional and effective service to our clients. We believe in personal service and are able to negotiate a commission structure to suit all our clients. Our mission is to work hard and enjoy what we do. Our logo reflects our attitude towards our clients and outlook: **Personalised professional service**. Our clients are our best advertisement and referral structure in our company.

You can rest assured that we will get you the best deal possible, whether you're selling or buying.

Put us to the test – call us today.

*"Miracles happen to those who believe in them"* – Bernhard Berenson

## ***Property ownership is the basis of wealth***

All the richest people in the world own extensive property portfolios. Why? Because property ownership is the basis of wealth!

Whether you are thinking about buying your first property, or already own one of more properties, Property Ownership Course is for you.

The sad reality is that the benefits and possibilities that comes with being a property owner is often obscured by legal jargon and a lack of information. None of us learnt at school how to buy a property, how to choose finance or even how property ownership works.

Most of us simply buy a home to live in to avoid paying rent to someone else, and as soon as we can afford it, we buy a bigger house and pay off a bigger bond. Technically, we end up paying millions in interest to the bank, when we should be profiting from owning property.

The exciting reality is that property ownership is so much more than just owning a home. It can become the basis of creating great wealth, if you understand how the property market works and how you can make it work for you.

This Property Ownership Course will introduce you to a new

paradigm—becoming an Asset Owner. The course teach you the success strategies about how to buy the right property, how to get the right finance, how to increase the value of you property, how to pay the bank less interest and how you can use the cash locked up in your property to, for example, start a business or buy more property.

This exciting journey into smart property ownership is absolutely free! Simply sign up and you will receive a training module every month, giving you everything you need to successfully own a property.

You will also get a punchy, quick-to-read monthly e-mail, absolutely free, through which you will be kept posted about recent developments and events in the property industry, as well as the latest trends, tips and techniques in the art of property ownership.

Join in on this exciting journey!

Read more about this free offer @  
[www.propertyownershipcoach.co.za](http://www.propertyownershipcoach.co.za).

