



Helping hands

Buying and selling property can be a daunting task. Fortunately there are property specialists who can assist. From buyers' agents to home stylists and one-stop investment shops, *YMM* takes a closer look at these helping hands

When it comes to real estate we all like to think we can do it ourselves, and what we can't do we glean from reality TV shows. But when it comes to buying and selling real estate, sometimes a helping hand can make all the difference. From finding your dream home to organising the finance to buy it, from renovating it to preparing your property for eventual sale, there are specialists out there to smooth the road and remove the stress.

Investing made easy

"When I started property investing there was no-one who could offer everything I needed: a solicitor, a finance specialist like a broker, someone who could buy properties for me, someone who could renovate it for me, plus coaching and strategising," says Paul Giezekamp, director of investment property one-stop shop Property Secrets.

Property Secrets operates across all facets of the real estate game, but is primarily focused on investors. Its

BUYER'S ADVOCATE

A full service buyer's agent can offer the following services:

- Access to and knowledge of all suburbs in their territory
- Suburb analysis and selection
- Access to pre-listed properties via a network of agents
- Elimination of inferior properties
- Quality checks against strict criteria
- Further research of superior properties
- Property reports/digital photos/property inspections
- Survey of similar surrounding properties
- Completion of all negotiations, including preparation of the offer
- Ensure terms and conditions are favourable to the buyer
- Coordinate the final offer and acceptance
- Arrange building and pest inspections
- Liaise with settlement agent, financial broker, real estate agent
- Conduct pre-settlement inspection

services include buyer's agent, mortgage broker, property investment strategist, property wealth coach, property asset protection advisor and renovator.

Clients can pick and choose the professional services they need. Giezekamp also offers free information evenings and property day trips. "There's nothing like this at school," Giezekamp says. "They don't teach you about property investment anywhere."

There's a \$5,000 fee for the buyer's agent services. If the client enlists Property Secrets to act as project manager for renovations, that's another \$5,000. Other services are free of charge.

"We have mobile property coaches who go out and sit with people, to see where they're at. We look for unrenovated properties which we then look to fix up. We find houses in growth areas, right now it's Sydney," Giezekamp says.

Once a property has been found, the client can opt to go it alone or use one of Property Secrets' three project teams. Giezekamp says gutting a whole house costs \$25,000. As a worst-case scenario, a house that needs a lot of work may cost \$50,000.

The final step is to revalue the property after it's been fully renovated. "Whatever money is put in the client can then take it out and buy another property. A client needs to have a 20% deposit, then there's legal fees and stamp duty, plus our \$35,000 average renovation cost."

Giezekamp says anyone can be a property investor. "It's fear of the unknown that stops people," he says. "I equate it to a formula one car with bike tyres: change the tyres and it'll go as slow or as fast as you want."

Funding the dream

On the finance side, Property Secrets places loans through Royal Mortgage Direct. This close relationship allows Giezekamp to deal one-on-one with the people that matter. "There's no need for a go-between," he says.

The majority of loans recommended to Property Secrets clients by Royal Mortgage Direct offer a range of features. These fit in well with the investment approach taken by Property Secrets, which usually involves refinancing a first property and using that equity to purchase additional properties.

“We have a range of funders we can draw on so we've got a wide range of suitable loan products. There's not much we can't do,” says Terina Markezinis, general manager of Royal Mortgage Direct. “The majority of our investor clients take a fully featured loan. This makes it quite straightforward for them to take control of their loan, and it also includes some flexible features. It allows them to use internet banking, telephone banking, and includes a redraw facility. The client only pays for the portion of what they've drawn down – and they won't get charged on any portion they haven't used.”

Giezekamp and the Royal Mortgage Direct team perform proper due diligence to ensure there won't be any future financial difficulties for the client. “When it comes to people new to the market, or people going through the investment process too quickly, Paul and ourselves make sure that there is enough cash flow to enable the client to service the loan,” says Markezinis. “We don't want to leave them short, and we certainly don't want clients running into financial difficulties a year or so down the track.”

Buying with confidence

Most people know that real estate agents act exclusively for the seller, not the buyer. Buyer's agents have sprung onto the scene in recent years to address this imbalance, and to act as buyer's advocates.

“There's nothing like this at school. They don't teach you about property investment anywhere”

Paul Giezekamp, director, Property Secrets

“Our role is to take away the time factor of finding a property and remove the stress of dealing with multiple agents and the negotiations ... we aim to save the buyer money,” says Meighan Hetherington, managing director and principal of buyer's agent Property Pursuit.

Buyer's agents use databases to search for the best investments for clients, negotiate with the seller's agent to ensure the buyer only pays what the property is worth, and carry out due diligence to ensure the buyer doesn't encounter any nasty surprises, like zoning or roadway changes. A buyer's agent can be authorised to bid at auction and can assist with negotiations for private treaty sales.

“We are the eyes and ears on the ground, the local market expert,” Hetherington says. “We go out and find everything that's available and test those properties against the buyer's criteria. Then we go in to bat for the client and negotiate on their behalf to secure the property.”

Most buyers' agents will charge an activation fee of around \$300 to register client details and purchase requirements and to begin the search. A buying fee of around 2–2.5% of the purchase price is charged for finding, evaluating and acquiring a property.



IS THERE AN ALTERNATIVE?

Paul Giezekamp, director of Property Secrets, shares some tricks of the trade

Safe investing means having exit strategies. For instance, all your loans should have loan to value ratio (LVR) of 80%, so you have a 20% security buffer for the banks. If you need to get hold of some more money it's easy to go from 80% to 90%. It's much harder to go from 90% to 100% and there's no chance of going from 100% to 106%.

Don't invest in apartments and townhouses because they're all tied to strata title, which is restrictive when it comes to renovating and adding value. If you own an apartment and one day you decide you want to knock it down, you would not be able to do it. However, if you own a house – and provided you got all the council permits – you could do it.

It's land that goes up in value, but choose your location carefully. The building will depreciate as soon as it's built. We all want to invest where we want to live, but the reality is, it leaves you with little scope for getting a foothold in the market. You'll end up with an apartment rather than a house. In all capital cities, it's possible to find homes at affordable prices.

Bring in the stylist

Professional property enhancers or stylists aim to make the most of your property's features. This can involve a simple analysis of what makes your property look its best (colour schemes, furnishings and decoration) right through to a complete make-over. It's certainly a cost effective alternative to more extensive and time-consuming renovations.

"In today's property market It's more important than ever to ensure your property stands out from the crowd," says Cynthia Symington, owner of Fusion Home Styling Services. "As you walk in the door of any property, presentation really does count. If you want to get the best price, you should work on presentation."

Home stylists provide a range of services. At one end of the scale these may include a straightforward appraisal of your existing interiors, including furniture and decorations. Most stylists will come equipped with a checklist and will walk away with a list of possible improvements, which the client does not necessarily have to make. Walk-in appraisals cost from \$120–150. Some top-end stylists will charge an hourly rate (\$90 on average). The stylist will then act as a project manager by making the arrangements for improvements to be carried out.

At the other end of the spectrum, you may want your property to have a total make-over, including the rental of new furniture. Again, a stylist can assist with determining what should stay and what should go, and will use their contacts to find competitive and appealing furniture to fill the space. For an average four-bedroom house, furniture rental will cost on average \$1,000 a week. As most auction campaigns take four to six weeks you'll likely be up for \$4,000 or more.

"Even with a limited budget it doesn't mean you can't have style," confirms Symington. "It's about making the most of what you've got and enhancing it to a point where people are pleased to be in your home. Ideally you want visitors to be reluctant to leave after an inspection!"

Judgment day

Today, more than ever, time is a precious commodity. Use your best judgment to determine whether some or all these helping hands will assist you in getting the most out of your property experience. All you need to do is hold out your money – and take the hand that's offered. ■



"Property is not a get rich quick scheme; it's ideal for those investors in it for the long-term."

Terina Markezinis, general manager, Royal Mortgage Direct

APPEARANCE COUNTS



Pre-makeover value of three-bedroom home on Sydney's North Shore	\$950,000
Client budget	\$11,000
Painting interior and exterior (incl patching and repair of walls)	\$3,000
New carpet (3 bedrooms, study, lounge, hallway and steps, removal of existing carpet)	\$4,000
New door handles	\$100
Replacement of kitchen taps and fittings	\$100
Existing cooktop and rangehood replaced	\$800
Sanding and repolishing of floors in kitchen/family room	\$1,000
Lighting – replacement of wall brackets and pendant light	\$100
Windows washed throughout	\$100
Furniture – some furniture replaced by hired furniture	\$800
Styling fee	\$1,000
Post-makeover value of home	\$1,150,000
INCREASE IN VALUE	\$200,000

Cynthia Symington of Fusion Home Styling notes a typical makeover scenario for a tired-looking home in preparation for sale. Clients can add up to 20% to the value of their homes, but it often comes down to budget and how much work is professionally carried out. Simple improvements such as cleaning, gardening and painting can be carried out by the client. On a recent Sydney project (outlined above), she achieved a \$200,000 increase in value – for a renovation expenditure of only \$11,000.

Interested in property investment?

**FREE COACHING
FREE APPRAISAL
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We can help secure your financial position for the future

“The thought of buying one house seemed overwhelming, now we own 5 and counting!”

Jenny Reeves, Leichhardt, NSW



“We had been struggling for so long. Property Secrets has made life enjoyable again.”

Ray Coleman, Mascot, NSW



At 20 Paul Giezekamp owned nothing. At 35 Paul now owns 17 properties through proven investment formulas which “cannot be taught at school”.



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