



# Jaimie's Newsletter

from the desk of  
Robina Village Real Estate!

**DON'T SIGN  
ANYTHING!**

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## MAY EDITION

It's a gossamer fine line we tread in attempting to accurately portray the state of the market.

If you are contemplating buying or selling, to whom do you turn to get a realistic understanding of the prevailing conditions? Do you seek advice from an agent (a great time to buy and a great time to sell), the current print media (interest rates are low - good to buy; more buyers - good to sell), knowledgeable charlatans (sorry, I meant economists) who accurately predict the future with the same assuredness of backing horse no. 3 in the 5th at Eagle Farm.... Or do you sort of trust your gut instinct?

No wonder confusion and uncertainty reign! I figure most people are aware that since the heady days of 2009, property has been in a tailspin. Particularly on the Gold Coast there has been a palpable lack of confidence spawned by a multitude of factors including lack of job security, the fall in small business activity, the recognised drop in house prices which has as a natural corollary, a reduction in equity and the re-appraisal by banks of their lending practices culminating in tighter requirements and lower valuations.

While in recent weeks, the prevailing sentiment appears to be that the housing market has turned the corner, according to the latest Demographia International Housing Affordability Survey, Australia still has the most unaffordable housing markets in the world despite stagnant or falling prices over recent years.

The survey shows Sydney being the third most expensive housing market behind Hong Kong and Vancouver, with a multiple of 8.3. Melbourne lies seventh with 7.5, where a multiple of 3 or less is deemed as affordable, and of course if you want real value buying, perhaps on price rather than location, go to Detroit with a multiple of 1.5. This, along with many US cities accurately reflects the severely depressed market in that country that was exacerbated by the sup-prime mortgage crisis.

So... To sell or not? And how on earth do you choose your agent? I have often wondered if agents ever use the "Mother Principle" when offering advice to their clients. I believe this ought to be the bedrock principle for every service oriented business to ensure honesty, and integrity in its dealings. Put simply, it is... Would you offer your mother the very same advice?

Would you advise your mother to auction her home, perhaps the one you grew up in, and pay thousands of dollars in advertising costs? Would you recommend using a price range when evidence proves without a shadow of a doubt that homes often sell at less than the bottom figure of the range?

Would you quote a ridiculously unachievable figure (that homeowners love to hear) and then spend your time conditioning them to the realistic, true price?

I seriously doubt many agents would treat their mother in such a cavalier and uncaring manner, yet have no compunction in glibly and untruthfully fuelling owners' false expectations.

It is no wonder many homeowners are left disillusioned and disappointed and regard all agents with the same understandable mistrust and cynicism. The unpalatable reality is that the truth can hurt and delivering that truth may often lose an agent that business. There is no rejoicing in watching that owner eventually sell much later, and after much pressure, at the price you quoted. The other agent got rewarded and paid- often for being the biggest purveyor of untruths.

Yes, it's tough to stick with the truth. But business ought never to be about solely making money... Somewhere a mirror will reflect the true unvarnished reality and we need to be able to withstand the scrutiny.

I trust that if you even need any help with making a selling decision you may call on us... It'll only cost you a cup of tea.

Best wishes,

*Jaimie Juriasz*