



Talking Real Estate with Steve Slicker

Hi folks,

Agents often hear home owners say “If I don’t get my price, I’m not selling!” In many cases home sellers don’t have the luxury of holding out for an in your dreams figure because they have to sell in order to buy another home to live in. But if the market can’t deliver the price there is another option for those who have the flexibility to take it on. In some cases it is in the vendor’s best interests to hold onto a property rather than selling for less, especially if they have the borrowing power to own more than one property and turn the unsold home into rental investment income.

Those who are thinking of the rent-and-hold option should consult an accountant or financial planner as well as a real estate agent. They should determine whether the market is stable, climbing or falling – after all, unless prices are on the rise, there is unlikely to be a potential increase in capital gain worth holding out for further down the track. It is important to check out the rental and vacancy rates and the likely income including capital gain against the cost of any loan required to continue holding onto the property

Many people moving to different areas automatically think “I’m moving so I’m putting my house on the market.” But it is often wise to get to know the state of the market in their new area before letting go of the one they currently live in. Is it possible that property won’t go up as fast in the new location as the old one? Or conversely, might it go up faster? Is the future sufficiently hard to predict that it could be safer to have a foot in both camps in case they want to return and not find themselves priced out of the market.

Home owners doing the figures and deciding whether it is a better financial choice to hold onto the property rather than sell, should also take into account is whether the property is a good rental proposition. Often high maintenance properties (such as those with pools or large garden) have costs that have to be offset against income. Or the market may not pay the rent the owner thinks it should be worth if it is not the type of property in demand by typical tenants in the area. Many people buy their first property with the long term strategy that they will never sell. They choose a property that will be suitable as a rental when they upgrade and go on borrowing and buying properties as a means of wealth creation. This does not require high income or great wealth – simply an understanding of the strategy and some good financial advice.

If you are thinking of selling your home please call me on the numbers below or contact me via email steve@steveslicker.com alternately fill in your details on my website www.steveslicker.com

Kind regards,

Steve Slicker

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