



Selling in a slump

Consumer Choice outlines how to maximise the chances of selling your house and your car as well as a few options for unwanted valuables.

AT A GLANCE

Selling your house.

Selling your car.

Selling other valuables.

It's a buyer's market at last. After years of soaring house prices, unaffordable cars and high rates of general inflation the pendulum has now swung in the other direction. According to the Permanent TSB/ESRI index, in the first seven months of 2009 national house prices fell by 8.7%. This is in addition to the fall of 5.2% which was registered in the same period in 2008. Prices for second-hand cars have also gone through the floor. In August, *The Irish Times* reported

on a survey carried out by Dublin-based leasing company, Merrion Fleet Management. The survey found that the average value of a second-hand car has fallen by 25% in the past year and that prices are at an all time low.

The news that prices are falling will be music to the ears of most consumers. For too long the price of houses and consumer durables have continued to rise beyond the reach of most people. However, the new market landscape

creates problems for people wishing to sell. House and car sellers now need to go that extra mile if they are to find a buyer. At the same time, the recession brings new opportunities to those wishing to turn their other valuables into much needed cash.

Selling your house

Obviously, when selling property, one of the most important factors is setting the price. In today's market, where prices are



TIPS ON PRESENTING YOUR HOME

- 1: Make a good first impression** The first impression potential buyers get of your property is the most important. From making sure any published photographs of your home shows it in the best possible light to maximising the property's 'kerbside appeal' it's vital that potential buyers begin their assessment positively. Make sure that pathways, drives, hedges and lawns, down to the knocker on your door all look pristine. If you have no front garden, hanging flower baskets are a simple solution.
- 2: Create space and light** Creating a light and airy space is critical to maximising your home's internal appeal. Painting is an inexpensive way to make a small room appear bigger by choosing light tones and textures for the walls. Clever use of mirrors and the removal of clutter and unnecessary furniture will enhance the feeling of space in a room.
- 3: Pay particular attention to the kitchen and bathroom** It's often said the kitchen is the single most important room that buyers consider when deciding to purchase a house. Simply replacing counter tops can go a long way to boosting a tired looking kitchen. Bathrooms should be free of clutter, and any accessories like towels, shower curtains and bath mats should be colour co-ordinated.
- 4: De-personalise** You might like to see your old slippers in their usual place beside the coat stand but people coming to view your property definitely won't. Wherever you can you should aim to de-personalise your property by removing photographs, ornaments and any other items personal to you. Potential buyers want to be able to imagine living there and not have to overwrite the image of the current occupant's belongings.
- 5: Pay attention to detail** It's important to remember the mindset of anyone coming to view your property. They are going to be looking at your house as though through a microscope. It's crucial to adopt the same approach and present your house to meet the critical eye that will be cast over it. Windows should be washed inside and out, skirting boards should be gleaming, the oven should be clean and the toilet seat down.

falling, valuing your home is a much more difficult proposition than it was in the past. This is especially true in Ireland because there is no public record of actual house sale prices. Most houses here are sold by private treaty which means that the realised sale price can only be published with written consent from both the buyer and the seller. The Permanent TSB/ESRI index may give indication as to the average value of all houses but does not really help in assessing an individual valuation.

In order to establish how much your house is worth, you should seek the services of an estate agent who can give you an independent valuation. Most agencies will carry this out free of charge, provided nothing is required in

writing. Getting more than one valuation will give you a good idea of your house's value. It's important to realise that house prices have fallen significantly since the peak of the boom, so try to have a realistic expectation of what your property is worth. If you require the valuation in writing you will have to pay. How much depends on the agent but should be around €100 + VAT.

Once you have established your house's asking price, the old adage 'fail to prepare, prepare to fail' should be forefront in your mind. Having the title deeds and all contracts ready to go with your solicitor is crucial in ensuring a smooth and speedy transaction if offers are made. This also helps to prevent you from being 'gazundered' which is when a buyer tries to negotiate the price downwards before contracts are exchanged.

Consumer Choice has in the past outlined how forgoing the services of an estate agent can save money on fees. These fees average around 1.5% of the

sale price of a property before VAT is added at 21%. However, in forgoing the services of an estate agent you are losing access to their judgment, advertising and sales skills. This is particularly important in the bidding process if you are not a good negotiator. That said, provided you have not signed away sole selling rights, there is nothing stopping you from engaging the services of an estate agent alongside attempting to sell privately. Some estate agents may try even harder to sell your home if they know you are also looking for a buyer.

Websites like sellityourself.ie, privateseller.ie and youbuyfromme.ie offer services which help consumers to advertise their properties themselves in an attempt to find a buyer. You can also use sites like Facebook to market your property and employ unconventional sales techniques such as offering a reward to someone who refers a buyer or giving away a free car with the property.

Apart from the mechanics of the actual sales process, how you present your

Useful contacts

Financial Regulator

Consumer Helpline
1890 777 777
www.itsyourmoney.ie

Vehicle Registration Unit

Department of Transport
Shannon
Co. Clare
1890 411 412
www.transport.ie

Useful websites

www.privateseller.ie

www.youbuyfromme.ie

www.sellityourself.ie

www.goldrush.ie

www.forgottengold.com

www.goldparty.ie

www.carzone.ie

www.buyandsell.ie

house is of paramount importance. In previous years, sellers could pay less attention to presenting their home, yet still take their pick of the crop of buyers. Not today though. Now, both the exterior and the interior of every property should be carefully and thoughtfully presented to appeal to the widest possible market (see *Tips on presenting your home*).

Selling your car

Outside of buying their home, cars tend to be consumers' second most expensive lifetime purchase. Most people will own several cars in their lifetime, reselling their old vehicle to fund the purchase of a new one. Trading in an old car with a dealer in exchange for a newer one is a popular way to realise a cash value for your old motor. Since the business of dealerships means that trade-in cars are sold on to other consumers at a profit, the price the dealer puts on your old model may be less than you can achieve by selling it privately, making private sales the preferred route of many. However, there is much to be mindful of when selling privately, if you are to clinch a deal at the right price.

As with selling a property, pricing your vehicle at the correct value is crucial. Because it is a private sale, the car should be for sale at a lower price than a similar vehicle sold in a dealership. To find out what prices dealers are asking check a website like [carzone.ie](http://www.carzone.ie). Here you should find the same make, model and year of your car and the price it is being sold for by various dealers. The longer you have left on your tax and NCT certificates, the more interest the car should generate.

Once you have settled on a price, ask yourself if, and by how much, you are prepared to negotiate. If you are, be prepared to refuse offers below your final negotiated price. If you are not interested in offers at all, mark the price as a 'straight selling price'.

Again, as with a property transaction, it's important to have all the necessary documentation in place before placing any advertisements. You should have the RF 101 Vehicle Licensing Certificate, which records the car's personal details. When you find a buyer, Part B of this certificate will need to be completed and returned to the Vehicle Registration Unit of the Department of Transport. Also, make sure to have the NCT details (both the disc and the certificate) along with

the car's owner's manual and maintenance booklet. If you advertise the car as having a Full Service History (FSH) you will need garage invoices to support this claim.

Your car should be meticulously clean when it is viewed and should not have any strange odours. Any personal items or clutter should be removed and everything should be in working order. Make sure you have the spare ignition keys, codes/instruction booklet for the stereo, spare tyre and any accessories.

Choose the most appropriate medium when advertising your car. Sites like [carzone.ie](http://www.carzone.ie) and [buyandsell.ie](http://www.buyandsell.ie) are popular among buyers and sellers alike. However, if your car is a specialist vehicle or limited by its unique appeal then advertising in a specialist car magazine may be more suitable. All relevant information should be stated in your advertisement. Apart from the make, model, year, colour and price you should list the mileage, tax duration, NCT renewal, number of owners and any other selling points. Also, state any conditions you may wish to impose such as 'no offers'. Any photographs that accompany your ad should show the car in the best possible light and include images of both the interior and exterior.

When arranging a viewing, advise interested parties to bring their driving licence so you can verify their identity. For test-drives, make sure either your insurance or your potential buyer's insurance provides cover and make sure you accompany them. Beware of the activities of 'vehicle matching companies'. These firms scan adverts in magazines and websites and then phone private sellers offering to put them in contact with a buyer if they register, or pay a deposit. However, despite what they may lead you to believe, there is no guarantee they will find a buyer.

When agreeing a sale with a buyer, complete Part B of the RF 101 Vehicle Licensing Certificate and send it to the Vehicle Registration Unit of the Department of Transport. They will then transfer ownership of the car to the buyer. Ensure that you keep the car, keys and papers in your possession until you have received lodgement into your account. Only then should you hand over the keys and paperwork to the vehicle. Remember to take your insurance disc from the windscreen and phone your insurance company to notify them that you have sold your car.

Other valuables

Many consumers are turning to their jewellery boxes as a source of generating much needed cash with an increase in the number of companies willing to buy their unwanted gold. [Goldparty.ie](http://www.Goldparty.ie) is an Irish company that arranges for your scrap gold to be turned into cash. They do this by organising gold parties where people can sell their old, damaged or unwanted gold jewellery. They will arrange for your scrap gold to be independently assessed by arranging a visit to your home, or otherwise you can post your gold to them and they will contact you with a price for your items. Another site, [forgottengold.com](http://www.forgottengold.com), operates a similar service by assessing your posted gold and sending out a cheque if the customer agrees with the valuation. [Goldrush.ie](http://www.Goldrush.ie) also has a postal service and buys gold, diamonds, watches and silver.

Consumers considering selling their old jewellery this way should be advised that although they may realise a cash value for their items they will typically be paid significantly less than what the jewellery is actually worth. Also, it's important to check the terms and conditions of the site in relation to what's covered in the event of a package getting lost in the post. For example, [forgottengold.com](http://www.forgottengold.com) guarantees losses up to a value of €300 so it wouldn't be wise to send anything you think may be more valuable than that.

Another option open to those looking to sell their jewellery is to use a pawnbroker. Pawnbrokers lend money against your valuables, but then allow you buy back the goods for that amount plus an interest fee. Because pawnbroking is a form of credit, it is a regulated financial service in the same way as banks and insurance companies are. However there are only a few traditional pawnbrokers operating in Ireland today.

The more popular, modern-day equivalent of pawnbrokers are stores such as 'Cash Converters'. Here consumers can sell their items with the option to buy them back at interest after a certain amount of days. Items accepted are not limited to jewellery, and could be TVs, digital cameras, games consoles and laptops. However, 'Cash Converters' is not a registered pawnbroker and as such, is not regulated by the Financial Regulator.