

TODD POLKE

Bargain: Negotiated \$122,000 off listed price, purchasing \$102,000 under the market

Tip: Make your approach business-like and be unemotional



In his early twenties, after negotiating \$50,000 off the listed price of his first

investment property, Todd Polke says the bargain-hunting bug hit hard. “It’s a primary component you look for in any investment, you need to be buying a little bit under the market. It’s something I always aim for now,” he says.

Todd’s nose for finding good deals is evident from one of his latest ventures – a 2-bedroom unit in Sydney’s Dulwich Hill. The original listed price was \$540,000, but after six months of negotiating Todd ground the price down to \$418,000.

“This was a great price,” says Todd. “A valuation of the property came in at \$520,000, so it was an amazing bargain.”

Todd believes knowing what position the seller was in helped give him a strong position to negotiate. “The vendor was a developer who was trying to sell all 50 of these units at once. They were only about 18-months-old, 2-bed, 2-bath, split level. Really nice units, but the developer was struggling to sell them and they had been on the market for quite a while.

“The developer was also in a bit of financial difficulty. It almost felt like a distress sale. They had a bunch of other projects in the pipeline and really needed to free up some capital.”

It also helped that Todd was part of a bulk buying group, a collection of other investors working together. He wasn't just negotiating a deal on one unit; he was negotiating a deal for the entire block. This made the offer particularly attractive to the developer, who was gifted the chance to get all the units off their hands at once.

“As a group we were able to push quite hard,” Todd says. “Still, there were a lot of minor settlement issues to work out. It stayed cat and mouse for a long time. They were still trying to sell the units on the open market as we were negotiating. I think what eventually worked in our favour was that it was proving just too difficult for them to individually list and sell them.

“When we got the purchase price settled, I got myself one of the units and the other investors in the bulk buying group got the rest.”

As a professional property investor, Todd points out that he has been involved in numerous similar deals. He believes that the key to nabbing a bargain is being unemotional and treating your investing like a business. “You've got to craft a good offer document. Real estate agents are quite particular in what they want, like the reasons why you're offering this or that price. And you never get emotional. There's always another

property, another deal around the corner.”

Part of framing a compelling offer document, according to Todd, is putting a time-frame on the deal. He arranges the offer so that it is only valid for a set period of time, say, three days, or even until a specific time: 3pm, March 25. He finds that this puts some pressure on the vendor and helps get results.

He adds that building and pest inspections can be great negotiating tools. “It's common for properties to come up with problems and house inspectors have a way of making small problems seem like a big deal. You can use this to your advantage. I always tell agents that I am now going to have to spend more money on repairs than I had thought and want a discount.”