

# Owen Walls

## PARTNERS

## Tips and Tricks when Handling Deceased Estates

When it comes to handling a deceased estate, you will often find many complications along the way. Often, problems occur due to potential miscommunication and a lack of clarity between the deceased party and potential inheritors of that person's money, assets, and property. This is where an executor becomes a critical component of the process by handling the logistics of this type of distribution. This position may also be appointed by the court as an administrator if the deceased person left no valid will (1).

Within the real estate market, deceased estates may add a layer of confusion to the proceedings. In many cases, these types of properties can represent a great potential for prospective buyers. Because the executor or administrator is working as quickly as possible to distribute assets, these kinds of properties are often priced to sell extremely fast. Additionally, many of these homes are already within established neighbourhoods – even, potentially, in popular suburbs throughout the Victoria region (2).

Despite these advantages, there are also some potential complications with this dynamic. Firstly, many of these homes may not be in prime condition. Many older homeowners who have passed away were not exactly working on preparing their properties for a sale. What this means is that, you may require recommendations on issues of repairs and maintenance to present the property in its best light. Additionally, a significant percentage of these estate properties are sold via auction, that means that sellers looking to get the best return (2).

If you're in the process of handling a property that's coming from a deceased estate, read on to learn a few of the most important tips and tricks. These strategies will help you better understand what to look for during your preparation and selling process. In the end, this information can help you sell the property at a price you can be happy about.

### Tip: Handle the Legal Processes First

This tip holds true no matter where you stand within a deceased estate process. Your first course of action must ensure that all the legal processes related to the property are completed. This step, also known as probate, occurs alongside the appointment of an executor. It includes all the required steps to authorise the release of assets and satisfy creditors such as banks or other lenders.

The primary goal at this stage is to obtain a Grant of Probate. This can be obtained by applying to the Probate Office of the Supreme Court. From there, confirmation of an executor's position and verification of the deceased person's will ensures the property will be in a satisfactory legal state to sell (4).

### Tip: Set Your Objectives with the Property

Once the property is free and clear, your next step is to work out your own goals with it. Your goals and overall intentions need to be made absolutely clear, so in the event that you decide to sell, you minimise any further complications.

Common property objectives include the following:

- **I want to keep the property and live in it myself.**
- **I want to keep the property and rent it.**
- **I want to sell the property as quickly as possible and be finished with the process.**
- **I want to renovate the property and sell it at a higher asking price.**

While coming to this decision may not be easy, it's an important step to determine now. One strategy is to rent the property for additional income before a decision is made. This will give you more time to consider your goals while still collecting revenue from the home (3).

## **Tip: Work with Experts to Determine a Fair Market Value**

As mentioned, most estate property sales are handled via auction. Buyers are recommended to determine as much as possible about a deceased estate property prior to the auction itself (5). This same recommendation applies to executors or administrators of an estate as well.

Your legal requirement is to act in good judgment to determine a prudent market value for your deceased estate property. This usually comes with the help of an independent property expert, who can help you determine the fairest market value prior to the auction.

During the auction itself, you as the executor have the final say as to what your exact reserve price will be. Depending on your goals (e.g. selling the property quickly or getting as much money as possible), this reserve price will likely vary. It is also advisable to work with a professional to ensure a smooth and hassle-free process (2).

## **Tip: Clean Out the Property and Make it Presentable**

Your next step is to get the property cleaned, prepared, and presentable. You'll want to align your cleaning and organising efforts with your predetermined objectives regarding the properties. You'll also want to set the property up in a way that makes it the most appealing to whoever views it.

This may mean different things depending on whether you plan on renting to tenants or selling to new owners. In either case, you'll want to make the property as clean and organised as possible. And this means removing all of the deceased person's belongings from within the home and around the property.

From an objective standpoint, this process seems fairly straightforward. However, the process of cleaning out the possessions of a loved one like a parent or relative is often easier said than done. Many executors are direct relatives of the deceased, and the process of clearing out an old home can be emotionally overwhelming. This can lead to difficulties in clear judgment. In the worst case scenario, it could lead to you making a poor decision and potentially missing out on a better selling price (3).

## **Tip: Hire a Professional to Help with the Sale**

As an executor of an estate, you may be extremely busy handling a wide variety of components during the proceedings. This often leads to an inability to put enough focus on the preparation and selling of the property. If your focus cannot remain on this essential component, you will likely suffer in the overall sale of the estate.

As already mentioned, one of the largest challenges with any deceased estate comes if you were close to the person who passed away. Because of these emotional challenges, many people delay or avoid the necessities of preparing a property for auction or resale. As the Executor of a deceased estate you may feel undue obligations or expectations from other beneficiaries very onerous.

If you're experiencing any of these problems during your estate handling, the best course of action is to secure a professional to help. These professionals can handle the nuts-and-bolts of the estate sale itself – freeing you from the time investment or the emotional issues that may come with it. They can also help you with advice on how to prepare and present a property to make it appealing to prospective buyers or renters.

Of course, there are many operations out there who take advantage of people while they are in mourning over the loss of a loved one. Accordingly, exercise due diligence prior to securing a professional real estate sales firm specialising in deceased estates. Even a simple background check can give you the peace of mind you need during this difficult period (3).

## Helping to Make a Deceased Estate Sale Easier for You

Following these tips, you can help keep the often complex and confusing deceased estate sale process much easier for you. That way, you won't have to add more stress to an already challenging circumstance in your life.

### References:

- (1) <http://www.mckeanpark.com.au/expertise/wills-estates-succession-planning-estate-litigation/>
- (2) <http://www.domain.com.au/news/myths-and-logic-of-deceased-estates-20110318-1c0c1/>
- (3) <http://www.domain.com.au/advice/guide-to-dealing-with-deceased-estates/>
- (4) [http://www.publictrustee.wa.gov.au/W/what\\_is\\_probate.aspx?uid=8745-7100-0334-7099](http://www.publictrustee.wa.gov.au/W/what_is_probate.aspx?uid=8745-7100-0334-7099)
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