

AUCTION VS PRIVATE TREATY – WHICH IS RIGHT FOR ME?

It is time to sell your home and you need to make the decision – auction or private treaty? For many, private treaty might seem like an obvious choice. Queensland doesn't have a large auction market and many buyers and sellers have never experienced a house auction. It's natural to stick to what you know but there are some compelling reasons to consider auction as the method of sale.

Queensland has the best auctioneers in the world – literally. The success of an auction can be decided by the skill of the auctioneer and despite our smaller auction market, Queensland has some of the world's best auctioneers. Justin Nickerson is currently the REIQ Auctioneer of the Year and the Australasian Auctioneer of the Year. He is the first Australian to win the Australasian title twice and he is the REIQ's most-capped auctioneer, winning the state title four times.

True test of the market: You've heard that a house is only worth what someone is willing to pay for it? Many argue that an auction really tests what a buyer is willing to pay and offers a far more accurate reflection of how the market values the property. When a house is sold at auction there is no price barrier and the bids can increase as much as the buyers are willing to go. Compare this with private treaty where the price is advertised and the buyer works to negotiate the seller down.

Defined timeframe: When you sell by private treaty you have no idea when the buyer will come along and your home could be on the market for weeks or months. A typical auction campaign is four weeks, and it's not unusual in a rising market for the property to sell just prior to auction as buyers move to act decisively. A defined four-week campaign means the period of time that you need to keep your home "show-worthy" is blessedly brief.

Competitive bidding: A short campaign and a well-attended auction can help create a sense of urgency among the potential buyers and this can contribute to a sense that the buyer needs to bid strongly to beat other interested parties.

Terms are set: Typical auction conditions are 10 per cent deposit on the fall of the hammer and a 30-day settlement. There is no cooling off period, so when the auctioneer calls "sold!" the property is sold under the conditions you have set. There are no protracted negotiations on settlement dates or other special conditions.

If you're considering selling your home, visit a few auctions in your area to get a sense of how they work and how different auctioneers and sales agents operate. The results may surprise you.

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