



**Your guide
to **selling**
at auction**

Harcourts Auctions



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Beginning his career in real estate at 19, Christian's passion for property began early. Throughout his years with the Harcourts Solutions team Christian developed a love for the auction process, jumping at the opportunity to list and sell property via auction whenever he could.

This love for the auction process is what helped him make the decision to pursue the role of Chief Auctioneer of Harcourts Queensland.

Driven by the desire for excellence paired with his exceptional negotiation skills, Christian consistently achieves outstanding results for property owners. Ensuring that he is there by the sales agent's side throughout the entire auction process is Christian's number one priority.

As an integral part of the Harcourts Queensland team Christian also works with some of Harcourts Queensland leading businesses.

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Harcourts Auctions



Benefits of selling at auction

The auction method of sale provides sellers with the greatest opportunity to obtain 'fair market value' or a premium price for their property. An auction campaign also adds structure to the property listing and sale process and is regarded as the most effective way of marketing property for sale.

The auction process provides sellers with three opportunities to sell their property. You can accept an offer before auction, on the day itself, or you can choose to wait until afterwards. You are in complete control.

Should an auction listing not sell during the auction campaign, the chances to sell the property soon after are dramatically increased due to the greater amount of buyer enquiry that is generated through marketing for sale by auction.

In addition to the benefits of being an 'exclusive agency', auctions have many other advantages.

The seller sets the terms and conditions of sale and creates a deadline (the date that the auction is to be held).

This auction-oriented target marketing puts a 'spotlight' on the property and shows the vendors motivation to sell.

The 'no price' aspect will attract more genuinely interested, cash-in-hand buyers.

It allows sellers to plan ahead in the knowledge that a specific date has been set for the sale of their home.

A sale by auction is unconditional and allows the transaction to proceed to settlement without any delays.

A sense of urgency is created by the set deadline, bringing all interested parties to a point of decision.

The property is neither overpriced nor undersold - its value is determined by the market, in the form of bids or offers.

The seller controls the terms of sale and can choose to allow for variations to the date of settlement or deposit amount required.

Auctions provide a transparent arena where buyers compete against other public offers, taking away the guesswork.

The seller always has the option to accept an offer prior to auction, if a desirable offer is received.

Potential buyers will be focused on establishing the maximum price they will pay, not how little they should offer.

A premium sale price can be achieved when multiple interested parties must compete against each other to secure the property, through bidding.

A successful purchase requires a payment of a deposit on the day of auction.

Market feedback will assist the seller to decide on a reserve price, whilst still allowing for the possibility of achieving a premium through buyer competition.

If the property is passed-in on auction day, it will be released to the market as an exclusive listing at a saleable price, which will be established from the feedback received throughout the auction campaign. This often results in a sale soon after auction.

“The seller sets the terms and conditions of sale.”

Preparing for auction day

Auctioning your property is about so much more than simply showing up on auction day. There's a lot that goes into it beforehand to ensure you achieve the best result possible for your property. Marketing your property well is the key to achieving a successful result.

Your Harcourts sales consultant will walk you through your marketing plan in detail, from selecting the images to be advertised, the copy that will be included, to where the property will be advertised (online, papers, brochures, in office, etc.).

Harcourts' latest research shows a direct correlation between the amount invested in marketing versus how much interest was generated for a property, and what price was achieved. On average, properties that sold in the shortest timeframe invested further into marketing than those that did not see a sale in a 45-day period (45 days being the standard time period of an action campaign, inclusive of post auction activity).

Before you go to auction, you will hear from your Harcourts sales consultant on a daily basis and have a face-to-face meeting each week. You will also receive a written report which summarises all of these activities along with the interest in your property.

Your Harcourts sales consultant will also keep you well informed of the current market, so that you can make an informed decision come auction day.

“Marketing your property well is the key to a successful result.”



Holding open homes before auction day

Open homes are one of the most effective ways of marketing a property and attracting interest from a wide variety of buyers. When choosing to sell your home through auction, open homes are essential so that potential bidders can get a good feel for the home before committing to attend, and bid at, the auction.

Some of the advantages of holding open home's are:

- Controlled viewing times.
- Open homes can create plenty of activity, even in a slow market.
- Interest and activity can trigger urgency with buyers.
- Your Harcourts sales consultant's time is put to best and most effective use. They will have the opportunity to talk to numerous people about your property and will get an idea of how many people will be registering to bid.
- Comments from buyers can provide feedback on price, presentation and sales appeal, which provides plenty of information to assist in adjusting the auction strategy.

Getting to know your property

Your Harcourts auctioneer should be introduced to your property, much as your Harcourts sales consultant has been. They should walk through the property, understand the features of the home, and really understand why a buyer would fall in love with it. That way they'll be able to better represent your home to buyers. This information will assist the auctioneer in developing a strategy for auction day.

Your Harcourts auctioneer will also want to know all about the interest the property has received and they'll ask your Harcourts sales consultant detailed questions about it, such as:

- How many inspections have there been?
- What kind of interest has the home received?
- Have any buyers had a property valuation completed?
- Have any building and pest inspections been carried out?

“The auctioneer will use the information received throughout the marketing campaign to suggest a strategy for auction day.”

The reserve price

Your Harcourts auctioneer will be able to explain this to you in detail, and will develop a strategy for the auction, based on the reserve price. Your Harcourts auctioneer will always be working to ensure you get the best price possible for your property.

It is important not to openly discuss price with others, to reduce the risk of a price leaking out into the marketplace. The auction should focus on the property that is on offer, the price should become a secondary factor to buyers.

Remember, you are in control at all times during the auction. If the highest bid is at an acceptable level then you can take it and sell. If not, the property will be passed in and negotiations with all interested parties (both conditional and unconditional) can commence.

It is, however, important to understand that an auction provides you with the best chance to sell your property without undesirable terms and conditions. So the reason for not accepting the highest bid or offer on auction day, should be more important than the reason why the property is for sale in the first place.

What is your role on auction day?

It is recommended that you attend your auction if you are available to do so. It's great to have you there in case there are any last minute instructions or questions that might need to be clarified. Buyers commonly request to vary the deposit amount or alter the settlement date on auction day, often during the bidding. Such requests may need to be reviewed immediately, by the seller, in order to clarify a buyer's interest and allow them to bid any further.

Your Harcourts auctioneer will also want to confer with you depending on how the auction is going. For example, if the bidding stops below your reserve price, your Harcourts auctioneer may need to discuss the next steps with you and seek further instructions during the proceedings.

“It's important to understand and be clear on what your reserve price is, and how it will be used during the auction.”



Are you auction ready?

Auctions play a major role in how properties are bought and sold in Australia, so it is important to feel comfortable and confident when selling at auction. The role of your Harcourts agent and auctioneer is to bring you the highest price the market will pay, for your consideration.

Preparation is key. We will provide as much market information as possible to assist with your decision, and it is important that you reflect on this prior to auction day. This will ensure the auction is smooth and you are ready to make an educated choice about the sale of your property.

***“Whatever your decision on auction day,
you have our complete support.”***

Did you know?

A seller can alter the reserve price at any time throughout the auction.

Frequently asked questions

What if no one registers to bid at the auction?

In this instance, the auctioneer will formally pass the property in and inform any attendees of the next steps to take, if they are interested in purchasing the property. In reality, this isn't something that happens very often. With a robust and well thought-out marketing campaign, any home can attract potential buyers.

What if there are registered bidders, but nobody bids?

It's understandable that buyers might be nervous under the excitement and pressure of an auction. This is why it's not uncommon for an auctioneer to be met with silence when asking for an opening bid. Some buyers may strategize and wait to see what others at the auction might bid. So, to get the auction moving, your Harcourts auctioneer may choose to nominate a starting bid - this is referred to as a 'vendor bid' or 'seller's bid'. A vendor bid will only be used in order to create momentum during the auction and cannot be placed at an amount higher than the seller's reserve price.

What if the reserve price is not reached?

In this event, your Harcourts auctioneer can pause the auction and speak with the seller. The auctioneer may also speak to the highest bidder and ask if they are prepared to increase their offer to a price at which the seller is prepared to accept. If the bidder is not prepared to do so, your Harcourts auctioneer will then ask the seller if they are prepared to adjust the reserve price. This is why it is important for a seller to have a price in mind that, whilst they wouldn't be entirely happy with, they are prepared to accept. If neither party is willing to adjust their position, a sale cannot occur, and the auction will be passed in. The listing agent and the auctioneer will then discuss and action a post-auction strategy with the seller.

What happens if the property sells at auction?

After the auctioneer announces the property as 'sold', it is then time to focus on the buyer. Your Harcourts sales consultant or auctioneer will take the buyer aside and begin to process the contract of sale straight away. The seller will then be required to sign the contract, the buyer will then make arrangements to pay the deposit and the sale will transact according to the terms set out in the contract of sale.

Completing the sale

Settlement generally takes place between the seller, buyer and their respective legal and financial representatives. Officially, settlement is where ownership of the property passes from the seller to the buyer, and the balance of the sale price is paid to the seller's nominated financial institution.

The seller will have set the settlement date within the contract of sale. Settlement usually occurs 30-90 days after the contract has been signed, depending on what has been agreed upon prior to auction.

The buyer is entitled to inspect the property at a reasonable time, usually one week prior to settlement day. Upon settlement, the seller must present the property in the same condition in which it was inspected.

On the day of settlement, both the seller's and the buyer's solicitors/conveyancers will exchange monies, transfer documentation and all keys to the property. The buyer's financier or solicitor will register any releases of mortgage and the transfer of title with the Land Titles Registry.

Possession of the property usually takes place on settlement day once settlement has been completed, although the seller and the buyer can agree for these dates to be altered.

For further information, please contact your Harcourts marketing agent.



Harcourts Auctions

For additional Information relating to Real Estate and Auctions,
please contact the following references for information and guidance:

Real Estate Institute of Queensland

www.reiq.com

Real Estate Institute of Australia

www.reia.com.au

Harcourts Auctions

www.harcourtsauctions.com

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