



# **Sellers Guide**

Your Guide To Selling At Auction

# Chris Brown

Award Winning Mortgage Broker and Real Estate Agent

**New Vision Real Estate** was founded on a passion for people and property. Founder and Director, **Chris Brown**, has earned his stripes in the industry by being down-to-earth, personable and totally committed to being the best at what he does. We truly believe we have created one of the most exciting and innovative agencies in Sydney's progressive market.

**New Vision Real Estate** specialise in bold, innovative, punchy marketing of the property to attract premium buyers and tenants. We use the most advanced systems to ensure we are at the forefront of technology and marketing to ensure maximum exposure of our listing and in turn achieving record prices and lower days on market.

Contact us today on **02 9160 6475** to learn more about why **"Your Home is Worth More with New Vision Real Estate"**

## **Local Business Awards:**

Finalist 2018 - Professional Services Business  
Finalist 2018 - Business Person of the Year  
Finalist 2019 - Professional Services Business  
Finalist 2019 - Business Person of the Year  
Finalist 2019 - Business of the Year  
Winner 2019 - Professional Services Business of the Year  
Finalist 2019 - Professional Services Business  
Finalist 2019 - Business Person of the Year

## **Australian Small Business Awards:**

Finalist 2018  
Finalist 2020

## **BX Business Awards:**

Finalist 2020





# CAMPAIGN TIPS

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Auction campaigns can be a nervous and stressful time for all parties involved. These tips can help the campaign run as smoothly and on-course as possible whilst ensuring we get maximum engagement from our target market - the buyers!

## **Presentation is important**

Presenting your property in the best possible light is important to help buyers become emotionally attached to your home. The starting point is to de-clutter, ensuring that each room and area feels as large and open as possible, particularly walkways.

## **Open it up and off you go!**

Open Homes are a great way of corralling inspections to ensure that you or the tenants are not frequently interrupted. The bonus is that with multiple people inside the home at a given time, the competitive instincts of buyers are more likely to kick in if they sense the home is desirable. If possible, try and vacate the property during the open home, even if it's around the block for a walk with the dogs, because it can be off-putting for buyers inspecting under the watchful eye of the seller.

## **Listen to your agent**

The agent is your guide throughout the campaign and is the conduit between yourself and the buyers. Take

strong heed of any feedback they pass on from buyers. The agent is the best positioned to deliver an honest appraisal of value as they are aware of recent market activity, have strong connections to the buyers and are not as emotionally invested in the outcome of the transaction.

## **Offers are the key**

The best form of feedback you can have from a buyer is a formal offer. Take notice of the price and where possible factor it into your calculations when it comes time to set the reserve price. If you have multiple offers on the property prior to the auction at similar levels, this may represent the level upon which the buyers feel it currently sits in the marketplace.

## **Keep Calm**

Quite frequently auction campaigns do not go exactly to script. If you receive an offer you deem to be low, or feedback that you do not appreciate keep your wits about you. The auction campaign is designed to produce a competitive environment for buyers and there quite often can be small bumps and hitches along the way.





## SETTING YOUR RESERVE

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Auction day is fast approaching, and your agent has been speaking with you about setting a 'reserve price' on your property.

The reserve price is the lowest price that you will currently commit to selling your property for on the day.

- The legislation is such that a written and signed reserve price must be in place prior to the commencement of the auction.
- Please note that it is the policy of Axford Auctions that we will not sell or pass your property in until we have conferred with you for instructions.

i.e., If your reserve price is \$700,000 and bidding reaches \$725,000 we will not announce the property as sold until we have double checked with you.

Why we require your lowest reserve price prior to the auction starting is to ensure that our strategy around vendor bidding is correct and compliant.

## VENDOR BID

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A vendor bid is a bid placed by the auctioneer on your behalf, this is frequently done for one of the following reasons:

- To commence the bidding at an auction.
- If the bid amount is a long way away from the deemed market value of the property.
- In the interests of auction momentum.
- Please note these are not to be confused with dummy bidding, which is an undisclosed bid by the vendor, or a party associated to them and is illegal under auction legislation.

If a vendor bid is to be placed, it is generally done at the discretion of the auctioneer in consultation with the agent and done to entice bidders into further bidding or negotiation with the seller.





# AUCTION DAY

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Once auction day has arrived there are a few things to bear in mind:

- Your reserve form must be signed by all parties on the title and handed or sent to the auctioneer/agent prior to the auction commencing.
- Most commonly the agent will run one final open home for the property prior to the auction start time.
- Bidders must register prior to bidding at your auction and can only do so after providing the necessary identification.
- If you are planning to attend the auction, the best idea is to head out whilst the open home is on and return 10 minutes before the allotted start time.
- Just before the auction starts the auctioneer/agent will brief you as to how many registered bidders are in attendance and any last-minute deposit or settlement variation requests.
- The best position you can be in on the day is somewhere where you can hear the auction but not necessarily be seen.
- Most frequently the auction will pause at some point and the auctioneer/agent will come to you to discuss your options.
- Some bidders will wait for a property to be called "on the market" prior to bidding.
- If the auction does not sell, the auctioneer/ agent will discuss with you the post auction strategy immediately following the auction.



# FREQUENTLY ASKED QUESTIONS

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## **Do we have to be in attendance on auction day?**

The short answer is no but you must be contactable. If it is too stressful or difficult to attend that is okay, but a clear phone line is a must for seeking your instructions.

## **What if we cannot be there to sign the contract?**

One of the standard conditions of the auction is that the auctioneer may complete any documentation necessary on your behalf to complete the sale. Therefore, if you have relayed your instructions via your reserve for the property to be sold the auctioneer may sign on your behalf.

## **Can we sell prior to auction day?**

Absolutely and it is quite common to do so. Generally, in an auction campaign the agent will not reveal to buyers your asking price but will encourage the buyers to make offers where they see value. If an offer is presented that you are happy with you may well accept but just be aware that offers subject to conditions aren't 'real offers' until they are unconditional and should be treated as such.

## **Should I organise a bidder to help the auction get going?**

Absolutely not! Apart from being illegal it can also quite often off put real buyers and lead to scenarios where properties are passed in that should be sold. Please be aware that if the auctioneer suspects this occurring they may cancel the auction immediately.

## **What if we have no registered bidders, should we cancel the auction?**

This scenario does occur occasionally. Sometimes buyers need conditions to their contracts which prevents them from bidding. If this occurs, you should still run the auction as it gives unexpected buyers a chance to turn up on the day.

Further to this we can encourage the conditional parties

to turn up for immediate post auction negotiations.

## **What if there is only one bidder?**

If this is the case the auctioneer will generally have a discussion with the bidder prior to the auction informing them of that fact. The reason that is done is to get on the front foot and encourage them to bid so a more private negotiation can take place still under auction conditions. A high percentage of auctions sold have been done so with just the one bidder.

## **Our auction hasn't sold on the day, is the campaign a failure?**

Definitely not. A large percentage of properties sell within 14 days of auction day to conditional buyers, or buyers who entered late in the campaign. If they property doesn't sell on the day, it is now onto the next stage of the process, putting a price on the property to further entice buyers.

## **Where should the auctioneer start the bidding if no-one bids?**

Frequently when the auctioneer asks for an opening bid, they are met with negative body language and silence from the crowd. Firstly, this is not uncommon so don't be unnerved - not many buyers like going first and showing their cards. If this occurs the auctioneer may elect to place a vendor bid to kick things off. This is generally done at a conservative level as it is purely a tool to encourage bidding, not to represent a potential selling price for the property. Remember that the best auctions have momentum with bidding, so if a lower opening bid results in more bidders getting confidence to bid, then that is the desired outcome. By placing the opening bid too high it can commonly scare potential purchasers away, particularly those whose bidding we require to push the premium bidders to their limit.



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