



Methods of Sale

Buying at auction avoids the often prolonged waiting of the traditional offer/counter-offer negotiation process and uncertainty of what another buyer may be offering. During an auction bids for the property are called in an open arena on a given day and time. If your bid is accepted you'll have the satisfaction of knowing you have purchased at true market value.

An auction is an exciting environment where everything is out in the open. You can see your competitors and have confidence that others place similar value on the property as you.

Let your consultant know if you are interested in an auction property so that you will be kept informed if a pre-auction offer is made and given the opportunity of submitting an offer or bidding if the auction date is brought forward.

Your consultant will be able to provide you with an interested bidder's information booklet on the particular auction property.

The Benefits Of An 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.

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

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

- 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 the property.](#)
- A sale by auction is unconditional and allows the transaction to proceed to settlement without delays.
- [A sense of urgency is created by the set deadline, bringing interested buyers 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.

- A successful purchase requires 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.
- 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.
- Prospective 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 compete against each other to secure the property, through bidding.
- The seller controls the terms of sale and can choose to allow variations to the date of settlement or deposit amount required.
- If the property is passed-in, it will be released to the market as an exclusive listing at a saleable price, which will be established from the market feedback received throughout the auction campaign.

Frequently Asked Questions

Q1. What if no one registers for/turns up to the auction?

In this instance, your Harcourts auctioneer will 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 prospective buyers.



Q2. What if the reserve price is not reached?

In this event, your Harcourts auctioneer can pause the auction and come and speak to you, the seller. They will go back to the current highest bidder and ask if they're prepared to increase their offer to a price at which you're prepared to sell. If the bidder is not prepared to do that, your Harcourts auctioneer will then ask if you're prepared to adjust your reserve price. That's why it's important for you to have a price in mind that whilst you wouldn't be entirely happy with, you are prepared to sell at. If neither of these scenarios happen, then a sale cannot occur, and your property will be what is referred to as 'passed in'.

Q3. What if 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 will have a strategy and may wait to see what others at the auction might bid. So to get the auction rolling, your Harcourts auctioneer may choose to nominate a starting bid - this is referred to as a 'vendor bid'. A vendor bid will only be used in order to create momentum during the auction and cannot be used above the seller's reserve price.

Q4. What happens when the property sells?

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

Tender.

Purchasing a property via Tender is a Real Estate process that includes offers which are private and confidential, and they must be submitted by a set deadline negotiation date.



Buying at tender requires the same care and research as buying by any other method. Offers need to be submitted on the standard tender document (your Harcourts salesperson will have a document for you). You should carefully read the particulars and conditions and we recommend you take advice from your lawyer before finalising your offer. You need to be aware that once submitted your tender cannot be withdrawn for 5 working days after the advertised closing date (if not sold prior)

When you are considering submitting a tender for a property make sure you register your interest immediately and formally with your Harcourts salesperson. If there is a prior offer, (see 'Offers Prior to Tender Document'), or any change in circumstances your salesperson may need to be able to contact you quickly so make sure they have all your contact details.

Purchasing by Tender gives you one chance to present your best offer (you may not get the opportunity to increase your offer), and unconditional, cash tenders are traditionally the most attractive offers for the vendor, but conditional offers may also be made.

When submitting your offer, you will be required to include a deposit of a specified amount. This will be held in our Trust Account and returned to you if your bid is not accepted.

All tenders are opened at the same time in the presence of a Harcourts Manager or Auctioneer. The Vendor reserves the right to negotiate with any or multiple tenderers at this time.

Exclusive.

- Basic marketing
- Salesperson takes full responsibility
- Buyers set out to pay less than asking price – Buyer V'S Vendor
- No control over conditions contained in sales contract
- Pricing limits the amount home seller will achieve
- If priced too high buyers will offer on other properties
- Property can become "stale" and price reductions may be necessary