

Considering The Pros and Cons of Different Methods of Sale

There can be months of hard work and dedication in to making a property market ready, this is why once it goes on the market it is important to consider the options. At Davine Realty we contour our sale recommendations in accordance to the individual property, the local market, and the sellers preference. Below are some pros and cons for you as the seller to consider.

Sale By Online Auction

This is a very new concept in Australia but is a brilliant idea for buyers unable to make an action in person. The auction would play out the same as a traditional one however, people would be bidding from their devices.

PROS

- There are a number of auction websites now available such as ALLBIDS and Sale Ezy.
- It's convenient for buyers no matter where they are located.
- Online Auctions are only going to grow in popularity from here.

CONS

- Buyers are relying on technology and there is a chance of unreliability.
- It's more directed to the tech savvy community and draw out individuals that don't have this knowledge.

Sale by Traditional Auction

Auctions are becoming progressively popular throughout Australia. It's an effective method as it usually draws out the true value of the property, also buyers know that the owner is committed to make the immediate sale. The house would be advertised with the date and time of the auction, it is then conducted by an auctioneer (either decided by the vendor or the agent), potential buyers contest against each other to increase the offer until there is one bidder left. The property is 'passed in' if the vendors reserve price has not been met.

PROS

- It can be a fast and effective way of bringing the buyers to a head and creating competition, which in turn will drive the price up.
- The campaign is usually 4-6 weeks.
- The vendor is protected by the reserve price.
- If the property doesn't end up selling you can be put into contact with the most likely buyers from the auction

CONS

- Not all buyers are in a position to buy at Auction and may be prepared to pay the sellers ideal price with terms but miss out on the purchase.
- Buyers may not be able to wait for the Auction date.
- The highest bidder only has to bid marginally higher than the competitor, therefore, you'll never be sure that the amount was as high as they were willing to pay.

Sale by Private Treaty

We can provide advice to determine the fixed price you wish to sell your property at. This is done through a private sale and the vendor will make their price expectations clear. The price will be determined according to current market value and comparing similar properties within the area.

PROS

- The main advantage of this method is that the buyers walk into the property knowing the seller's expectations. They will then decide if they see sufficient value in the home.
- Buyers are able to leave the deadline open limiting the pressure on buyers and drawing more in.
- By having a set price it will attract homebuyers who are looking for a property in a specific price bracket.

CONS

- If a Vendor has not taken on board the buyer's feedback through the agent they can easily miss out on their best offer by retaining unrealistic expectations.
- A property can sit through several buying cycles without any success.
- Other buyers are not aware of competition from other purchasers and may cause them to take their time when making an offer.
- Choosing the correct price is critical as if it is too high there is danger of it sitting on the market for too long and having to reduce the price further. But if it is too low the seller might be losing money when the property could have potentially sold for more.

If you are still unsure about which method will work best for your situation we are happy to have a free, no obligation discussion with you about it.