

Auction or Private Treaty?

When it Comes to Selling, How do you Choose Between Auction and Private Treaty?

The auction process is particularly good in determining a 'market price'. If the property is marketed professionally, buyers will evaluate the property and compete with each other in determining what the market is prepared to pay.

An auction is a public sale where buyers bid against each other to purchase a property. An auction can generate a lot of interest in a short time. There is a short and efficient marketing cycle. A set date of sale encourages buyers to act quickly.

In a market, where there is a lot of interest and competitive tension, auctions can often create an environment that generates a high sales price. If the reserve price is met, then the property will sell 'under the hammer'. If the property does not meet the reserve price, a negotiation can occur to reach agreement on the day. If this does not happen, the property will then go on the market for sale by private treaty, however a five-day 'cooling off period' will apply after executing a contract.

Auction clearance rates for April averaged 60% in , a pointer to a weaker market with downward demand pressure.

A private treaty sale is where the vendor sets the asking price and waits for someone who wants to buy. You will have time to consider offers from prospective buyers. Comparable sales in your area can assist to determine an optimum selling price for your property.

If the property is appealing and priced optimally, the sale process should take between two and six weeks. However it can often take longer to sell your home depending on the overall market demand and the merits of the property being offered. An agent with excellent negotiation skills is required for a sale by private treaty.

The uniqueness of your home will also have a bearing on which method to use. Your home may have a certain design style or unusual inclusions which have a very high utility to a narrow market, which would point to a sale by private treaty.

A general rule is that high-end properties at the top of the pyramid where there are fewer buyers are most suited to private treaty. Conversely, at the lower end of the price pyramid, auction is often the better choice.

Recent Harbourline Sales



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2018 Street Record**



**11A Fredbert Street Lilyfield 4B/3B/1C
2018 Street Record**

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