



# Auction versus Private Treaty



## *Which one do you prefer?*

### Auction Marketing Plan

- Controls contract terms
- Allows 3 opportunities to sell – before, at auction, or immediately after – and reduces the overall selling time in the market
- Motivates purchasers to action by auction date
- Removes price objection
- 10% deposit on the fall of the hammer
- No cooling off period
- Cash unconditional contract
- Maximises price obtained
- Guaranteed high profile campaign
- Settlement within your specified requirements
- Buyers compete at Auction
- Secure contract
- Create a sense of urgency
- Auction puts the focus on your property

**Achieves best possible contract in relation to conditions and price**

### Private Treaty

- Terms of contract can be insisted on by purchaser
- Limits opportunities to sell
- Purchasers will act in their timeframe – no urgency
- Pricing may alienate purchaser
- Deposit often negotiated down to a minimum figure
- Cooling off period applies
- Purchasers often require Subject to Sale or Finance clause
- Price negotiated down
- Usually limited advertising campaign
- Purchasers dictate settlement to their requirements
- Reduced competition

**Sales often collapse before settlement due to one of the following reasons:**

- 1. Buyer sees another property**
- 2. Buyer cannot raise the finance**
- 3. Buyer changes their mind**
- 4. Subject sale doesn't sell**
- 5. Buyer may think they are paying too much and cools off**

**If you're not auctioning your property you are missing out on the highest bid – it costs no more to have Auction as part of your marketing strategy**