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The Best Auctions Too Dull For Television

Thrilled by nail-biting TV auction shows like *Location Location* and *Auction Squad*? Thinking of buying or selling a house that way?

Although it can be a good way to buy or sell, being personally involved in an auction is new to most people. Consequently, experts suggest plenty of research before deciding whether to buy or sell via auction.

Nationally, one house in five is sold at auction but figures from State to State vary. In Victoria the figure is 30.6%; in Western Australia, it's only 2.8%.

Clearance rates can vary even more so. Nationally they peaked at 70%plus in August 2003 but have declined since into the high 40s. This too can vary considerably with clearance rates in Melbourne recovering to approximately 60% and the Gold Coast falling to around the 20% mark.

A leading auctioneer says the best-run auctions wouldn't attract the TV crews mainly due to the lack of drama. One of his auctions was filmed recently but was never screened on television — no tears, no nail-biting; just a successful sale.

For buyers, he suggests the following:

- ✓ Check auction rules with your real-estate institute (you can't just turn up and bid). Study brochures on the topic;
- ✓ Inspect plenty of properties in your price range to see what to expect, then attend auctions to learn what goes on;
- ✓ Set your price limit and stick to it (be sure your finance is approved);
- ✓ Do your own bidding or at least attend the auction (and keep it simple — bidding "techniques" aren't for beginners).

Sellers should:

- ✓ Choose reputable real estate agents and fully qualified auctioneers (not necessarily the same person). Study the auctioneers' recent sales;
- ✓ Attend several of the short-listed auctioneers' auctions, noting whether they encourage strong bidding;
- ✓ Completely prepare the property to be sale-ready; the auction process is typically four weeks (no time for a second crack at fixing faults);

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- ✓ Be completely open with the agent, whose price estimate should be conservative — "auction negotiations are only ever upward and, if there's a premium price to be had, it'll happen on the day";
- ✓ Refrain from discussing price expectations with anyone but the agent; word can spread quickly, which can't enhance prospects.
- ✓ Check the auction Contract of Sale before bidding. If necessary, have a solicitor review and advise on any special conditions.

Following these general principles can help keep you from going too far wrong.

For further information, please don't hesitate to call AlphaLoan today so we can match your needs against 100's of home loans from our panel of lenders, including all the major banks and many more!

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