

# Auction or private treaty – which should you choose?

Yes, you want to get the best price for your home. That's a given! But at Placeville Real Estate, we will work with you to identify the sales method that will work best for you and your family. Here is a general guide.

## Selling via private treaty

A standard residential property transaction is known as a Private Treaty sale. This is when you set the price you'd like your house to sell for, and your agent negotiates individually with buyers to achieve a sale as close to this price as possible.



### Pros

- ▶ Greater flexibility for negotiation. A contract can be signed 'subject to' certain conditions such as a building inspection or finance approval.
- ▶ Flexibility regarding the length of time your home is listed for sale



### Cons

- ▶ It may take longer to sell your home compared to an auction campaign.
- ▶ You might need to make your home available to prospective buyers for frequent viewings and inspections.
- ▶ It's extremely important to get the pricing strategy right. Pricing above market value can result in the property generating little interest.

## Selling via auction

An auction is when prospective buyers gather to bid on your property. The highest bidder at the end of the auction becomes the successful buyer, provided the bid matches or exceeds your reserve price.



### Pros

- ▶ An auction involves a three-pronged marketing push, as the vendor you have the opportunity to sell your property before auction, on the day of auction, or in the event the property is passed in, directly after auction.
- ▶ You have the ability to set a reserve price and a settlement date to suit you.
- ▶ A written marketing plan with pre-agreed appointment times enables you as the seller to arrange your life during the lead up period.
- ▶ The auction process by its very nature creates a sense of urgency; buyers have a definite time frame in which they must act.
- ▶ The auction process encourages competitive bidding, which means there is no price barrier.
- ▶ A good option for sales involving multiple parties as it is very transparent.



### Cons

- ▶ Auctions generally have a more expensive advertising campaign than private sales.
- ▶ The highest price achieved at the auction is an indication of the value that the market is prepared to pay, and this may be lower than your expectation.
- ▶ The auction process may not suit very private people if you are uncomfortable having your home publicised.