

WHY YOU SHOULD NEVER SELL AT AUCTION

The home auction process in Australia is a slick process. Homesellers are convinced that the best way to get the highest price for their home is a public auction where the buyers compete against each other.

Sounds perfect, doesn't it? The agent runs the auction with a megaphone and a hammer in his hand and calls the dollars as the buyers raise their hands to bid. Finally, the auction reaches the crescendo and one buyer has beaten all others, and the property is "sold" with smiles, applause and pats on the back all round.

A simple question. If two buyers are interested in a property and one (Buyer 1) has come prepared to pay say a maximum \$1.4m and another buyer (Buyer 2) has a maximum of \$1.5m, how does the agent obtain the \$1.5m for the seller at a public auction?

Say these same buyers are at an actual auction. The reserve price is \$1.3m and the bid is at \$1.4m with Buyer 1 who is at his maximum price. Buyer 2 has come prepared to pay up to \$1.5m. The auctioneer will call for any more bids at \$1.4m and so Buyer 2 offers let's say another \$10,000 and it's then SOLD to him at \$1,410,000.

The agent will say it's another fantastic result as the sale price is a massive \$110,000 OVER the reserve price! Yes, it is, but it's also \$90,000 under what the buyer was prepared to pay.

There is a better way! Using the same scenario but in private treaty sales, our Buyers' Highest Price Declaration would mean that both buyers would submit their highest offers in private and with no one waving a hammer at them. We would then have two offers (signed at their respective walk away) prices of \$1.4m and \$1.5m...potentially \$90,000 more for our sellers than achievable via a public auction.

Remember, the only buyer that declares their maximum price at auction is the losing bidder. It doesn't matter what you are selling, you cannot guarantee you receive the highest price at auction.

To discuss this or receive your free copy of "88 Reasons You Must Never Sell Your Home At Auction" by Neil Jenman, please give us a call. We are Open 7 Days.

TESTIMONIALS

WONDERFUL LOCAL KNOWLEDGE AND SENSIBLE ADVICE

We had a fantastic experience selling our home with Monica and Roger. From start to finish, they demonstrated professionalism, clear communication, and a kind, down-to-earth approach. Their advice was sensible, their expectations realistic, and we always felt well-informed throughout the entire process. It was especially reassuring to work with agents who are part of the Mapleton community and who clearly understand the local market. Thanks to their expertise, we achieved a fair and satisfying result.

Review submitted by K Bridges (Vendor)

42 Delicia Road, Mapleton - 4 August 2025.



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www.rogerloughnanrealestate.com.au

