

AUCTIONS

*the place to buy for lower prices
not to sell for the highest price.*

Imagine you are buying a car at an auction. You've done your homework on the value and are prepared to pay a maximum of \$50,000. The auction gets to \$45,000 and the auctioneer states "it's on the market and will be sold". (\$40,000 is the 'reserve' or the lowest the seller will accept after advice from the agent.) You bid \$46,000 and secure the car. The agent boasts they achieved \$6,000 'over the reserve'. However, they undersold it by \$4,000.

Property auctions are the same. There is a name for the lowest the seller will accept called the RESERVE price. There is not even a name for the buyers' highest price.

Good agents won't convince you to auction as although they achieve high prices - you cannot be certain you are getting the highest price. The only person who definitely pays their maximum at an auction is the second highest bidder...they stop and the winner only has to bid one more. This may be a very high price but there is no guarantee the buyer has paid their maximum.

Ask your agent about their negotiation skills and how to use the Buyers' Highest Price Declaration or BHP. With a BHP, you will achieve the highest price from the buyers as they have to declare their "walk away" price.

For more information and a copy of the Buyers' Highest Price Declaration please contact our agency.

PS - Thank you to our readers who noticed the error regarding household water usage. It is 40 gallons or approx. 160 litres per day.

TESTIMONIAL EXCEPTIONAL

Monica has worked for us as a buyer's agent on a few occasions now and if we ever buy or sell property in the future we would definitely ask her to represent us. Monica has great local and market knowledge, she works tirelessly and gets back with answers to any questions straight away. She is professional, honest and friendly as well as being a skilled communicator and negotiator. This experience presented some obstacles, but Monica was able to negotiate a contract we were happy with and left us on good terms with the vendors. I have no hesitation in recommending Monica as an agent.

Review submitted by Buyers – Balmoral Ridge – 27 Jul 2023



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