

How to be auction savvy



Property Wizards' Trevor Dunkley.

WITH the number of property auctions in Perth tipped to rise, a buyers' agency says investors and owner-occupiers need to create and stick to a pre-planned strategy to avoid overpaying.

Property Wizards buyers' agent Trevor Dunkley said auctions could be better than a private treaty sale if buyers were prepared.

"If you are educated and don't get drawn into the hype of what can be a pressure-cooker type environment, auctions can be better value than a private treaty sale because you know what other buyers are offering and can offer just enough more to secure the property," Mr Dunkley said.

"In a private treaty, the real estate agent can extract a great

deal more money because there's no way of knowing for sure what other buyers are offering."

Mr Dunkley offered the following tips for buying at auctions:

1. In-depth research is critical

“Auctions can be better because you know what other buyers are offering.

to find comparable sales evidence and assess what the property is worth and what else is available in the market.

2. Decide how much you are prepared to pay and stick to it.

Hire a professional or bring a rational friend to help you stand firm.

3. Adopt a bidding strategy in advance, including knowing how soon you want to start bidding and how fast you will place bids in response to other potential buyers.

4. Don't be pressured by the sales agent to up your bid unless it's in response to another bidder's move

5. Don't be too afraid to bid or to go up to your ceiling price.

6. Go to other auctions ahead of time to familiarise yourself with the environment.

7. Do not be "attached" to buying the property because it could cause you to overpay.

8. Understand that buying at auction is an unconditional contract, so carry out all checks ahead of time.