

Your complete guide to selling at auction





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When selling your property, there are quite a few different modes of sale you can opt for. However selling your home through auction has many benefits:

- You set the terms and conditions of sale
- Target marketing puts a spotlight on your property
- Marketing with no price attracts genuine, cash in hand buyers
- Auctions create a sense of urgency, bringing buyers to a point of decision

Once you've decided to auction your property, how can you ensure you're best prepared for the day? To help you, we've gathered a list of considerations and frequently asked questions from Harcourts' top auctioneers.

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The benefits of an auction.

The auction method of sale provides sellers with the greatest opportunity to obtain 'fair market value' or a premium price for their property. An auction campaign also adds structure to the property listing and sale process and is regarded as the most effective way of marketing property for sale.

Should an auction listing not sell during the auction campaign, the chances to sell the property soon after are dramatically increased due to the increased amount of buyer enquiry that's generated through marketing for sale by auction.

In addition to the benefits of being an 'exclusive agency', auctions have many other advantages, such as:

- The seller sets the terms and conditions of sale and creates a deadline (the date that the auction is to be held).
- This auction-oriented target marketing puts a 'spotlight' on the property and shows the vendors motivation to sell.
- The 'no price' aspect will attract more genuinely interested, cash-in-hand buyers.
- It allows sellers to plan ahead in the knowledge that a specific date has been set for the sale of the property.
- A sale by auction is unconditional and allows the transaction to proceed to settlement without delays.
- A sense of urgency is created by the set deadline, bringing interested buyers to a point of decision.
- The property is neither overpriced nor undersold; its value is determined by the market, in the form of bids or offers.
- A successful purchase requires a payment of a deposit on the day of auction.
- Market feedback will assist the seller to decide on a reserve price, whilst still allowing for the possibility of achieving a premium through buyer competition.
- Auctions provide a transparent arena where buyers compete against other public offers, taking away the guesswork.
- The seller always has the option to accept an offer prior to auction, if a desirable offer is received.
- Prospective buyers will be focused on establishing the maximum price they will pay, not how little they should offer.
- A premium sale price can be achieved when multiple interested parties compete against each other to secure the property, through bidding.
- The seller controls the terms of sale and can choose to allow variations to the date of settlement or deposit amount required.
- If the property is passed-in, it will be released to the market as an exclusive listing at a saleable price, which will be established from the market feedback received throughout the auction campaign.

Preparing for an auction.

Auctioning your property is about so much more than simply showing up on auction day. There's a lot that goes into it beforehand and marketing your property well is the key to achieving a successful result.

Your Harcourts sales consultant will walk you through your marketing plan in detail, from selecting the images to be advertised, the copy that will be included, to where the property will be advertised (online, papers, brochures, in office, etc.).

Before you go to auction, you will hear from your Harcourts sales consultant on a daily basis and have a face-to-face meeting each week. You will also receive a written report which summarises all of these activities along with the interest in your property.

Your Harcourts sales consultant will also keep you well informed of the current market, so that you can make an informed decision come auction day.

“Marketing your property well is the key to a successful result.”

Holding an open home before auction day.

Open homes are one of the most effective ways of marketing a property and attracting interest from a wide variety of buyers. When choosing to sell your home through auction, open homes are essential, so that potential bidders can get a good feel for the home before committing to attend, and bid at, the auction.

Some of the advantages are:

- Controlled viewing times
- Open homes can create plenty of activity, even in a slow market
- Interest and activity can trigger urgency with buyers
- Your Harcourts sales consultant's time is put to best and most effective use. They will have the opportunity to talk to numerous people about your property and will get an idea of how many people will be registering to bid
- Comments from open home visitors can provide feedback on price, presentation and sales appeal, which will give you a good amount of information to go into the auction with

For more tips on holding an effective open home, ask your Harcourts sales consultant for a copy of our Complete Property Selling Guide.

What is your role on auction day?

If you are available, it is recommended that you attend your auction. It's great to have you there if there are any last minute questions. Some common ones buyers ask are "can we vary the deposit amount?" or "can we vary the settlement date?"

Your Harcourts auctioneer will also want to confer with you depending on how the auction is going. For example, if bidding stops below your reserve price your Harcourts auctioneer will want to discuss next steps with you.

Getting to know your property.

Your Harcourts auctioneer should be introduced to your property, much as your Harcourts sales consultant has been. They should walk through the property, understand the features of the home, and really understand why a buyer would fall in love with it. That way they'll be able to better represent your home to buyers. This information will assist the auctioneer in developing a strategy for auction day.

Your Harcourts auctioneer will also want to know all about the interest the property has received. They'll ask your Harcourts sales consultant detailed questions about it. How many inspections have there been? What kind of interest has the home received? Have any valuations been done? Any building/pest inspections?

Marketing.

When it comes to marketing your property before auction, the rule seems to be that more is more. The success of your auction can be largely dependent on your marketing campaign.

Harcourts' latest research shows a direct correlation between the amount invested in marketing versus how much interest was generated for a property, and what price was achieved. On average, properties that sold in the shortest timeframe invested further into marketing than those that did not see a sale in a 45-day period (45 days being the standard period of an auction campaign, inclusive of post auction activity).





Technology.

With successful real estate business based around establishing excellent personal and professional relationships, strong paths of communication are a necessity. Due to the highest level of technological support, we have the ability to access vital information and communicate this to potential purchasers. It's this capability that keeps Harcourts on the cutting edge of technology-based support.

Information at your fingertips

The Harcourts website receives hundreds of thousands of unique visitors every month. These aren't just domestic enquiries – there are also a large number of international hits.

The number of people who log on in search of property is only getting larger. The majority of these prospective buyers shop at their leisure and have definite ideas about exactly where they want to live, what kind of home they want and what they can afford to buy.

The information provided on the Harcourts website is comprehensive, to say the least. It offers a detailed property search with virtual and video property tours. And that's just the start.

The highest visibility – from the moment you list

List your property with Harcourts and it will be entered into our listing system, Harcourts One. Harcourts One spans every single office in our group and enables buyers and sellers to be matched far more effectively.

Of course your home will also be automatically listed on our website. The comprehensive detail of each listing enables prospective national and international buyers an unparalleled ease of access.

With just a few clicks of the mouse a virtual tour of your property affords these buyers the opportunity to visit without ever leaving their computer.

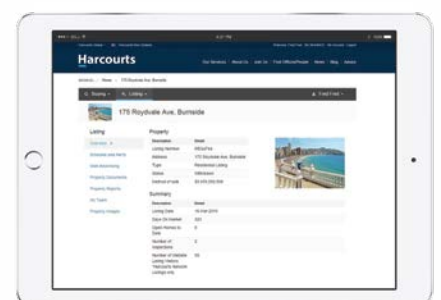
A buyer-seller matching system that can't be beaten

Harcourts also offers the services of your own personal account online. This is an intelligent, reliable system that automates the process of matching buyers with properties that meet their criteria. And it's all done fast, automatically and confidentially online.

Mobile technology – your Client Login

The Harcourts Client Login service is an exclusive portal for Harcourts clients to use to keep up-to-date with everything that is happening with your property. The Harcourts Client Login gives each client a unique login for every one of the properties you are listing for sale or lease, enabling you to access a range of data, documents and statistics on each.

The tool will house the marketing plan and calendar, marketing reports and feedback about a property. In addition to this all of the documents relating to the property will be held here, and Harcourts clients will be able to see how your property is performing on the various real estate portals where your property is marketed



The reserve price.

It's important for you to understand and be clear on what your reserve price is, and how it will be used during the auction. Your Harcourts auctioneer will be able to explain this to you in detail and will develop a strategy for the auction, based around the reserve price. Remember, your Harcourts auctioneer will be working to ensure you get the best price possible for your property.

It's important not to openly discuss price with others, to reduce the risk of a price leaking out into the market. The auction should focus on the property, and price should become a secondary factor to buyers.

Remember, at all times during an auction, you're in control. If the highest bid is at an acceptable level then you can take it and sell. If not, the property will be passed in and negotiations with all interested parties can begin.

However, auction provides you with the best chance to sell your property without undesirable terms and conditions, so the reason for not accepting the highest bid or offer on auction day should be greater than the reason why your property is for sale in the first place.



Frequently asked questions.

What if no one registers for/turns up to the auction?

In this instance, your Harcourts auctioneer will pass the property in and inform any attendees of the next steps to take if they are interested in purchasing the property. In reality, this isn't something that happens very often. With a robust and well thought-out marketing campaign, any home can attract prospective buyers.

What if nobody bids?

It's understandable that buyers might be nervous under the excitement and pressure of an auction. This is why it's not uncommon for an auctioneer to be met with silence when asking for an opening bid. Some buyers will have a strategy and may wait to see what others at the auction might bid. So to get the auction rolling, your Harcourts auctioneer may choose to nominate a starting bid - this is referred to as a 'vendor bid'. A vendor bid will only be used in order to create momentum during the auction and cannot be used above the seller's reserve price.

What if the reserve price is not reached?

In this event, your Harcourts auctioneer can pause the auction and come and speak to you, the seller. They will go back to the current highest bidder and ask if they're prepared to increase their offer to a price at which you're prepared to sell. If the bidder is not prepared to do that, your Harcourts auctioneer will then ask if you're prepared to adjust your reserve price. That's why it's important for you to have a price in mind that whilst you wouldn't be entirely happy with, you are prepared to sell at. If neither of these scenarios happen, then a sale cannot occur, and your property will be what is referred to as 'passed in'.

What happens when the property sells?

After your Harcourts auctioneer announces the property as 'sold', it is then time to focus on the buyer. Your Harcourts sales consultant or auctioneer will then take the buyer aside and begin to process the contract of sale, straight away. The buyer will then make arrangements to pay the deposit. As the seller, you will be required to sign the contract and the sale will be concluded.

Completing the sale.

Settlement generally takes place between you and the buyer and your legal/financial representatives. Officially, it's where ownership passes from you to the buyer, and the balance of the sale price is paid to you or your financial institution.

As the seller, you would have set the settlement date within the contract of sale. Settlement usually occurs 30-90 days after the contract has been signed, depending on what has been agreed upon.

The buyer is entitled to inspect the property at a reasonable time prior to settlement, and as the seller, on settlement you must hand the property over in the same condition in which it was originally inspected.

On the day of settlement your solicitor or conveyancer will exchange the following with the buyer's solicitor:

- Monies
- Transfer documentation
- Keys to the property

Once settlement has been completed, your solicitor will register your discharge of mortgage and transfer and the buyer's solicitor will register the necessary documentation e.g. transfer, mortgage with Land Information NZ.

Possession of the property usually takes place on the settlement day once settlement has been completed, although the seller and the buyer can agree for these dates to be altered.

The next steps are to ensure you're well prepared for the move to your new home.

For more information about selling a property visit:
www.reaa.govt.nz/forbuyersandsellers

“When preparing to move there are always so many things to organise and remember. Often it’s the little things that make all the difference.”





Harcourts Complete.

Once the purchase is complete, it's now time to settle into your new home! When preparing to move there are always so many things to organise and remember. Often it's the little things that make all the difference.

Use our handy checklist to help make the whole process smooth and stress-free!

Wouldn't it be great if someone could organise for the transfer and connection of your power, water and other utilities for you? Well now they can. Through our range of Harcourts Complete services we can organise the connection of all of your utilities and pay TV, and the disconnection of these services from your old home, taking the hassle out of moving.

Harcourts is committed to providing a complete experience for you. Whether you're buying, selling, renting or if we are managing your property you have access to our Harcourts Complete service. This service is free and provides all the relevant real estate services that you will require before, during or after your transaction. We can take care of a wide range of services including arranging your connections, home loans and insurance. Harcourts Complete also provides relevant real estate information that assists with moving and will also keep you up to date with what is happening in your local market.



Remember to cancel

- Newspaper and/or milk delivery
- Telephone, internet and cable TV
- Gas, water and electricity (arrange a final meter reading)

Organise for moving day

- Obtain supply of boxes (the supermarket can be one supplier)
- Get packaging tape and heavy marker pens
- Arrange for furniture removal (get quote, confirm time)
- Arrange care of your children on moving day
- Make suitable arrangements for any pets
- Arrange transit, home, contents and fire insurance for your new home
- Organise shifting times with the buyer of your old property and the previous owner of your new one

Notify your change of address to

- Bank, credit card and charge card companies
- Post office for redirection of mail
- Elections registrar
- Registrar of motor vehicles and drivers license
- Tax department
- Insurance companies
- Hire purchase or finance companies
- Investment companies
- Local council
- Clubs and organisations
- Police (if you own and store firearms)
- Friends and relatives
- Magazine subscriptions
- Doctor, dentist, accountant, lawyer

Don't forget

- Clean the stove and defrost the fridge/freezer
- Tidy the yard
- Ensure that the chattels that have been sold with the property aren't accidentally packed
- Disconnect all appliances
- Disconnect the TV aerial
- Return any borrowed items
- Throw out items that you don't intend taking with you
- List valuable items for special care when moving
- Advise removal company of dangerous goods being moved (i.e.ammunition, petrol, spirits, chemicals)
- Securely pack all jewellery, money, special documents and papers (i.e. legal, tax, insurance etc)
- Set aside items you will need on the day of the move so you can take them with you (i.e. food, drinks, cleaning products)
- Pack each room leaving the boxes stacked and labelled with the room they are to be moved to. It is a good idea to write on each box a list of its general content

- Clearly label boxes containing breakables as 'fragile' and identify these items to the removal people
- Pot and pack away the plants and cuttings you're taking
- Explain your packing procedure to the removal people and be at your new home when they arrive

Don't...

- Put breakables or liquid filled containers in drawers
- Overload drawers and make furniture too heavy to move (too much weight can damage furniture)
- Move netting, barbed wire, timber, wood, coal etc without special arrangements being made
- Store perishable goods where they might be overlooked

Make arrangements to

- See your solicitor to sign transfer documents / mortgage discharge documents
- Enrol children in new school
- Coordinate the forwarding of any files from the children's previous school to their new one

Organise for your new home

- Contact Harcourts Complete to connect your gas, electricity and telephone. Ask your Harcourts sales consultant for details
- Newspaper delivery
- Telephone
- Internet and cable TV connection
- Gas, electricity and water

The week before moving

- Remind and confirm dates, times and locations for furniture removal company
- Confirm moving in/moving out details and key exchange with your Harcourts sales consultant
- Say goodbye to neighbours

One last check

- Nothing left behind?
- No clothes at the dry cleaners?
- No gear stored away from your property?
- Electricity, gas and telephone disconnected?
- Water turned off and no taps left running?
- Windows and doors latched?
- Keys with solicitor (if appropriate)?

After it's all over

- Have spare keys cut for your new home
- Make an insurance claim if any damage has occurred during the move
- Teach children how to get to their new school
- Enjoy your new home and keep in touch. We'd love to hear how you're going

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