

Perth real estate - Auctions more attractive

Written by Brian Greig
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12 December 2014 - Research by the Real Estate Institute of Western Australia shows that selling a home by auction cuts the number of days on market by an average of 26 days.

REIWA deputy president, Hayden Groves, said a look at the institute's data over the last five years showed that the average number of days on market for an auction was 39, compared to 65 for the more traditional sales method of private treaty.

"Auctions are not as common in WA as they are on the east coast, but this seems to be changing," Mr Groves said.

Mr Groves said that auctions accounted for about 2 per cent of sales in Perth, compared to 30 or 40 per cent of sales in Sydney and Melbourne.

"West Australians have grown very familiar with the offer and acceptance method of buying a property and which involves a simple contract process and some gentle haggling on price, but there is growing interest in auctions as a quicker way to sell in a sluggish market," Mr Groves said.

Mr Groves said the main difference with an auction was a shorter campaign period to flush out the more serious buyers on the day, and the requirement for those buyers to pay an immediate deposit.

"With the number of properties on the market growing every week, more and more sellers are looking for the best ways to stand out from the competition and to sort the genuinely keen buyers from the casual lookers and the undecided in a weakening market," Mr Groves said.

In the September quarter 2014, the average number of days on market from the traditional selling method was 65. By contrast, it was just 39 days from properties that were sold by auction," Mr Groves said.

"The auction method saves sellers almost a month on average, which in the current climate is very attractive to many people thinking of selling their property," Mr Groves said.

Mr Groves said that most auctioneers charged a set fee for auction day itself and a commission on the sale price of the property.

"However, every agency operates a little differently, so if you are thinking of trying the auction method it's best to shop around and ask the right questions to your satisfaction," Mr Groves said.