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HOW TO MAKE AUCTIONS WORK FOR YOU

Buying a home in Australia can be thrilling and stressful at the same time, but many buyers end up taking a lot longer to find their dream home because they automatically scroll past homes listed to sell at auction.

If you have the mindset that you'll never win at auction and have been avoiding these properties, take a look at the following:

Why do some homes sell at auction while others sell for private treaty?

When a real estate agent connects with a home seller, they will have a discussion and come up with a selling strategy. Holding an auction may be favoured over a private treaty sale if the agent believes there will be good competition between buyers, or if it's not easy to figure out how much the home may sell for.

Not all sellers want to hold an auction but if the agent is confident there will be multiple bidders on the day, the decision may be made to take this approach. A seller might also choose to go to auction so there is less ambiguity about when the home will be sold (private treaty sales can stretch on for weeks or months).

Selling at auction doesn't necessarily mean the home will sell for more than it's worth. Often, only a handful of bidders show up and the final price is very reasonable.

Why bid at auction?

There are several reasons why you shouldn't overlook properties that are listed to sell at an auction:

- **Potential bargains:** Depending on the market, auctions sometimes present opportunities to purchase a property at a lower price than through private sale, especially if there are fewer bidders or if the seller is very motivated to have the home sold on the day.
- **Transparency:** The auction process is open and transparent, so you know what others are willing to pay. This can help ensure you pay the market value rather than an inflated price.
- **Immediate outcome:** Auctions provide a clear and immediate outcome. If you're the highest bidder and meet the reserve price, the property is yours, with no follow up negotiation process.

- **No competing offers post-auction:** Once the hammer falls, the property is yours, and there's no risk of being outbid by a higher offer after the auction, which can happen in private sales.
- **Pre-auction negotiations:** If you're genuinely interested in a property, you can sometimes negotiate with the seller before the auction. This can lead to a purchase without the auction or at a price you're comfortable with.

Finally, if there are no bidders or the reserve isn't met, you may have the opportunity to negotiate a sale after the auction.

There are a few key points to remember before you head to auction:

- **Pre-auction inspection:** Take a thorough look at the property before the auction date and invest in a professional building inspection. Auctions are unconditional, meaning once you win the bid, you're legally obligated to proceed with the purchase, so it's essential to ensure the property meets your standards.
- **Deposit requirements:** If you win the auction, you will need to pay a deposit immediately, typically 10% of the purchase price. Ensure you have this amount readily available.
- **No cooling-off period:** Unlike private treaty sales, auctions do not have a cooling-off period. Once the hammer falls, you are committed to buying the property, so be certain before you bid.

Tips for buying at auction

Research is key to making auctions work for you. Knowing the market value of the property and the current market conditions will help you make informed decisions so you don't get over-excited on auction day. Here are some steps to consider:

- **Check out comparable sales:** Look at recent sales of similar properties in the area to get an idea of the property's value. This will help you set a realistic budget.
- **Market conditions:** Know whether it's a buyer's or seller's market. In a buyer's market, there may be fewer bidders, and you could have a better chance of securing a property at a lower price. In a seller's market, be prepared for more competition and potentially higher prices.



- **Terms of sale:** Read the contract thoroughly and seek advice from a property lawyer or conveyancer. This will ensure you are fully aware of what you will be agreeing to on the day.
- **Price:** It's easy to get caught up in the excitement of an auction, but it's important to set a budget beforehand and stick to it. Determine the maximum amount you are willing to pay for the property, factoring in additional costs such as stamp duty, legal fees and any potential repairs or renovations. Once you have set your budget, resist the temptation to exceed it, no matter how competitive the bidding becomes. If you're worried you will get carried away, look into having a buyer's agent or real estate agent bid on your behalf.
- **Work out your strategy:** There is a lot of talk about how to win at auction, but really the only way to win is by being the highest bidder. However, you can have a plan for the increments you will bid in, which can prevent you from paying tens of thousands more than you need to.
- **Practice:** Buying at auction can be daunting so head to a few auctions in your neighbourhood to check out how it all works and see how other people do it.
- **Delegate:** A buyer's agent or real estate agent can provide a service to bid on your behalf, taking the stress off your shoulders.

There's nothing like the thrill of being the winning bidder on auction day. By showing up to auctions, you also position yourself to negotiate for a sale if bidding doesn't meet the reserve.

Ready to bid on your dream home? Talk to your local Professionals representative today.

KEY UPGRADES BEFORE YOU SELL YOUR HOME

It has been another interesting year for the property market, but after many months of bumper results, Core Logic is now reporting that national home values are beginning to settle. Quarterly results showed half the growth of the same period a year earlier, which demonstrates that the market is finally showing signs of favouring buyers.

If you are planning to sell your home or unit, don't let this put you off. As soon as you sell, you will become a buyer yourself and able to take advantage of a slower-moving market.

The goal of your sale is to achieve the best possible outcome in the market you're in. To achieve this, your place needs to stand out. The following upgrades will make the biggest difference to buyer impressions:

Enhance your curb appeal

Your home's exterior is the first thing potential buyers see when

they arrive. Enhancing curb appeal can make a substantial difference in how your property is perceived. Consider the following upgrades:

- **Fresh paint:** A fresh coat of paint on the exterior walls, front door and window frames can instantly uplift the look of your home.
- **Landscaping:** A well-maintained garden creates a welcoming atmosphere and gives the impression of less ongoing upkeep for the new owner. Trim overgrown plants, mow the lawn and add some colourful pot plants to add vibrancy.
- **Pressure wash:** This is such an easy win and can make your driveway, front steps and home look good as new.

Modernise the kitchen

The kitchen is the heart of the home, and an updated kitchen can be a significant selling point. You don't have to go all out with a full renovation; minor upgrades can make a big impact. Consider these changes:

- **New countertops:** Replacing old, worn-out countertops will give your kitchen a fresh look.
- **Cabinet refacing:** Instead of replacing all the cabinets, consider replacing them with new doors and handles. This is a cost-effective way to create a contemporary look that buyers like.
- **Updated appliances:** Buyers want a modern stove, cooktop and dishwasher. Invest, and you'll impress.

If you're struggling to make decisions about the look to go with in your kitchen, have a chat with your real estate agent. They can tell you what has been popular with buyers in the area.

Refresh bathrooms

Bathrooms are another crucial area that buyers pay close attention to. A clean, modern bathroom can add significant value to your home. Here are some upgrades to consider:

- **New fixtures:** Replacing old faucets, showerheads and cabinet hardware with modern fixtures gives your bathroom a fresh look without the need for a full renovation.
- **Re-grouting tiles:** Over time, grout can become discoloured and make a bathroom look worn out. Re-grouting is a simple way to make the bathroom look clean and well-maintained.
- **Improved lighting:** Upgrading bathroom lighting can make a big difference. Consider installing bright, energy-efficient LED lights or adding a stylish vanity light.

Before you sell, have any leaks or dripping taps repaired. A building inspection will pick these up and could potentially give your buyers negotiating power.



Update flooring

Flooring can dramatically affect the overall look and feel of your home. Replacing worn or outdated flooring can make a significant difference. Consider these options:

- Refinish hardwood floors: Treatment from a specialist can restore your floor's shine factor.
- Carpeting: New carpet can work wonders, especially in bedrooms and living areas with a lot of foot traffic. Opt for neutral tones that appeal to a broad audience.
- Tile or vinyl: For high-traffic areas like the kitchen and bathroom, repair or replace worn-out tiles or vinyl.

Create a neutral, clutter-free environment

If your budget is extremely limited, remember that less can be more when it comes to a home sale. Creating a neutral and clutter-free environment will help buyers see themselves living in your home. Remove your personal items, declutter spaces and consider a fresh coat of paint in light, neutral colours to make rooms feel more inviting.

Need advice to prepare your home for sale?

Your real estate agent can help you prioritise repairs and upgrades before you sell or they can connect you with a stylist to update your home's look and make it a space that buyers will fall in love with.

If you're getting ready to sell, invest some time and energy in having the place look more picture-perfect before the photographer arrives. Your online listing needs to stand out to get more people through the front door on open day.

Ready to sell your home? Reach out to your local Professionals representative today.

TIPS TO SAVE YOU TIME ON YOUR RENTAL PROPERTY SEARCH

With rental availability sitting at historic lows, searching for a rental property in Australia can be a time-consuming process. From scrolling through listings to attending inspections, finding the perfect rental home can take up all your weekend and a lot of your week as well.

However, with the right approach, you can streamline your search and save yourself a lot of time. Add these steps to your strategy so you can secure a rental property sooner rather than later:

Define your requirements

The first step to saving time on your rental property search is to clearly define what you are looking for. Consider your needs and preferences, such as:

- Location: Decide on the areas or suburbs where you want to live. If your budget is tight, you might want to add to the number of postcodes where you're looking as prices can vary between suburbs.
- Budget: Determine your maximum budget for rent, keeping in mind additional costs such as utilities and internet and commuting.
- Property type and size: Think about the type of property that suits your lifestyle, whether it's a house, flat, or townhouse. Also, consider the number of bedrooms and bathrooms you need.
- Non-negotiables: Make a list of must-have features, such as a pet-friendly property, air conditioning or a garage.

Generally speaking, you can choose to have money, space or time. For example, if you want a spacious place in a great location that's close to transport, shops and restaurants, it will cost you more. If space is essential but your budget is limited, you might need to be a little further from the 'action'. Finally, you can live somewhere convenient and close to the city or beach by accepting a smaller place.

Once you have your criteria and non-negotiables in place, you won't waste your time looking at unsuitable properties.

Utilise online search tools

Take advantage of the various online search tools and platforms available to streamline your rental search. Websites like Domain, Realestate.com.au, and TenantApp.com.au offer listings and are updated regularly. Here's how to make the most of these tools:

- Set up alerts: Create customised search alerts based on your criteria, so you receive notifications when new properties that match your preferences are listed. This way, you don't have to constantly check for updates.
- Use filters: Make use of search filters to narrow your options. Filter by location, price range, property type, number of bedrooms, etc.
- Save favourites: Save your favourite properties to easily compare and keep track of potential rentals. This will help you stay organised and make quicker decisions.
- Register to attend an inspection so the agent already has your details

Some properties are listed privately for rent via Rent.com.au and Facebook Marketplace, but if you're not dealing with a real estate agency, check that the home is definitely for lease and you aren't dealing with a scam listing.



Inspect smart

If you are searching for a place with a partner, split up to look at places together. Agents are usually ok with you taking some photos at inspections (just ask first).

Another option is a virtual tour. If you're very keen but can't attend in person, you may be able to ask the leasing agent if they can connect with you quickly before or after via video call.

Finally, do what you can to get in ahead of Saturday morning inspections. Mid-week inspections are often less busy, so if you can rearrange your work day, this can be a good strategy.

Be prepared

Being well-prepared can help you make swift decisions and be the 'winning' applicant. Here's what to keep in mind:

- **Have your documents ready:** Prepare all necessary documentation, such as proof of income, proof of employment, rental history, references and identification in advance.
- **Know your market:** Familiarise yourself with the local rental market to understand average prices and get an idea of how quickly places are being leased
- **Get your finances in order:** Ensure you have the funds ready so you can pay the bond and the first month or fortnight's rent.
- **Have a CV for your pet:** It can take extra time to find a place to lease if you have a cat or dog so create a document to introduce your pet and include references for them if you can.
- **Be flexible on contract terms:** The landlord may appreciate you being open to signing on for a shorter or longer-term lease.

Generally, the landlord and property manager want the place leased as quickly as possible, so don't hesitate to apply as soon as you find a place that's suitable. The sooner you can sign the contract and move in, the better.

Make friends with property managers

When you attend an inspection, chat with the property manager and let them know what you're looking for. Ask if they can give you a heads-up about anything suitable that is coming up.

Once applications are submitted, the property manager will make a shortlist and the landlord/property owner will make the final decision, so be memorable (for the right reasons) and submit a quality application for review.

Looking for a place to rent? Get in touch with your local Professionals agency today.

THE BIGGEST FIRST HOME BUYER ERRORS TO AVOID

Buying your first home is an exciting and significant milestone, but it takes a lot of time, planning and preparation. With prices at record highs and intense competition from buyers, you need to be well-prepared and be mindful of the potential pitfalls so you can choose a place that will work for you now and in the future.

Being aware of the following mistakes can help you make more informed decisions, avoid costly errors and get into your new home sooner.

7 biggest first home buyer errors to avoid

Not setting a realistic budget or having pre-approval

One of the first steps in the home-buying process is getting pre-approval so you know how much you can afford.

When you work with a lender or mortgage broker to figure out your budget, take into account the amount you can borrow and the other costs associated with buying, such as stamp duty, legal fees, building inspections and the cost of moving.

Not knowing exactly how much you can spend will waste your time because you'll be looking at places outside of your price range. If you don't have pre-approval, you may also find yourself missing out on places you like because you're not ready to make an offer.

Overlooking government grants and incentives

Most state governments offer grants, incentives and schemes to assist first-time home buyers. Some buyers overlook these opportunities and miss out on financial assistance that could significantly reduce the overall cost of buying a home.

Take the time to research and understand the grants and incentives you are eligible for, as they can make a substantial difference in your home-buying journey. Your mortgage broker can be a good source of information in this regard.

Not conducting thorough property inspections

It's easy to get caught up in the excitement of finding a home that appears perfect on the surface, but hidden issues can lead to costly repairs in the future. A common mistake first-time buyers make is failing to conduct a thorough property inspection before purchasing.

A professional building inspection will outline potential structural problems, pest infestations, or other issues that may not be immediately apparent. Getting a report from a qualified property inspector can save you thousands of dollars, not to mention a lot of headaches after you've moved in.

Not considering future resale value

While your primary focus may be finding a home that suits your current needs and budget, it's also essential to consider the property's future resale value, especially if you plan to use this purchase to leap-frog to a bigger or different place in the future.



First-time buyers sometimes make the mistake of purchasing homes that may be difficult to sell in the future due to location, size or other factors. Even if you don't plan to sell in less than five years, thinking about resale value is a smart financial strategy as it can increase your equity. Look for properties in desirable locations with good growth potential to ensure your investment increases in value over time.

Letting emotions drive your decision

Buying a home is often an emotional process, especially for first-time buyers. However, letting emotions drive your decision can lead to choices you regret.

Approach the home-buying process with a level head and focus on practical considerations, such as the home's condition, location and price. Try to separate your emotions from your decision-making process and choose with your head rather than your heart.

Not considering long-term needs

Many first-time buyers make the mistake of focusing solely on their current needs, without considering how their circumstances may change in the future. It's important to think long-term when purchasing your first home.

Will the property accommodate your future lifestyle? Are there good schools nearby if you plan to have children? Is there room to expand or renovate? Considering your long-term needs will help you choose a home that suits you both now and in the years to come.

Failing to seek professional advice

Navigating the property market for the first time can be daunting, and failing to seek professional advice is a common mistake. A real estate agent, mortgage broker and conveyancer/solicitor will apply their knowledge to guide you to a successful outcome.

In many cases, your real estate agent will identify the right place for someone before they do. This is because they have many years of experience as a property 'matchmaker'.

Real estate agents based in the area where you want to buy will be one of your best sources of information. Remember, they are here to help, so take the time to have some conversations and let them know exactly what you're looking for.

Ready to start your home-buying journey? Contact your local Professionals office today.



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