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STRATEGIES OF LISTING

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OFF MARKET

AN OFF MARKET SALE IS A SALE PROCESS COMPLETED WITHOUT THE USE OF TYPICAL MARKETING STRATEGIES, SUCH AS PROFESSIONAL PHOTOGRAPHY, SIGNAGE AND DIGITAL ADVERTISING. THIS PROCESS IS ACHIEVED THROUGH AN AGENCY'S DATABASE, INVOLVING A COMBINATION OF PROPERTY E-ALERTS, PHONE CALLS AND EMAIL CORRESPONDENCE.

PROS

- CAN BE COST EFFECTIVE FOR SELLERS
- LIMITS DISRUPTIONS TO SELLERS, IN TERMS OF OPEN HOMES AND GETTING THEIR PROPERTY READY FOR MARKETING
- GOOD FOR SELLERS WITH A STRICT DEADLINE

CONS

- LIMITS EXPOSURE, AS CLIENTS ARE REQUIRED TO BE IN THE DATABASE; THERE'S A HIGH CHANCE THAT THE BUYER MAY MISS ALERTS OR COMMUNICATION
- MORE DIFFICULT TO DRUM UP THE COMPETITIVE EDGE BETWEEN BUYERS, WHICH CAN DRIVE UP THE SALE PRICE AS THERE IS LESS MARKET COMPETITION

MARKET ACTIVITY & TRENDS IN REGARDS TO AN 'OFF MARKET' STRATEGY

IN THE CURRENT REAL ESTATE MARKET, OFF MARKETS HAVE BEEN A POPULAR OPTION DUE TO THE HIGH DEMAND OF PROPERTY, INCREASED AMOUNT OF BUYERS AND SHORT SUPPLY OF STOCK. THIS METHOD CAN ALSO BE A RISK, AS IT LIMITS THE AUDIENCE OF POTENTIAL BUYERS (NOTIFICATIONS ARE BASED ON AN AGENCIES DATABASE, WHICH CAN ALSO HAVE ITS OWN CATEGORISATION).

INTERESTING FACT ABOUT 'OFF MARKET SALES'

WHILE THIS STRATEGY MAY BE GOOD IF YOU HAVE A TIME RESTRICTION, OFF MARKETS DON'T ALWAYS GET THE HIGHEST PRICE FOR THE SELLER.

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AUCTION

AN AUCTION IS A PROCESS OF BUYING AND SELLING PROPERTY, IN WHICH BUYERS BID AGAINST EACH OTHER IN A PUBLIC FORUM. THE PROSPECTIVE BUYERS BID - IF THE RESERVE PRICE IS REACHED, THE PROPERTY IS SOLD TO THE HIGHEST BIDDER. ANY BID AFTER THE FALL OF THE HAMMER IS NOT ACCEPTED.

PROS

- UNCONDITIONAL SALE ON THE DAY
- BUYERS CAN SEE WHO THEY'RE COMPETING WITH AND SELLERS CAN SEE FIRST-HAND WHAT THE MARKET IS PREPARED TO PAY FOR THEIR HOME.

CONS

- DELAYS IN GETTING FINANCE APPROVAL PRIOR TO THE AUCTION CAN DECREASE THE AMOUNT OF QUALIFIED BIDDERS
- STRICT BORDER RESTRICTIONS HAVE LIMITED THE POOL OF BIDDERS
- AS NO PRICE GUIDE IS INDICATED IN THE MARKETING, SOME BUYERS CAN BE RELUCTANT TO ENQUIRE

MARKET ACTIVITY & TRENDS IN REGARDS TO AN 'AUCTION' STRATEGY

THE CURRENT MARKET IS VERY UNPREDICTABLE IN TERMS OF AUCTIONS – SOME ARE SOLD PRIOR TO THE AUCTION, SOME UNDER THE HAMMER WITH MULTIPLE BIDDERS, AND SOME ARE PASSED (DEPENDING ON THE DEMAND FOR THAT STYLE OF PROPERTY AND OWNERS PRICE EXPECTATIONS). THE EVERCHANGING COVID-19 RESTRICTIONS, ALONG WITH THE STYLE OF HOME AND ITS DEMAND LEVELS MAKES IT HARD TO DETERMINE IF IT'S THE BEST WAY TO MARKET A PROPERTY.

INTERESTING FACT ABOUT 'AUCTIONS'

IT IS NOT MORE EXPENSIVE TO RUN A CAMPAIGN AS AN AUCTION – THE ONLY ADDITIONAL COST IS FOR THE AUCTIONEER.

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LIST PRICE

SET, GUIDE, GUIDE OVER

A 'LIST PRICE' SALE IS ONE THAT HAS BEEN AGREED UPON BY THE SELLERS. THESE ARE BASED ON MARKET RESEARCH, WHICH ARE PROVIDED BY THE AGENT WHEN SIGNING UP WITH AN AGENCY. THIS DATA IS DRAWN FROM PRICEFINDER OR CORELOGIC, AND IS COMPILED OF SUBURB SALES FROM MULTIPLE AGENCIES THAT USE A VARIETY OF MARKETING TECHNIQUES. IN SAYING THAT, SHOULD THERE BE A FINANCE CLAUSE INSERTED INTO THE CONTRACT OF SALE, THEN A BANK VALUATION WILL BE CARRIED OUT AND WILL DETERMINE THE ACTUAL PROPERTY VALUE.

PROS

- GIVES A CLEAR INDICATION OF WHAT SELLERS ARE WANTING; ESSENTIALLY FILTERING OUT UNINTERESTED PARTIES
- ALLOWS BUYERS TO HAVE CONDITIONS, SUCH AS FINANCE APPROVAL AND BUILDING & PEST INSPECTIONS, WHICH POTENTIALLY PROVIDES MORE BUYERS TO COMPETE FOR THE PROPERTY

CONS

- BUYER INTERPRETATION OF 'PRICE GUIDE' VARIES DRAMATICALLY AND CAN INVITE UNREALISTIC OFFERS, UNLESS HANDLED PROFESSIONALLY BY THE AGENT
- NOT ALL SALES WILL BE 'UNCONDITIONAL'
- IF THERE IS A SET PRICE, IT IS UNLIKELY THAT THE PROPERTY WILL SELL IN EXCESS OF THIS

MARKET ACTIVITY & TRENDS IN REGARDS TO A 'LIST PRICE' STRATEGY

MOST BUYERS INDICATE THAT THEY PREFER SOME SORT OF GUIDE WHEN RESEARCHING PROPERTY TO BUY. THE MAJORITY OF SALES IN THE LAST 12 MONTHS HAVE BEEN SOLD BY SOME FORM OF THIS METHOD AND IN MOST CASES, THE EVENTUAL SALE PRICE HAS BEEN HIGHER THAN THE ADVERTISED 'GUIDE OVER' PRICE.

INTERESTING FACT ABOUT 'LIST PRICE SALES'

ADVERTISING WITH A 'PRICE GUIDE OVER' ENCOURAGES BUYERS TO OFFER PRICES HIGHER THAN THE GUIDE, LIKE IN THE CURRENT BUOYANT MARKET. THIS STRATEGY USES THE BEST ASPECTS OF AN AUCTION STRATEGY.

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NO LIST PRICE

CONTACT AGENT, BY NEGOTIATION,
EXPRESSIONS OF INTEREST

A 'NO LIST PRICE' SALE IS SIMILAR TO THE LIST PRICE STRATEGY, IN WHICH THE AGENT AND SELLERS DISCUSS A PRICE POINT FOR THE PROPERTY BASED ON THE CURRENT MARKET. HOWEVER, THEY DO NOT DECIDE ON A SET PRICE. THIS METHOD INCREASES ENQUIRY AND INTEREST LEVELS, BUT INVOLVES A BROADER RANGE OF BUYERS; ENTAILING MORE DISCUSSION AND NEGOTIATION FROM THE AGENT.

PROS

- ENCOURAGES BUYERS TO CONTACT THE AGENT TO FIND OUT MORE INFORMATION ABOUT THE PROPERTY
- HAS THE POTENTIAL TO OBTAIN A HIGHER PRICE FOR THE SELLER, AS THE OWNER DOES NOT HAVE TO DECLARE THEIR POSITION.

CONS

- CAN DRAW IN PEOPLE WITH UNREALISTIC VIEWS ON MARKET PRICING AND TEND TO MAKE LOW-BALL OFFERS
- LIKE AUCTION, THE ABSENCE OF A PRICE GUIDE CAN PUT SOME BUYERS OFF FROM ENQUIRING

INTERESTING FACT ABOUT 'NO LIST PRICE'

70% OF BUYERS SCROLL PAST A LISTING THAT DOESN'T HAVE A PRICE.

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