

04  COVER STORY

Putting the buyers on

WHAT THEY SAY

If someone is bidding at auction, what is the best strategy to use?

David Morrell: You need to control the auctioneer, not have the auctioneer telling you what to do. You need to be decisive, have presence and know your rights. Some auctioneers are bullies and, therefore, it is prudent to either be aggressive or to hold back, depending on how the auction unfolds.

Sam Spernat: Bid strongly and confidently, and don't show your hand too early. There is no point in lowering your bids as you get closer to your limit, because everyone will realise you are getting close to your limit.

Ian James: Auction bidding is an art form. Every person that attends an auction planning to bid usually comes with a number. And then they will bid over it and extend themselves if they



Be decisive: David Morrell.

think they can win. There is almost nothing you can do to stop someone bidding to their limit.

You can, however, make them think they can't win when they have reached

their limit. The only thing a professional can try to do is control the tempo of the auction.

When buying a property in a private sale, how can buyers be sure the agent is telling the truth when he says other parties are offering more?

Morrell: Simply, you can't. Ask if the other parties' offer is in writing and if not, why not. Try to make the process more transparent and if you are totally unsure, don't be afraid to knock on the owner's door.

Spernat: Agents are notorious for lying about having other buyers interested. If you feel you are being lied to, then I wouldn't submit an offer. Put some pressure on the agent about the offer and see how they react.

James: If you have analysed the property accurately, you are in a far better position to work out truth from fiction. When the agent tells you he has an offer well above what the property seems to be worth, stall. If he genuinely has another offer, he won't give you too much time before he "slams the gate".

What advice would you give to a first-home buyer?

James: Do not over-stretch your budget. Try to accept something a little less than perfect in a good location and get into the market.

Morrell: Don't buy the first house you look at and understand your first purchase is not forever.

Spernat: Treat your first home like an investment. It's more important to buy

a property that will help you achieve your long-term goals than a property that suits your lifestyle at the moment.

What advice would you give a first-time investor?

Morrell: Patience is key and knowledge is king. Do the required due diligence before buying an investment property.

Spernat: It's important to remember that as an investor, there's no need to envisage yourself living at the property and always try to remove any emotion.

Jan Wier: Identify your budget. It is amazing how many people overlook or underestimate the additional costs of a property purchase. Make sure you keep a source of "safety funds" aside, because you need to budget for times of no rent, reduced income, interest-rate rises and maintenance.