

Auctioneer goes against grain to reap sales

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While most principals and vendors alike are reluctant to go to auction in Perth, veteran auctioneer Tom Esze is cleaning up.

"In the 2011 calendar year, the success [clearance] rate was nearly 91 per cent for [my] auctions, if you take into account selling before auction, under the hammer or 15 days post the auction day," the licensed independent consultant auctioneer and trainer told *Real Estate Business*.

Having conducted almost 2,500 auction calls, including 228 in 2011, Mr Esze has been actively promoting the "gospel of the auction" for 25 years.

But the former senior-vice president of Real Estate Institute of WA (REIWA) said it may take a few years more, and changes to relevant state legislation, before auctions become more attractive.

"I would suggest it may need a generational change before you see 40-50 per cent of property being auctioned, or perhaps a 'cooling-off' period being introduced," he told *Real Estate Business*.

But Mr Esze agreed that auctions are increasing in popularity. "Over the last two years agents have been changing their habits and exploring marketing options," he said.

"As a result, auctions by most part have probably doubled since the previous period."

So far this year Perth has averaged around 20 to 30 auctions per week, according to data supplied by Mr Esze and based on statistics from RP Data and realestate.com.au. Clearance rates have hovered around the 30 to 40 per cent mark for most weeks.

He said more training was needed.

"If you continue to do what you've always done, you'll continue to get what you've always got," he continued.

"The auction component is tiny [of Perth sales], it's all centred around private treaty. That's why the agent doesn't consider it. I've had agents with 10 to 15 years' experience and they've never done an auction, and they come to me for help."

As a member of the Auction Committee for REIWA, Mr Esze is pushing for a change in the education of real estate agents. He firmly believes the auction market has room to grow, as it benefits both buyer and seller.

"Buyers who are unsuccessful in purchasing a private treaty property are often bitter and would have preferred a more transparent negotiation process.

"If the property has been marketed in the correct manner that an auction listing should be marketed, you can be guaranteed of absolute market value or, in many cases, much better."

All properties can be sold by auction, he continued.

"Private treaty takes twice as long to sell than the auction method of sale... All you need to ask is 'how many open inspections do you want Mr and Mrs Seller? Twelve to twenty? Or five to six?'"

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