

INSIDE RUNNING

To avoid being gazumped, set your own limits

AT AUCTION, once the auctioneer calls "Sold!", there can be no further offers, however in private treaty sales, a buyer can be gazumped after making an offer. Buyers' agent Karin Mackay, of Australian Property Buyers, says gazumping happens on a regular basis but she has a strategy for avoiding it.

"I put a time limit on private offers," she explains. "I say, 'Here's my best offer — you have X amount of time to give me a result.' The agents may say, 'We'll find out if that's acceptable' but we say, 'No — you've got until 5.30 tonight or 9am tomorrow.'

"We recently had a situation where there were three buyers keen on a property. Our client really wanted it and we made an offer at 2pm. The agent came back at 5.45pm and said, 'You have the best offer but the vendor wants \$150,000 more.' I said, 'No, we're not prepared to do that.' Then they wanted another 48 hours. We said, 'No. Take it or leave it' and gave them a few hours to decide."

Once gazumped, a buyer can become embroiled in a blind auction, Ms Mackay says.

"You don't know if the higher offer is real — or even if there's another bidder. A boardroom auction is a better alternative. The buyer, vendor and competition are in different offices and the agent goes to and fro between them. At least you know there are competitors and that the vendor will sign off there and then. Certain agents don't like to do it but if you want me to make an offer, we do it this way or not at all.

"Buyers should always go in with an offer in writing, a deposit and a time limit. Ninety-five per cent of the time, this strategy works."

MARY COSTELLO