



## **"Short Sale" (Faster than average time-on-market sale)**

Strategy 1 - Tender

Strategy 2 - Re-Fresh at 39 Days

### **Tender**

Sales Agent's Frequently Asked Questions & Their Answers

#### **What is a tender?**

A tender is a marketing program without price. It has a definite closing date (the term "closed tender" means that all offers are considered on the one time and date, that is no offers are opened or considered prior.

Buyers complete a full contract of sale (and any other necessary documentation) and pay a full deposit. It is normal that you would also have them complete a 'multiple offer' document that indicates they know that they are likely to be in a multiple offer situation, that they have submitted their best offer and they realise they probably not have an opportunity to make another (higher) offer.

#### **Where do the completed tenders go?**

A tender box (locked Perspex box) is held in your office. The tender documents are placed in sealed envelopes into the box and are opened either by the vendors or in front of the vendors (or their solicitor).

#### **Do I give buyers a price guide?**

No. As in an auction, a price guide can be dangerous as there is a potential to be unintentionally misleading.

There are 2 solutions. You can offer a list of recent sales in the area or suggest a valuation.

#### **Won't I be able to give purchasers some feedback what other buyers are thinking about price?**

No, definitely not!

It is highly unlikely you will know what a purchaser intends to offer. A lot is to be gained from letter purchasers know that you do not want to know. You will not even know when the tenders come in as it is usual that you assist the purchaser with everything on the contract other than the price and deposit.

#### **Why not look at tenders as they come in?**

Two reasons; firstly, buyers suspect you might play favourites. When they know that you don't want to know they have much more confidence in the process.

The second reason is that buyers need time to get emotionally involved, then do their preparation. Allowing everyone the time up until closing gives buyers the confidence to go ahead and do this without the fear of missing out while 'doing their homework'.

### **How do I educate my seller's then?**

You can educate sellers by obtaining feedback from buyers who have visited the property but are not interested in purchasing it. We suggest you hand them a letter (sample later) that will encourage them to give you the feedback you need.

How do I ensure that I have done everything reasonably and responsibly to get my seller the best possible price?

1. Ensure the marketing for the property is attractive to the likely purchaser
2. Let the prospects know at the open home that the sellers are very keen to sell on the day
3. Don't talk price, talk about a definite sale
4. Before the buyers put their tender in the box, have them sign a multiple offer form
5. Before the tender goes into the box sit down one more time with the buyers and ask

"How would you feel if you missed out on the property for the sake of \$5000?"

### **What is the best time and day to close a tender?**

The best day is Thursday with a closing time of 4.00pm. This allows a full business day in case further negotiation is necessary and legal advice is needed by buyer or seller.

### **How long should the marketing program be?**

Three weeks is ideal. There is a small amount of flexibility here but the usual minimum is two weekends of open homes.

### **How many open homes do you suggest?**

At least one weekend, and one mid-week for the duration of the campaign.

### **What should I do if it is closing day and there are no tenders in the box?**

Bad news should not come as a surprise to your sellers. If it is tender closing day and there are no offers, call the seller early in the day to say so.

### **What if there are no tenders at closing?**

Given that you should be encouraging anyone interested in the property to at least 'give it a shot', this is unlikely to be the case. But of course, it is not impossible. In this situation, the planned meeting with the sellers (at tender closing time) should go ahead. At this meeting you would plan in detail the next phase of the marketing including the pricing strategy now. When and where are the offers opened?

You do have some flexibility here, but the ideal place is your office with all the sellers present. In some circumstances, you may also have back-up there of your own, such as your broker. It may be a little 'theatrical' but it is a great idea to hand the key to the seller to open their tender box.

### **How likely is it that we get multiple offers?**

Very likely; that is providing you have not made any major mistakes in the handling of the property.

### **So why should I do tenders?**

The key benefits to you include:

- Obtaining VPA for a marketing program
- Eliminates price
- Adds a credible urgency to the process, which encourages buyers to take action
- Highly likely to get an excellent result in a condensed time frame

## **Re-fresh Your Listings at Day 39**

Refresh:

- Re-consider your target market - Who is the buyer for this home? Who wants what this home has? What will this home do for them?
- All photographs and copy on internet advertising
- Pricing strategy

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