



17 January 2008

THE CHICKENS COME HOME TO ROOST

“The chickens always come home to roost” - anonymous

G'day there

For starters let me say that this is not a negative, “all is gloom” newsletter for obviously the financial situation, as I wrote last year, is now coming like Costello’s tsunami and whether that is good or bad news very much depends on each person financial situation. If you have taken up a 100% plus “low doc” loan, I’d imagine your nights would indeed be sleepless.

If, however, you were “cashed up” and looking, undoubtedly there will be great pickings in many areas. As this Newsletter goes to over 1000 overseas agents in New Zealand (32% drop in home sales in 2007), the USA (oops), South Africa and the UK, I am sure much of what I am writing will be equally applicable in their markets as well.

As I have written previously, the bottom line question for us, as agents/realtors/brokers, is “what business am I in?” and 2008 will be a year when your answer will probably be reflected in your sales figures.

It seems to me there are two camps, one who think it is about getting their vendors what they want and the other, getting the best market price going and letting the vendor decide whether to take it or not.

I know from those attending our *From Signup to Sale* course, it is a question that sometimes raises some passion.

Putting my cards on the table, I am included in the latter category for I am very much a marketer not a valuer. Having spent 44 years auctioneering all manner of goods from real estate to pedigree and commercial livestock, industrial and farming machinery and general chattels, I guess the philosophy is well and truly ingrained.

If it is the former, in any or most areas I reckon you’re in for a hard and long year.

If, however, you are in the latter, and that is realm of the auction operator, you may well have your best year ever.

Why is this so?

It is because successful auctions are built on one word and that is trust. Sure, private treaty selling also requires trust but where the important difference comes along is just how that trust is made.

Trust is gained simply through a combination of service and honesty. End of story.

The best way to deliver both those factors is through a properly (note I wrote "properly") conducted auction.

That is not one where you sign up the vendor, create some ads in the press and "on the Net" and then await buyers and a result.

It is one where the basics of auction activity are undertaken consistently and well. They include:-

- writing weekly report letters with facts, not darn waffle or gratuitous FIGJAM comments.
- Having daily phone contact with your vendor (yes, I agree that is not always possible but it is in the majority of cases)
- conducting marketing activities such as "brickwalling" (Maxine McKew a great example), working your database properly, utilising the internet properly etc
- being aggressive with your advertising and not write ads that please the vendor but don't "push any buttons" in buyers
- treat your buyers like gold, not a waste of space

2008 can and will be for many their best year ever in selling real estate. The funny thing is that they are probably the people who will also build the strongest long term businesses.

As my late Dad often commented "the only difference between coal and a diamond is pressure".

See you at the course.

Carpe diem

Tony

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