

# It's a reality check

## Lifting auctions secrecy

AIDAN DEVINE

PROPERTY buyers duped into attending seemingly affordable auctions, only to discover the property is beyond their budget, could see a change in auction practices if the sale of a Sydney home sets a precedent.

The seller of a two-bedroom house in Bexley has taken a stand against "underquoting", a fairly established but illegal practice that has frustrated auction-goers for decades.

Tired of agents misleading people by marketing properties well below the price vendors are willing to accept, Christian Brantes has published the reserve price of his investment property before its July 19 auction.

Real estate agents are obliged by law not to set price guides for property considerably lower than the reserve, but underquoting is hard to prove and many believe it has become common.

"I know what it's like going to

an auction and realising you've wasted your time because you find out you can't even afford the reserve," said Mr Brantes. "I wanted to help stop that, so I'm laying all my cards on the table."

Mr Brantes hopes publishing his \$570,000 reserve will encourage more people to attend his auction because they know exactly what to expect.

"People know what I want. Let them bid what they're willing to pay," he said. "It may be a risk, but I figure the only way to change the old way is by trying something different."

LJ Hooker's Adrian Abrook, who is handling the sale, said neither he nor his colleagues had seen this before in Sydney.

"I don't have to give a ballpark figure any more; I just tell them the reserve. The feedback has been very positive," he said.

Buyer's agent Patrick Bright is planning to petition the NSW government, requesting the law require reserve prices to be published a week before auction.

SOPHIE ELSWORTH

THE war for your mortgage is intensifying, with a major lender dropping its advertised variable home-loan rate to just 4.65 per cent.

Suncorp Bank will today drop several of its home loan rates to their lowest levels in years — well below rates offered publicly by the big four banks.

Figures by comparison site RateCity shows the lowest advertised rates by the big four banks on variable rate home loans range between 5.18 per cent and 5.33 per cent, although many will discount these rates in private negotiations with customers or brokers.

RateCity CEO Alex Parsons expects variable rates to fall even further.

"In the absence of the cash rate moving and also coming into the winter cycle of the housing market I think we are going to see banks pushing the edges and becoming even more competitive in the next few months," he said.

The RBA cash rate is on hold at 2.5 per cent.



Christian and Silbhan Brantes, with their 10-month-old son Hunter, outside their Bexley property. Picture: Carmela Roche