

The benefits of selling off-market

The proportion of 'private' or 'off-market' property transactions in London's prime residential sector has never been higher. At £5m we see at least 80% of transactions off-market, increasing to close to 100% at £10m+. It's critical for vendors to understand the pros and cons of this approach. Middleton's Head of London Sales, James Moran, answers the key questions.

What is meant by 'private' and 'off-market' sales?

- By 'private', we mean a private vendor is selling directly to a private buyer without an advisor or estate agent involved.
- By 'off-market' we mean that, while at least one intermediary is involved, the listing is not in the public domain.

What are the benefits of selling off-market?

It's where the best buyers are.

The instinctive desire to create competition around a sale, and to satisfy oneself that the sale price is maximised by market forces may feel counter-intuitive to an off-market listing. While placing your property for sale with one or more agents and listing it on web portals means no-one is excluded from the competition to buy it, this is not necessarily desirable. It is qualified, genuine buyers who create real competition, and these buyers tend to be 'represented' - i.e. they have retained the services of an intermediary such as a property advisor or buying agent.



Our own data and experience suggests that the percentage of buyers who are represented increases in line with their budget. Hence by engaging with a relatively small number of intermediaries (approximately 250 individuals covering Prime Central London), we can reach the vast majority of represented buyers who are active, qualified and looking to buy off-market.

Privacy, discretion, security.

Privacy and discretion are self-evident benefits of an off-market sale. But it's also important to consider the security issues that can arise from creating a floor plan, a brochure, and a comprehensive description of your home, publicly available. Off-market, you also have complete control and disclosure around the people who view your property. And if they are introduced to you by an agent or advisor, it's likely that they will have dealt with that client before, or will have come to them via trusted contacts. This means that, when a viewing is arranged, they'll be in a position to brief you as to where this prospective buyer sits on their journey. You, in turn, will be able to map that against your own timing and objectives.

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Controlling the narrative.

When selling off-market, you also have considerably more control of the narrative around your property's history. Properties that are listed on the open market are an open book – prospective buyers know how long it has been on the market, and if there has been a price change. These are important bargaining chips in price negotiations, over which you lose control when your property has a digital footprint and date stamp out there.

How do you accurately value a property for an off-market sale?

To an extent, a property valuation is a question of data. Everyone has access to comparative prices and £ per sq ft data. However, fine-tuning that valuation, identifying means to maximise the perceived value, and bringing qualified buyers to the table, are all much finer arts, predicated on years of experience and professional expertise. Launch pricing will always be part valuation, part strategy. For an off-market transaction, strategy plays just as important a part in the thinking as the valuation.

Would you ever advise selling on the open market?

We would never argue entirely against this. There are certainly sectors, price brackets and property types that can benefit from being on the open market.

Price and timing are almost invariably going to be your priorities, as a seller. If, for whatever reason, speed of sale overrides considerations of maximising price, then it may well be to your benefit to take an open-market approach. It's worth remembering, though, that one serious, qualified, ready-to-go buyer is much more likely to effect a quick, efficient sale, than multiple, unknown quantities.

James Moran has 20+ years of experience selling prime property – both on-market, off-market and privately, primarily in Westminster and RBKC.

