

## Buying at Auction

Here are some frequently asked questions and tips to remember when purchasing at auction.

When purchasing real estate at auction, make sure that you have:

**Inspected the property:** Have done all of the searches – title search, survey plan, and body corporate disclosure details are three examples which the selling agent will have.

If you wish to undertake a building and pest inspection, organise this prior to the auction day

**Arrange your finance:** Have your deposit ready – you may enquire about a fixed deposit amount so that this can be approved by the property seller (Vendor);

**Research the market:** What similar properties have sold and what else is for sale that is comparable;

**Understand the contract of sale:** Seek legal advice on this if required. Bear in mind that contracts of sale are straightforward legal documents which have the property being sold on an “as is, where is” basis. This is why we recommend completing the searches and “doing your homework” prior to the auction.

### **Don't overcomplicate it**

Bidding and buying at auction is easy – set your limit and bid confidently towards buying the property. If you feel the property may have spirited competition on auction day, don't be afraid to break the pattern and bid a higher amount early to eliminate the competition and remember – don't lose your “dream home” by a relatively small amount. Build in some flexibility.

### **Bid confidently**

Too often prospective buyers will take a “wait and see” approach. In our experience, the confident bidder is most often the eventual purchaser, as this displays to the other bidders that you are there to buy, and will not be outbid.

### **How to Register**

Very simply, bring ID (Drivers Licence, passport etc). This information will not be disclosed, and is the only way a person can register to bid at auction. You cannot bid at auction unless you are registered.

### **Does registering force me to bid?**

No. However, it will allow you to bid if you feel that the property is within your price range.

### **What if I can't attend the auction?**

You can have somebody else bid on your behalf, or you can bid by telephone or online bidding (in some instances). Bidding authorities showing identification need to be signed prior to the auction to allow this to happen. Alternatively, you may have a power of attorney act on your behalf.

### **What is a Vendor bid?**

The auctioneer is allowed to take bid/s on behalf of the seller. If used, this will be clearly identified as a “vendor bid” or “bid on behalf of the seller” by the auctioneer during the auction call. It is used as a “counter offer” if required.

### **What is the reserve price?**

The reserve price is given to the auctioneer by the property seller (Vendor) instructing what they will sell for. This can be altered during the auction if required. The reserve price is not disclosed, unless the Vendor authorises the auctioneer / selling agent to do so if the property is being negotiated during the auction (pause).

### **Can you meet me at the reserve?**

If you are a bidder, you may be asked if you able to “meet the reserve” at the auction (usually during a pause). If you can, and are within your price range, this will give you best chance to buy the property there and then. Remember – don't overcomplicate it! If you want the property, buy the property.