



# Buyers Auction guide

# The benefits of buying at Auction?

## No secret negotiations

At Auction, it is clear who your competitors are and, because offers are made publicly, you always know the state of play.

## Time to form a plan of action

Auction days are set almost a month in advance which will give potential buyers plenty of time to attend home opens, arrange finance even sell an existing home.

## You wont miss your chance

Unless a property for auction is advertised as being available for prior agreement, you can be confident that it will sell on auction day and not before. Auction ensures you get the opportunity to buy. If you have indicated your genuine interest in a property that is 'for sale prior' your consultant will ensure the vendor knows of your interest.

## Essential Preparation

### Finance

It is vital you arrange any necessary finance before the auction day as sales by auction are always unconditional. Once you have decided to bid on a property, ask your financial institution to process your application so you have an indication of the amount of money they are prepared to lend you.

### Price research

The reserve price of the property will not be disclosed to you, To establish an idea of market value, you should discover the selling prices of any similar properties sold recently in the area. The real estate company running the auction will be able to help you in this respect.

## Check the legalities

Familiarise yourself with the terms and particulars of the Contract of Sale. Make sure you understand exactly what will go with the property when it is sold—all fittings, furniture and other items to be included should be clearly listed in the Contract of Sale. Also check the Terms of Sale, such as the deposit and balance of payment details. At an auction, the Contract of Sale is unconditional, so if you're the successful bidder you must complete the sale or lose your deposit.

## What to Expect on Auction Day

### Before

By now you should have inspected the property enough to be satisfied that it meets your needs. You will also have an indication of finance available to you through your bank or financial institution.

Check the scheduled time and place for the auction and plan to arrive early so you will have time to raise any queries with the auctioneer.

### During

The auction will begin with the auctioneer reading the details of the property as written in the Contract of Sale.

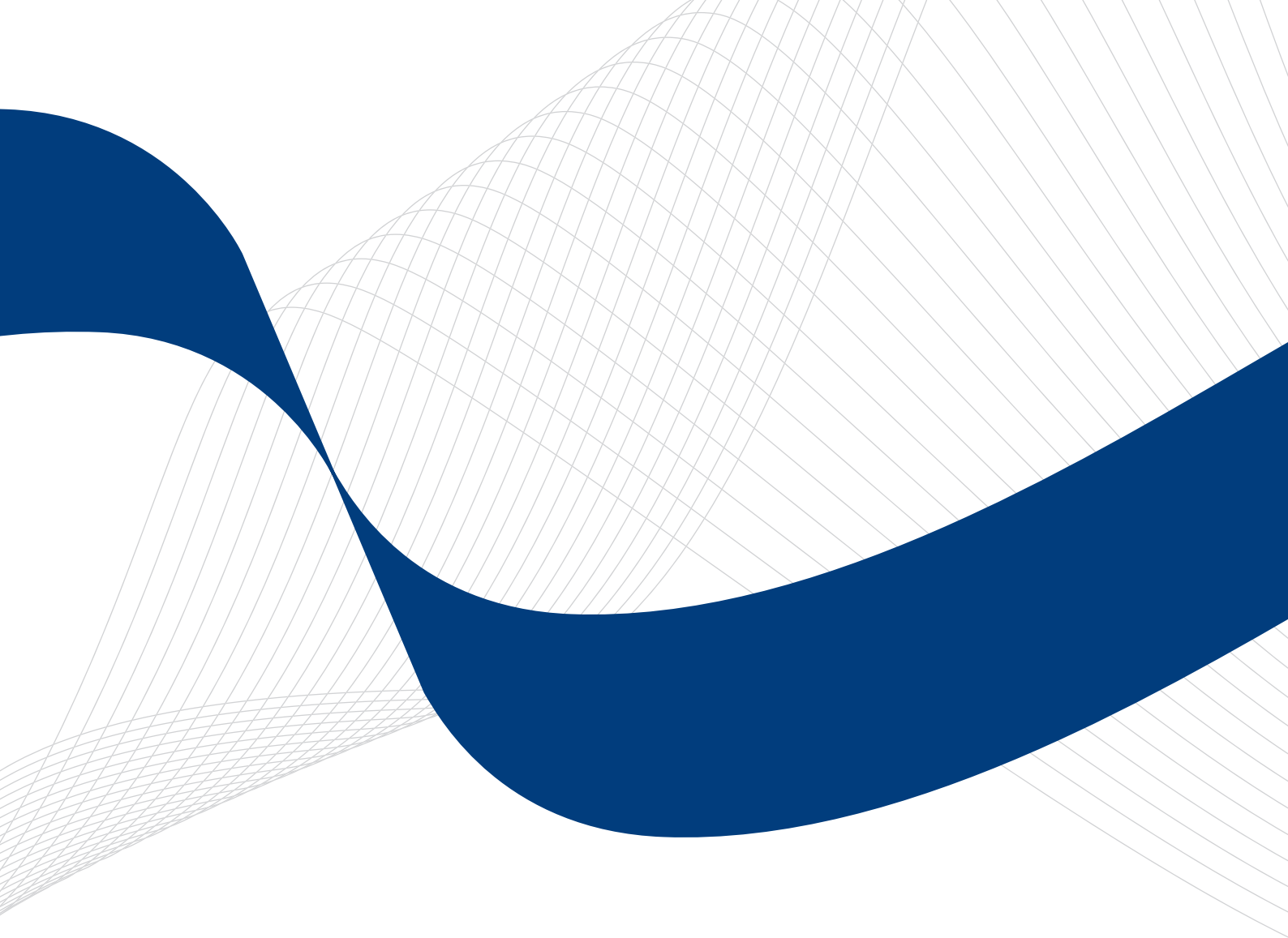
The auctioneer will then ask for bids. To bid you have to attract the auctioneer's attention by putting up your hand, calling out your bid, nodding your head or making any other gesture that signifies a bid.

As the auction progresses, the auctioneer will usually ask for smaller bids, be alert during this time as your next bid may secure the property

Once bidding reaches the reserve price, the auctioneer will announce that it is on the market. The property will be sold to the final bidder.

After the property is sold, or 'knocked down', to you as the successful bidder, you will be required to sign the Contract of Sale immediately and pay a deposit (usually 10% of the selling price). The Contract of Sale must also be signed by the vendor or auctioneer on behalf of the vendor.

If bidding does not reach the reserve price, the auctioneer will usually confer with the vendor and obtain further instructions. In some situations, the reserve price will be revised and the bidding will begin again. Otherwise the highest bidder will have the first option to purchase at the reserve price. If the highest bidder decides not to purchase, the property is back on the market and any interested parties may negotiate with the property consultant concerned.



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