



AUCTION ADVICE FOR BUYERS

Some buyers feel uncomfortable bidding at Auction so here are some helpful hints.

REGISTERING YOUR INTEREST

After inspecting a property you are interested in buying, it is important to tell the agent of your interest. This ensures you will be advised if an offer is made by another party prior to the Auction day.

PREPARING FOR AUCTION DAY

Before you decide to bid on a property you should inspect the sales contract as well as the house. The agent will explain any special conditions involved with the sale and advise you on the terms of sale. You should also have your finance organised or have an agent appraise your present property for a likely sale price.

Some people prefer to have someone bid on their behalf but you must give them a letter of authority to do this before the Auction.

You will also need to arrange a cheque for the Auction day as a deposit. Personal or bank cheques are usually acceptable. Remember an Auction contract is a legally binding document and usually requires a 10% deposit paid on the sale from the successful bidder.

SETTING YOUR LIMIT

Think carefully about the property and compare it with other properties recently sold in the area. Then decide upon the highest figure you would be prepared to pay to buy the property. Remember, once a property goes under the hammer it is sold, you do not have a second chance to acquire it.

BIDDING WITH CONFIDENCE

Buyers often feel hesitant in offering their bids when an Auction begins. The best policy is to offer your bids clearly and confidently as this announces your intention to buy the property and ensures you are considered in the final negotiations should the reserve not be reached. When the reserve is reached the Auctioneer may confirm with the seller that the property is on the market and will be sold to the highest bidder.

The highest or successful bidder will be clearly identified by the Auctioneer.

THE "PASSED IN" AUCTION

This means the bidders have not reached the reserve. The agent will confer with the seller and agree on an asking price for the property. Then the highest bidder will have the first right to negotiate the sale price for the property. Most passed in properties are sold immediately after the Auction. Should negotiations fail to reach agreement, other interested parties will be invited to make offers. Therefore it is most advantageous to be the highest bidder if the property is passed in at Auction.

Please contact our Auctioneer for more information about the Auction process or any other real estate matter.