

PREPARING FOR AUCTION

So you've found a property you like and it's up for auction, where do you start?

- First and foremost, you must have your finances organised by the auction date so you're ready to sign the contract if your bid is successful.
- Organise a property inspection. If you have doubts, arrange for a builder, plumber, electrician any other tradesperson to accompany you.
- Talk to your Harcourts Packham sales consultant about the local market to try and assess the market value of the property. Consider getting an independent valuation.
- Familiarise yourself with all the auction documents. Make sure you understand all the details and conditions of sale (the deposit, possession date, balance of payment, list of chattels, etc). You don't want any unexpected surprised to con auction day.
- Have your solicitor inspect the title of the property and investigate all legal matters related to the purchase.
- Consider visiting a couple of other auctions before yours so you're familiar with the process.

PRE-AUCTION OFFERS

- Properties can be sold prior to auction day. You or another prospective buyer can opt to make a pre-auction offer to the vendor.
- If you have registered your interest in a property with the sales consultant and someone else makes an offer on it before the auction, you'll be contacted given the opportunity of submitting your own offer.
- Be aware too that if there is a pre-auction offer the vendor may opt to move the auction date forward.

BENEFITS TO BUYING AT AUCTION.

- You know exactly who your competition is on the day
- All buyers are given fair opportunity to buy
- Negotiations are open for all to see
- You know you are dealing with sellers who want to sell on the day
- At the fall of the hammer, the auction is final, and your successful bid means the property is yours with no further negotiations, and the contract is signed then and there.



ON AUCTION DAY

- It's your last opportunity to ask questions before the bidding begins
- The auctioneer will begin by reading the terms and conditions, then talk generally about the property
- Most auctions are held 'subject to a reserve price' – the price below which a property may not be sold. When this level has been reached, the auctioneer will then announce that the property is for sale.
- Making a bid simply involves making any gesture to attract the attention of the auctioneer. Be aware that any bid you do make over the reserve price could be the one that buys the property.
- 'Passed in' is the term used when a property fails to reach the reserve price and negotiations between the highest bidder and the vendor do not result in a sale.
- After being passed in, the property will now be open to the market, and everyone will have equal opportunity to submit their offer.
- If you're successful on the day, you'll be asked to sign the sales agreement and pay a deposit. This is normally 10% of the purchase price.

THE AUCTION PROCESS MAY SEEM DAUNTING, BUT IT HAS MANY ADVANTAGES:

- The true market value of the property will become clear
- You know exactly who your competition is on the day
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