Morris
LEGAL GROUP

Auction Day

How to survive Auction Day

Auctions can be exhilarating or stressful.

However you feel about them, so many properties go to auction that you'll likely find yourself with a paddle in your hand at some point.

Arm yourself with this Guide to Auction Day, and you'll be walking away with the home of your dreams (or at least the first bidder's chocolate box!)

If you like this, we like you.

We believe in sharing knowledge, experience and ambitions so that together we can build something bigger than ourselves and better than what came before.

If you need help at any point throughout the process, just reach out to us. We're thrilled to be on the journey with you and are only too happy to help.

Sound good? Let's chat.

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Before the day

- **Get in some Auction Practice.** Go to other auctions to get a feel for how the auction process will work, and especially how it makes you feel.
- **Check your finance:**
  - Ask the Agent for a price guide on the property so that you can assess whether it's likely to be within budget
  - Speak to your mortgage broker to confirm your bidding limit and when your lender could settle if you're successful.
- **Inspect the property.** If you are successful at the auction you will be purchasing the property as is on auction day. Ask the Agent to assist you with a private viewing so that you can be sure that:
  - all appliances work
  - plumbing is in working order and draining well
  - the items/goods you inspect at the property are included in the Contract
- **Speak to the Agent about paying the Deposit.** Different Agents will accept or facilitate deposit payment with different methods, including:
  - bank cheque
  - personal/business cheque
  - cash
  - BPay
  - DEFT payment
  - EFT or direct deposit
- **Organise your Deposit.** You will need to pay this at the auction if you are the successful bidder.
- **Appoint your bidder.** If you want to bid but cannot be physically present on auction day, speak with the Agent to see if they can bid on your behalf, ask a friend or engage a professional buyer's Agent.
- **Talk to us** about your situation so that we can negotiate special terms for you if you need them, such as:
  - inclusions for the Contract or repairs to the property
  - a longer settlement period than is in the Contract
  - a 5% deposit arrangement or other deposit payment terms
  - appointing a bidder or arranging a Power of Attorney to have someone bid on your behalf

Pre-Auction Offers

- **Get in early.** While some say it's inadvisable to make pre-auction offers, Sellers will often consider them and sometimes a property will be so popular that the Agent will call for offers and attempt to sell the property before auction.
- **Be ready to go unconditional.** Ensure your finance is in order and that you're happy with the condition of the property before submitting an offer.
- **Make a strong offer.** Use our handy ***Offer Form*** to make sure you have provided all the important terms and conditions, including any of your special requirements.

> ! Sometimes the Agent will require you to make an offer by delivering a fully signed Contract, a Section 17 Certificate and your Deposit before a due date.

- **Get accepted!** If the offer is accepted the Agent will proceed with exchange and you will need to pay the Deposit if you haven't already. The process from there is set out in our ***Guide to Buying an Established Property***.
- **Waive your cooling off.** You will need to have us provide a Section 17 Certificate to waive your cooling off period. This means that the Contract, once exchanged, is unconditional and you must complete. (See our ***Cooling Off Fact Sheet***).

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Attention! Auctions are not price-guessing competitions

If you are the successful bidder:

- You must enter into the Contract to buy the property; and
- You must complete the purchase.

When you buy at auction you will be unable to obtain unconditional finance approval beforehand, so it is important to speak with your broker to know your bidding limit on the day.

The Contract will not be subject to finance.

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On Auction Day!

- **Dress for the weather.** Many auctions are held outdoors.
- **Bring your ID.** The Agent will verify your identity when you register to bid.
- **Register to bid.** You cannot bid at an auction unless you've let the Agent know that you want to do so.
- **Start the bidding!** The Agent will guide you through the event, and the auctioneer will accept bids from registered bidders.
- **Hands in the air.** If you want to buy it, you have to bid for it, but remember your limit.
- **It's OK to walk away.** Remember, if the price goes above your limit, as long as the bid is not with you, you can walk away. Sometimes you have to let a beautiful house go.

Going once? Going twice... Sold!

- **Highest bidder.** If you are successful at auction, you will be asked to exchange the Contract on the spot.
- **Time to sign.** The Agent will ask you to sign the Contract and pay the Deposit.
- **Celebrate!** Congratulations, you have now exchanged unconditionally on your dream home.

Let the fun begin!

- **Spread the news!** After the auction, let us know you have been successful.
- **Connect your team.** We will liaise with your broker/bank to ensure unconditional finance approval is in place as soon as possible so you are ready to settle on time.
- **Plan the fun stuff.** Leave the rest to us while you plan your move and the housewarming party. A full to-do list is available on our ***Guide to Buying Property at Auction***.

Glossary of Auction Terms

Auction Conditions: These are the special conditions of a Contract at auction, that determine the powers of the auctioneer to receive or reject bids and sell the property, and the obligations of bidders and buyers.

Unconditional Contract: Contracts entered into under auction conditions are unconditional and the Buyer doesn't have a right to cool off. Buyers must complete the purchase.

Vendor Bid: Sometimes, Sellers will authorise the auctioneer to make a bid on their behalf, to send a signal to registered bidders or to assist bidding.

Reserve: The price above which the Seller will certainly sell the property. The Seller doesn't have to sell the property under auction conditions below the reserve. You may hear the auctioneer say, "this property is now on the market!" which signals that the reserve has been passed.

Passed in: If the bidding ends before it passes the Seller's reserve price, the property will not sell at the auction and is "passed in". Usually, the highest bidder has the right to negotiate with the Seller exclusively on auction day to purchase the property, but any sale that day is under auction conditions.

Underbidder: A person who is the second-highest bidder.

Fall of the hammer: The point at which the property is sold, when the auctioneer declares the success of the highest bidder and ends the auction (usually by banging their auctioneer's gavel). The Contract is actually formed at the fall of the hammer, despite that the successful bidder signs the paperwork afterwards.