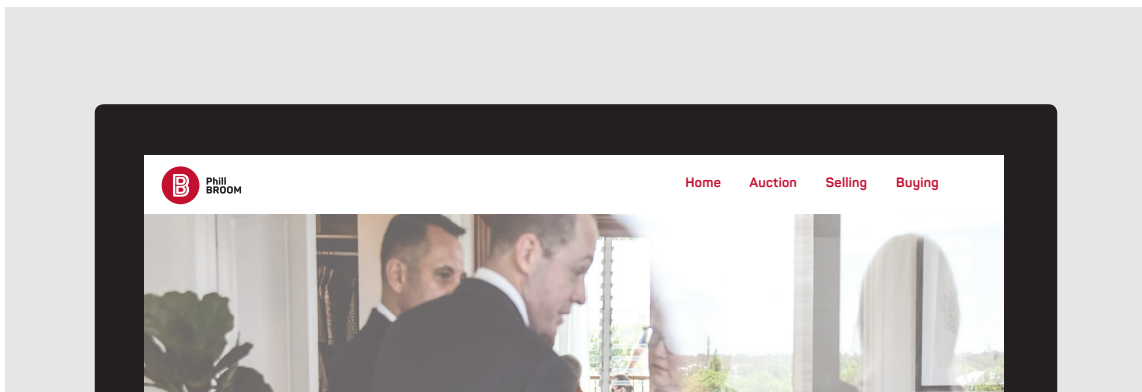




Your guide  
to buying  
a home at  
Auction.

# Why bid at auction?



## It's the right home for you.

Ultimately, your ability and your want to bid at auction comes down to how comfortable you are with the auction process and how confident you are that the home is right for you and your family.

Despite some misconceptions that an auction will be a high-pressure, fast-paced environment, there are a number of reasons why bidding/buying at an auction is the best way to buy real estate.

## Transparency.

As opposed to a private treaty closed-doors negotiation process where you don't know where other buyers have made offers or on what terms, at an auction you know exactly where the last bid was at - who made it and for how much.

## Serious and motivated sellers.

It goes without saying that you have to be serious about selling if you take your home to auction. It's a genuine investment in both money and time that sellers who are just wanting to "test-the-market" for a price avoid.



### **Your choice.**

How much you choose to bid, how often you bid and whether or not you actually bid is entirely up to you. The auctioneer may make suggestions, but it is up to you to agree or propose a different bid increment.

### **No limit on how many chances.**

Up until the third and final call, you can bid as often and as much as you want. There's no limit to how many times you can change your mind and take another chance at getting the home of your dreams.

### **Rewards preparation.**

Nothing can compare to that moment when you decide to make an offer on a home that you like only to find out that someone beat you to it. A mixture of disappointment and frustration that is only exacerbated when you learn that the offer that "pipped" you is conditional on finance and that they were able to inspect it before it genuinely appeared on the market. To bid at an auction, on an unconditional basis, you need to first be prepared and every bidder is given equal and fair opportunity to bid and to buy.

### **Taking action.**

With the comfort of understanding how the auction process works in addition to your confidence regarding your preparation and desire for the home, now is the time to take action. In order to bid, you will need to first be registered and the best way to bid is to equip yourself with as much information as possible, have a clear plan regarding your bidding and if you are not comfortable with something ask your agent or your auctioneer.



# Are you ready to bid?

## Getting prepared to bid at auction.

Now that you have found the home of your dreams it is time to get ready to make it yours. Below are some of our tips that will give you the best chance at auction:

- ✓ Make sure you have all your finance organised. Talk with your broker or your bank to make sure you can bid and to what level;
- ✓ Have your deposit ready. This will need to be 'cleared' funds that you can deposit into the agent's trust account if you are the successful bidder;
- ✓ If there is anything you would like some additional assistance on it is best to arrange to have your builder, electrician, plumber or any other tradesperson inspect the property for you prior to the auction day;
- ✓ Make sure you are familiar with the local market. Take the time to do some research and feel free to ask your agent for some help - they have all the tools to help you;
- ✓ Take your time to read through and understand all of the auction documents and make sure to ask your agent any questions. You may also prefer to have them checked over by your legal representative and your agent can arrange to have them sent through;
- ✓ If you haven't bid at an auction or been to an auction before it is a good idea to try and get along to one prior to your auction day. While internet video is good it is no substitute for the real thing; and
- ✓ Once you are comfortable with everything above reach out to your agent and ask them to send you through the registration documents, just remember you will need to bring identification with you on the day of the auction.







## How much deposit will you need?

Not to be confused with what your bank or lender will require as your deposit for the purchase of the home this is the amount that you will need to pay into your agent's trust account to satisfy your contract for sale.

The actual amount you will be required to pay will vary depending on the auction contract but it will most likely be between 5% and 10% of the total purchase price.

For example if the final purchase price is \$550,000 and the contract and terms require a 10% deposit then you will need to pay \$55,000 into the agent's trust account.

You will be required to make payment of the deposit immediately following the auction, so as mentioned in our tips on the prior page, these funds will need to be available as 'cleared' funds in your account. How you pay the deposit will depend on the agent, so make sure you are aware of how it is to be paid, prior to the auction.





# What to expect on Auction Day.

## Register to bid

If you intend to bid at auction then you are required to register your interest prior. Simply complete the necessary form and show the auction team your identification. You will then be assigned a bidding number.

## Announcement of terms

Shortly after the auctioneer announces the commencement of the auction the auctioneer will clearly announce the terms of the auction and any contract specifics. If you have any concerns at this stage ask your agent for assistance and clarity.

## Subject to a reserve price

Most auctions are held subject to the sellers' reserve price, the price that they are prepared to sell for. Before selling the property to the highest bidder the auctioneer will make it clear that the home is about to sell. This is your last chance to bid.



## Bidding

As a registered bidder making a bid at auction is as simple as raising your identifier card that you would have been given when you registered. You can suggest the amount 'increment' or can agree with the auctioneer's suggestion.

## 'Passed-in'

If the bidding doesn't reach the reserve price then the property will be passed-in. After being passed-in the property will now be available to the open market and any interested parties will be given the chance to make an offer.

## Selling, selling, SOLD!

Congratulations. If you are the highest bidder and successful purchaser at auction you will be required to sign the contract for sale and pay the deposit. This will take place immediately following the auction.



# Frequently asked questions.

- 🗨️ **Can I buy before auction?** Absolutely. Simply talk with your agent about making an offer. Depending on the sellers' circumstances your offer may not be accepted prior to auction. The terms and conditions of your offer as well as the price will influence the sellers' decision.
- 🗨️ **What happens if my offer is not accepted?** There are many reasons why your offer may not be accepted but regardless of why, it doesn't mean that your chance to buy the home is lost. You can still decide to bid at auction. Talk to your agent as they will be able to assist you further.
- 🗨️ **What if I want to bid but need different terms?** Your situation may dictate that you need a different time period to settle or perhaps a smaller amount of deposit. Simply talk to your agent and request a variation of the proposed terms and conditions. The sellers' will need to approve and the auctioneer/agent will confirm that this is the case before commencing the auction.
- 🗨️ **What happens if no one bids?** If it is the case that no one is registered to bid, or if no one bids then the auctioneer will have no choice but to pass-in the home. If this is the case then the property will then be made available to the open market. Any negotiations that now take place will be closed - you won't know what level other interest is or their terms, if any. If you are registered to bid but are understandably a little nervous simply talk with your agent and the auctioneer, they are there to help.
- 🗨️ **When will the auctioneer announce the home on the market?** There is no requirement for the auctioneer to specifically use the terms "on the market" but they will make it very clear to you and other interested parties/bidders that the home is about to be sold. Remember, this is your last opportunity to bid before the home is sold to the highest approved bidder.



# Conditions of Sale Public Auction



**Phill BROOM**

## GST ANNOUNCEMENT & CLARIFICATION

At auction the Auctioneer will announce in clear terms:

- 1.If GST is to apply or not; and
- 2.One of the following applicable GST Clauses.

### IF THE SELLER IS NOT REGISTERED FOR GST:

- The property is offered for sale on a GST inclusive basis – which means the knock down price is the sale price.

### IF THE SELLER IS REGISTERED FOR GST:

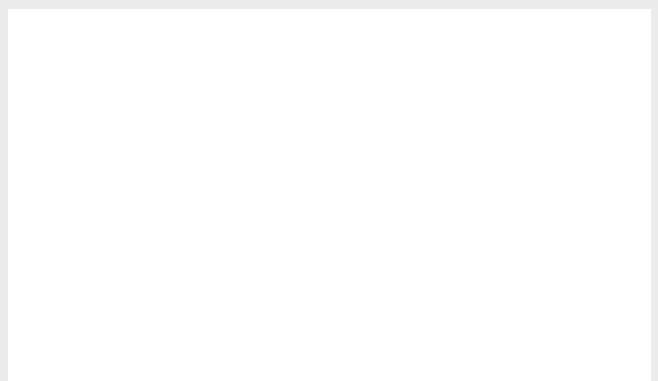
- The property is offered for sale on a GST exclusive basis – which means the knock down price attracts GST at 10% of the selling price; or
- The property is offered for sale under the Margin Scheme – which means that the knock down bid is the sale price and GST

## CONDITIONS OF SALE BY PUBLIC AUCTION

1. The highest approved Bidder shall be the Buyer subject to:-
  - a) the reserve price, if any; and
  - b) the Seller's approval.
2. A cooling off period does not apply.
3. Building and Pest Inspection clauses have been deleted from the Contract of Sale.
4. Finance clause has been deleted from the Contract of Sale.
5. All Bidders must be registered. The Auctioneer may register a person as a Bidder only if the person has provided his/her name and address and satisfactory evidence of his/her identity.
6. Bids will only be accepted from registered Bidders.
7. Bidders must use the numbered identifier provided by the Auctioneer to make a bid during the auction.
8. The Seller may bid, either personally or by a representative. If the Seller or their representative bids for the property the Auctioneer must announce to all other Bidders that the bid is made on behalf of the Seller.
9. The bidder warrants their ability to enter and complete the Contract of Sale in accordance with its terms.
10. Any person bidding on behalf of another person must provide the Auctioneer with a copy of their written authority before the auction; otherwise the Bidder will be taken to be acting on their own behalf.
11. The Auctioneer has the discretion to refuse to accept any bid from any person. A bid will be taken to be accepted

and irrevocable unless the Auctioneer, immediately after it is made, refuses it.

12. The decision of the Auctioneer is final in all matters relating to the auction and no Bidder has any right of recourse against the Auctioneer or the Seller.
13. Without affecting condition 12, if there is any dispute over a bid, the Auctioneer may:
  - a) reopen the bidding and resubmit the property for sale starting with the highest bid previously accepted; or
  - b) determine the dispute in any other way the Auctioneer considers appropriate in his/her absolute discretion.
14. Immediately on the fall of the hammer, the Bidder of the highest bid accepted must sign, as Buyer, the Contract of Sale in the form displayed or circulated with these Conditions of Sale and pay the deposit to the nominated Deposit Holder.
15. The deposit payable under the Contract of Sale is: 10% of the successful bid or any other percentage or figure nominated in the Contract of Sale.
16. The Seller and the Buyer agree to sign all documents and do everything else necessary to transfer the property to the Buyer. The Seller and the Buyer each appoint the Auctioneer their agent to sign the Contract of Sale on their behalf. This appointment is non-revocable.
17. If the Buyer does not pay the deposit, at the Seller's option:
  - a) the result of the auction will be treated as invalid and the property may be resubmitted to public auction at the risk and expense of that Buyer; or
  - b) the Seller may affirm the Contract of Sale and pursue their legal and other remedies against the Buyer as they see fit.
18. Inserted below are any additional Special Conditions, if forming part of the terms of this auction.





# Bidder Registration Form



**Phill BROOM**

Property  
Address:

To be registered a bidder must provide the bidder's name and address, and produce satisfactory evidence of the bidder's identity.

If you have an interest in bidding at the auction for a property or properties, please complete your name and address below and provide the auctioneer with satisfactory identification.

BIDDER / BUYER DETAILS

Bidder Number

Name

Name

Address

Address

Phone / Mobile

Identification Details

Phone / Mobile

Identification Details

Please complete the below if you are intending to purchase the property in the name of a:

Trust

Self-Managed Super Annuation Fund

Company (note that each Director will be required to complete and sign a Directors Guarantee).

Each person signing the below represents and warrants that the above details are the correct and are the only names/details that will be appearing on the contract for sale should they be the successful and highest approved bidder(s). Furthermore, all parties acknowledge the receipt of a copy of the Contract for Sale and the Conditions of sale by Public Auction.

Signature

Date Signed

Signature

Date Signed

The Auctioneer will not disclose the identity of any bidder to anyone other than:

- I. An inspector or the court; and
- II. The seller if it is necessary for negotiations with the bidder after the property has been passed in or for facilitating the sale of the property.

# Bidding Authority to bid on behalf of another person



**Phill BROOM**

Property  
Address:

Authority is hereby given to the person, whose details appear below as the authorised representative who will be bidding, to communicate bids on my/our behalf relating the auction of the above mentioned property. Should I/we be the successful bidder(s) the auctioneer, as noted above, is further authorised to complete the necessary contract for sale documentation in accordance with the particulars outlined below on my/our behalf. In having the auctioneer complete the document on my/our behalf we agree that a deposit of \_\_\_\_\_ per cent (%) will be payable in accordance with the terms and conditions of the sale and that settlement is to occur \_\_\_\_\_ days from contract date.

## Purchaser(s) details - all parties that will appear on the Contract of Sale

Name

Name

Address

Address

Phone / Mobile

Identification Details

Phone / Mobile

Identification Details

Each person signing the below represents and warrants that the above details are the correct and are the only names/details that will be appearing on the contract for sale should they be the successful and highest approved bidder(s). Furthermore, all parties acknowledge the receipt of a copy of the Contract for Sale and the Conditions of sale by Public Auction.

Signature

Date Signed

Signature

Date Signed

Authorised Representative who will be bidding on behalf of the above

Name

Phone / Mobile

Identification Details

Address

Signature

Date Signed

Approved by the seller(s)

Date Signed

# Variation of Auction Terms



**Phill BROOM**

Property  
Address:

Date of Auction

Agency Name & Agent's Details

The Seller agrees that should the below named Buyer(s) be the highest bidder for the property AND subject to the Seller's acceptance of such offer, then the contract conditions as stated by the Auctioneer shall be varied as follows:

Proposed Settlement Date

Proposed Deposit Amount (\$ or %)

Proposed Deposit Date

Purchaser(s) details - all parties that will appear on the Contract of Sale

Name

Name

Address

Address

Phone / Mobile

Identification Details

Phone / Mobile

Identification Details

Each person signing the below represents and warrants that the above variation of terms will form part of the Contract for Sale should they be the successful and highest approved bidder(s).

Signature

Date Signed

Signature

Date Signed

Approved by the seller(s)

Date Signed



# Phill BROOM.

Auctioneer

0419 760 904  
phill@phillbroom.com.au

PO Box 2025 Graceville East  
QLD Australia 4075



Phill  
BROOM