



12 Things You Should Know When Preparing To Buy At Auction

BEFORE AUCTION DAY:

1. Make sure you really want this property. Once the hammer goes down, you will be entering into a binding contract with no cooling off period. Even if the property passes in and you buy on the same day as the auction, you will not get the benefit of a cooling off period.
2. Ensure all the pre-purchase due diligence is done well in advance. Strata Reports, Pest and Building Reports or defects inspection reports obtained by the vendors or the agents are information to the ordering party. If there is something wrong with the report supplied to a third party, you cannot rely on being able to sue for the error as you were not a party to that transaction. It is best to speak to the report provider and ask if you can get an update.
3. Do not rely on anything that is not evidenced in the contract. Get all the amendments to the Contract agreed to well in advance.
4. Have your deposit organised. Most agents require a cheque on the day. You can often negotiate a staged deposit where a set amount is paid on the day and the balance within a few days from the date of the auction.
5. Make sure you have set your budget and obtained pre-approval for any loans. Know the true value of the property as a bank will often only lend a certain percentage of a valuation

6. Be familiar with the process. It is likely you will have to register and have your identity verified by the auctioneer before you can bid, so don't turn up a minute before the start. Attend other nearby auctions or other auctions run by the same auctioneer to get a feel for how they play bidders off against each other.

ON THE DAY

7. The Surge of adrenaline that kicks in when you bid at an auction is unreplicable. A conflicting fluctuation of emotions, excitement and dread, success and failure, fear and hope.

Set your maximum bid well before you get there and stick to it. Decide on how much that property is worth to you. Walk away if it goes over your limit, or sit down. If there is someone who wants the property more than you do, they will have done their calculations and will know how much the property is worth to them.
8. Get there early and stand in a prominent position. You want the Auctioneer to see when you are bidding. There will be people staring at you, agents trying to get you to lift your bid higher. If you cannot stand the spotlight, you will need to seek help.
9. Remove the emotion by hiring a professional bidder or authorise a trusted friend or family member. This will eliminate the risk of bidding above budget as they will only be authorised to bid up to a certain amount. Professional bidders or buyers agents know how to read the opposition and bid with confidence.

10. Pace your bids correctly. As soon as someone bids against you, respond with your counter-bid. You don't have to go with what the auctioneer is asking for. Throw off other bidders by jumping up the increments. If the auctioneer is asking for \$100,000.00 give him \$200,000.00. If he is asking for \$10,000.00 give him \$13,000.00. Remember some numbers are superstitious
11. There is a saying: "Never make the first bid!" – but you might end up being the only bidder! There are a lot of conflicting advice as to whether or not the first bidder will be there in the end, quite often they will start it off and walk away. A strong bid might knock out all the other bidders, but stick to your budget. It will depend on how many registered bidders there are on the day and how badly they might want the property. Do what you feel is right on the day.
12. Reserve price is often set on the day. So anything an agent may have indicated previously, could be outdated. Remember the agent is trying to get the highest price for the vendor.

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A low-angle photograph of a modern glass skyscraper reaching towards a cloudy sky. The text 'THINK. SOLUTIONS CREATE. INNOVATION BUILD. OPPORTUNITY' is overlaid in white, bold, uppercase letters, centered on the building's facade.

THINK. SOLUTIONS
CREATE. INNOVATION
BUILD. OPPORTUNITY