

A top-down view of a wooden desk. In the upper left, a portion of a silver laptop keyboard is visible, showing keys like 'command', 'option', 'return', and 'shift'. To the right of the keyboard is a white ceramic cup filled with dark coffee and a thick layer of brown foam with small bubbles. Below the cup, a dark brown wooden gavel with a gold-colored metal band around its head rests on a matching dark brown circular base. The text 'your guide to buying at auction' is overlaid in white, with a red slash at the beginning. A horizontal dotted red line is positioned below the text.

# /your guide to buying at auction

**brad bell**



**It may seem difficult, or even daunting, but the truth is there are many advantages of purchasing at auction.**



**When the buyer and seller meet, and a conclusive sale eventuates, true market value for that property will have been established.  
It's a proven system of success.**

# /how to register

You can register at any time prior to the fall of the hammer.

This can be at an open home, or by visiting brad bell prior to the auction. Registering to bid early will save you the stress of registering on Auction Day, as the auction can sometimes become crowded.

If you have not registered prior to Auction Day, when you arrive at the auction, you will need to see the brad bell team, provide them proof of your identity, and at which point you will receive your number or bidder card.

In order to register you will need to provide your name and address along with photo identification. (A Driver's License or Passport is normally preferred.) Additionally, the Agent may also request further proof of your current residential address.

The brad bell team will record these details and provide you with a bidding number/ card. This number must be clearly displayed by you to the Auctioneer when making a bid, during the course of the auction.

The brad bell Team are not permitted to provide your information to any other person other than a representative of Fair Trading or the Court of Law. However, the Auctioneer or Marketing Agent may disclose to the seller of the property the identity of a bidder if it is necessary for negotiating the sale of the property after auction.

## **Remember:**

You do not have to bid just because you have registered, but you must be registered if you intend to bid.







## /how to bid

Make sure that you are positioned in clear view of the Auctioneer. Remember to hold your bidder number high and call out your bid in a loud and clear voice.

You can call out an exact amount. For Example: *"590,000"* or indicate an amount you wish to increase the previous bid by. For example: *"Another 20,000"*

If the Auctioneer calls the incorrect amount or misinterprets your bid, call out to the Auctioneer immediately and clarify your bid.

Make sure you are familiar with the Conditions of Sale prior to bidding at the auction. The brad bell Team/ Auctioneer will have these displayed at the auction for inspection by bidders prior to the commencement of the auction. An Auctioneer may read some or all of these conditions out prior to the commencement of the auction.

If you propose to bid on behalf of another person, you must have that persons written and provide the name, address, and identification of that person to the Auctioneer, in order to register. Please fill in all fields and present it to the brad bell Agent before or on the day of the Auction.

When bidding at an Auction, remember that if you are the successful bidder you will be required to immediately sign the contract of sale and pay a deposit on the spot. (Check with the agent for deposit amount and conditions).

**There is no cooling off period when you buy at an Auction.**

The Auctioneer's decision is final. In the event of a dispute arising, the Auctioneer has the right to resubmit the property afresh or with a vendor's bid, in the event that the dispute arose before the reserve price has been set, or what that reserve price is.



# **/need more information?**

Do not be afraid to ask the brad bell Marketing Agent or Auctioneer.  
They are there to assist you and will be able to answer all of your  
questions or concerns.

Alternatively, contact Fair Trading Queensland who will be able  
to provide you with more information on the laws that apply to  
property auctions.

**Fair Trading Queensland**

**13 13 04**

**[www.fairtrading.qld.gov.au](http://www.fairtrading.qld.gov.au)**





# /auctioneer tips for auction day

Purchasing a property is a big decision and can often be quite daunting. Auctions play a major role in how properties are sold in Australia so it is important to feel comfortable about bidding at auction.

If you don't feel confident in bidding, your agent or perhaps a friend or relative can convey these bids for you, as long as the relevant paperwork has been completed prior to the commencement of the Auction.

## **FAST FACT**

2/3 People Who  
Open Bidding  
Buy the Property







# /determine a bidding strategy

## 1. Don't strategize too much

I conduct approximately a thousand property auctions each year and I can tell you that each one is different. Don't get caught up in worrying about what may happen or how the bidding could unfold.

Focus on what you are there to do and that is purchase a property. Be the first person to bid: My experience shows me approximately 70% of people who open the bidding, buy the property.

## 2. Bid with confidence

Many buyers sit back and wait. They want to get a feel for what is about to unfold. More often than not, it is the bidder that bids with confidence and without hesitation that walks away with the keys to their new home.

If someone bids, come straight in with another bid. You have nothing to lose and everything to gain. Show your competition that you want the property at any cost. Set the pace don't chase the pace.

## 3. Set yourself a base limit

If you are going to set yourself a limit make sure that limit has flexibility. As strange as that may sound, too many times I have seen bidders miss out on their dream home for \$1k or \$10k when the other bidder is at their limit also. In a very short time you will be happy for going that little bit extra.

## 4. Don't forget your identification

It is a requirement by law that you register for all Auctions in QLD. The easiest way to register is with a driver's license or passport. Either must be sighted upon registration.

To save time on auction day there is the option to register prior to the day. Contact your brad bell Marketing Agent for more details.



## **5. What happens if a property is passed in?**

Most auctions have conditional buyers (buyers that can't bid under auction terms and conditions) waiting and hoping that the property passes in. Should the property pass in, everyone will have equal opportunity to submit their offer. If you can bid under auction terms and conditions, give it your best shot at the auction as it is the most transparent way to buy and in most cases, less competition.

## **6. What is a vendor bid?**

In QLD the Auctioneer is allowed to make 1 or more bids up to but not including, the reserve price on behalf of the vendor. A vendor bid must not be disclosed by the auctioneer. A vendor/ seller bid is not the reserve price and does not indicate a price at which the vendor will accept.

A vendor or seller bid is used in different circumstances to either start the bidding, increase the bid to a level closer to what the vendors will accept or position a property at a price at which the vendor will take bids nothing less than.

## **7. Why might an Agent or Auctioneer ask you to increase your own bid?**

This is a common occurrence in today's market, so don't feel uncomfortable. At some point in the Auction, the estate agent or auctioneer may ask you to increase your own bid. This may occur if your current bid is not a price which the vendor will accept. Therefore you may need to increase your own bid if you wish to purchase the property.

If it is of interest to you, you're more than welcome to come along and witness me calling an auction first hand to get an understanding of my role and the way I facilitate the transaction between the buyer and seller.





# /frequently asked questions

## **Can I buy before Auction Day?**

Absolutely, in fact sometimes up to 50% of Auction properties are sold prior to Auction Day. However, the acceptance of offers prior to Auction Day is a decision made entirely by the vendor.

If you wish to submit an offer prior to auction ensure you have undertaken all research and due diligence as your best chance to have your offer accepted will be under auction conditions.

## **What if my Offer is not Accepted Prior to Auction? Have I Wasted My Time?**

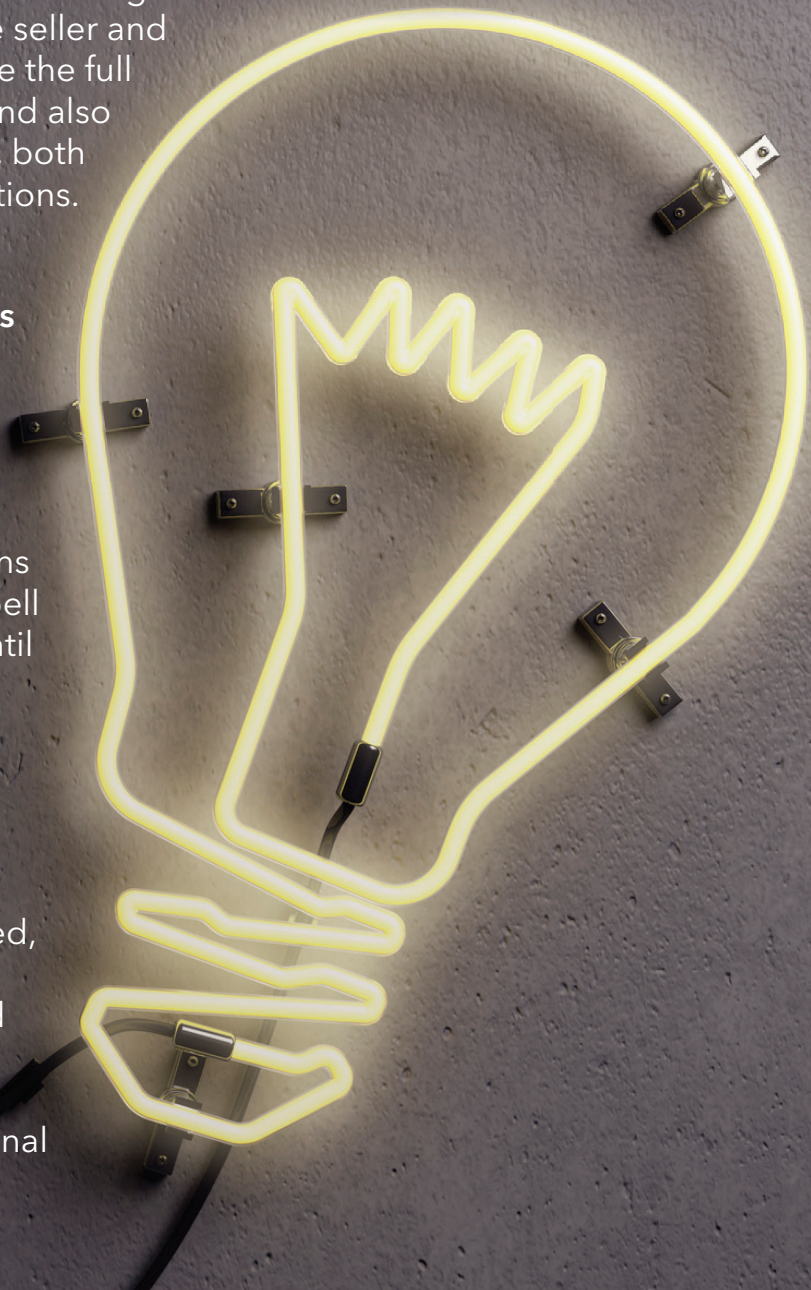
Definitely not, the Auction process is just that - a process. The process involves many facets including most importantly expectations. The auction process is about educating the price expectations of both the sellers and also buyers according to the market. If your offer is not accepted prior to auction, it may be that the seller has a price expectation of the property above where it sits on the market, which may become evident on auction day.

Perhaps it may be that your offer is underestimating the value of the property. Regardless, after the seller and the buyers have had the opportunity to see the full marketing campaign over the 3-4 weeks and also see the property's interest on Auction Day, both parties will often re-evaluate their expectations.

## **What if I Want to Bid on Auction Day but Cannot Perform Under the Standard Terms and Conditions of the Auction?**

Property Transactions are a process of negotiation and buying at Auction is no different. If you wish to alter the terms of settlement, deposit, inclusions or conditions of the contract of sale, speak to the brad bell Marketing Agent. However; do not wait until Auction Day as this may be too late. These conditions must be agreed upon by the seller prior to the commencement of the Auction bidding.

Although you are at liberty to request variations, they may not always be accepted, especially if there is strong interest in the property. If your conditions are not agreed upon prior to auction, do not be deterred. If the property is not sold at auction the vendor is often more receptive to conditional offers subsequent to the day.







# **/benefits to buying at auction**

Just as there are benefits to a seller who chooses to market their property by auction, astute buyers also may benefit by the process. These are some of the benefits to a buyer when purchasing property at auction:

## **May Encounter Less Competition for the Property**

If a buyer is in a position to purchase at Auction, they may actually find they have less competition than if they seek to purchase a priced property. This is because some buyers are not in a position to buy under the cash unconditional terms of an auction.

If a property "passes in" at auction (does not sell), often multiple buyers come forward afterwards seeking to buy with a range of special conditions attached to their offer (finance approval, building and pest inspections), etc. This then places buyers into competition with each other post-auction.

Some buyers have secured excellent value at auction simply because a cash-unconditional contract was a high priority for the seller who chose to take the highest offer under auction conditions rather than considering conditional offers afterwards.

## **Competition at an Auction is Transparent**

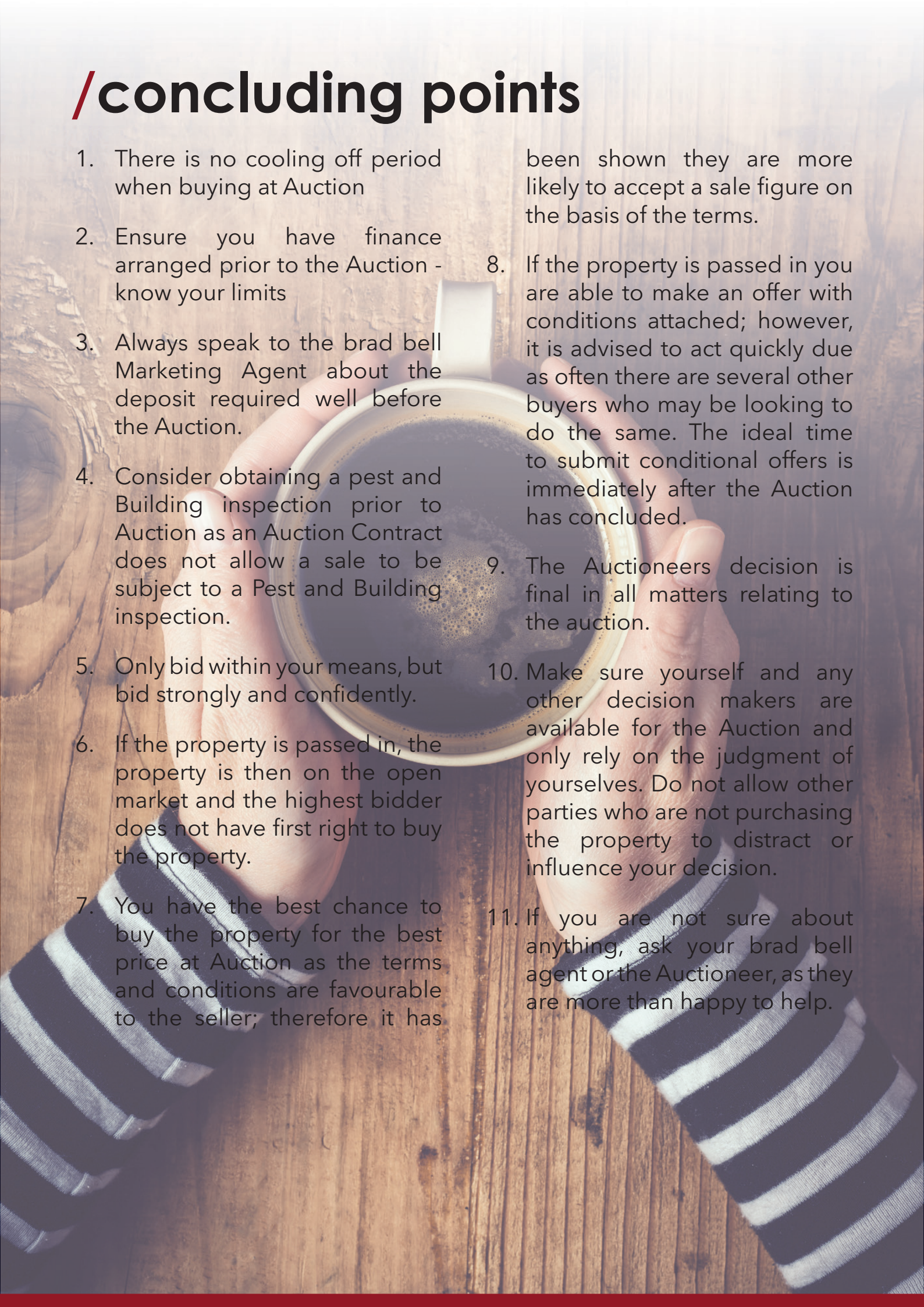
With an auction, offers and negotiation are public - out in the open. With a private treaty sale (sale by price), if two or more buyers want the same property at the same time, it is standard practice that one buyer will not be aware of the offer being made by another buyer. This means all competing buyers are "shooting in the dark"

The agent will advise the buyer that there is another offer, or offers, ask them to submit their best offer and then have the buyer sign a "Multiple Offer Form", in which the buyer acknowledges having been made aware that they are competing against other offers/ buyers. The buyer does not know until the agent informs them, whether their offer was successful or not.

At Auction, all offers are made publicly (in the form of bids) and a buyer can choose to increase their offer only as much as they want to, above the last highest offer. The buyer is free to withdraw from the bidding any time they feel the price has gone beyond the figure they are prepared to pay.



# /concluding points

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- A hand holding a white mug of coffee over a wooden table. The hand is wearing a blue and white striped sleeve. The background is a wooden surface.
1. There is no cooling off period when buying at Auction
  2. Ensure you have finance arranged prior to the Auction - know your limits
  3. Always speak to the brad bell Marketing Agent about the deposit required well before the Auction.
  4. Consider obtaining a pest and Building inspection prior to Auction as an Auction Contract does not allow a sale to be subject to a Pest and Building inspection.
  5. Only bid within your means, but bid strongly and confidently.
  6. If the property is passed in, the property is then on the open market and the highest bidder does not have first right to buy the property.
  7. You have the best chance to buy the property for the best price at Auction as the terms and conditions are favourable to the seller; therefore it has been shown they are more likely to accept a sale figure on the basis of the terms.
  8. If the property is passed in you are able to make an offer with conditions attached; however, it is advised to act quickly due as often there are several other buyers who may be looking to do the same. The ideal time to submit conditional offers is immediately after the Auction has concluded.
  9. The Auctioneers decision is final in all matters relating to the auction.
  10. Make sure yourself and any other decision makers are available for the Auction and only rely on the judgment of yourselves. Do not allow other parties who are not purchasing the property to distract or influence your decision.
  11. If you are not sure about anything, ask your brad bell agent or the Auctioneer, as they are more than happy to help.



[bradbells.com.au](http://bradbells.com.au)