

TOP TIPS for auctions

Boost your auction knowledge, build your confidence and keep focused on your goal and you can be the winner on the big day.

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Auction Advice

Custom believes that an onsite auction is the best environment for everyone.

Firstly, we advise that you don't get too tied up on the CV of the property.

Market value will always be market value regardless of what statistical value the council put on each property.

Most local property sells at a percentage above CV but a small amount still sells below.

If there are a large number of bidders for a particular property, this should give you the confidence that this home ticks a lot of boxes.

If you are the successful bidder, you are likely to experience a similar frenzy when you come to sell.

Don't be disheartened if you arrive at the auction and there is a huge crowd. Amongst that large crowd, there will only be a small number who are actually serious bidders for the house.

Custom believes that an onsite auction is the best environment for everyone. For the seller, the spotlight on the day is only on one property – theirs. For the buyer, you are able to walk around and experience the property one more time before bidding to buy.

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Buying at Auction

Boost Your Knowledge

Research the local market.

Visit as many similar open homes as possible and follow up regarding sale price.

Ask your salesperson for stats of similar properties in the same area. An independent valuation can be helpful too.

Attend as many auctions as possible so you have a good understanding of how they are conducted and get to experience the different auctioneering styles.

Visit the property as many times as you feel necessary – take a friend, request a private viewing or look at a different time of the day. It's also worthwhile getting it checked out by a builder, architect, plumber or other specialists. It is totally okay to do this, you simply must be happy with the property you are about to bid on.

Compromise

One factor we see that assists buyers in their search process is the value of compromise. The relatively smaller land sizes in the city fringe often bring about compromises in relation to what the house does and can offer. Make a list of 'must haves' and 'would likes' and be prepared to adjust in certain circumstances.

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The Finer Details

Have your finance arranged. A purchase at auction is unconditional and binding. If you are the successful bidder, you will be required to pay a deposit (usually 10%).

Familiarise yourself with all the conditions of sale including deposit required, settlement date and payment of the balance of the purchase price. Also understand what chattels will be included in the sale.

It is sometimes possible to arrange a side agreement on the size of the deposit and an alternative settlement date but these are at the sole discretion of the vendor to sign off on.

Have your solicitor check all legal matters relating to the property including the title, LIM report and auction documents. These will be made available to you well before the auction day.

Be In Control

Arrive early giving yourself time to ask any last minute questions and to make yourself comfortable with your surroundings. Don't forget your cheque book.

Focus on your goal of owning the property at the price you want to pay.

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What To Expect

In a loud, booming voice, the auctioneer will read the basic terms and conditions and will then ask for the opening bid.

A reserve price will already have been nominated by the owner below which the property will not be sold.

If the property fails to reach the reserve price, the property will be 'passed in'.

The highest bidder will sometimes (depending on what company is running the auction) have the first opportunity to negotiate with the vendor directly after the auction.

An auctioneer may bid on behalf of a vendor but must make it clear they are doing so. They will always bid below the reserve price.

The Finishing Line

There are many different bidding strategies but the best advice we can give is bid with confidence, know your limit but have an open mind about how the auction may unfold.

If you are the successful bidder you will be required to sign a contract and pay the deposit.

Arrangements will be made for settlement date on which the balance will be due.

Now start celebrating!



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The Custom Team Is Here For You

Custom believes that an on-site auction is the best environment for everyone.

We steer well clear of the auction 'conveyor belt' approach where dozens of properties are sold in a central auction house on the same day. This is a convenient way for a company to do auctions in bulk but for an individual vendor, we don't think it is the optimal way to go.

We appreciate that a vendor spends time, money and considerable effort in the lead up to their big auction day. This is why we make sure auction day is all about just one property – theirs. Our strategy focuses all buyers onto that one particular property.

For the buyer, you are able to walk around and experience the property one more time before bidding to buy.

Good Luck and remember we are here to help you buy!

Any further questions? Email Custom on custom.residential@customresidential.co.nz and we will get straight back to you!

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step”
is easy