

Mastering Property Auction Bidding: Your Easy Tips for Success

Are you gearing up to bid at an auction? Here are some key tips to help you navigate the process smoothly and confidently:

- 1. Payment of the Deposit:** The 10% deposit is typically paid immediately after the auction. Ensure you have arrangements in place to facilitate this payment. Consider increasing your EFT limit, having a cheque book ready, or obtaining a bank cheque for a predetermined amount to cover the deposit.
- 2. Review Contract with Solicitor or Conveyancer:** Before the auction, have a solicitor or conveyancer review the contract of sale. They can identify any clauses that may need negotiation, such as the settlement period or special conditions.
- 3. Arrive Well in Advance:** Arrive at the auction location well before it starts to avoid any last-minute stress. This will give you time to familiarise yourself with the surroundings and register promptly.
- 4. Register to Bid:** Register with the auctioneer before the auction begins. You will need to provide identification and sign a bidder registration form. Essential for bid registration, you will need to produce photo ID. This ID must be government or financial institution issued and display your name and address. Options include a driver's license, council rates notice, or passport. Upon registration, you will receive your bidder's card.
- 5. Stay Calm and Confident:** Auctions can be fast-paced and competitive, but try to remain calm and composed. Bid confidently and assertively to demonstrate your seriousness as a buyer.
- 6. Display Confidence During Bidding:** Speak clearly and loudly during the bidding process. Pay attention to body language and raise your bidder's card prominently. Quick and assertive bids convey your seriousness to both the vendors and other buyers.
- 7. Strive to Be the Highest Final Bidder:** If the property does not meet the reserve price and gets passed in, negotiation may occur behind closed doors. In such cases, the last bidder will have the first opportunity to negotiate the purchase price before any other party.
- 8. Approach the Auction with a Positive Mindset:** Auctions are an open and transparent process. Unlike private negotiations, you will be aware of the competing offers, and once the hammer falls, the price is agreed upon. This transparency helps to eliminate the uncertainty and back-and-forth of private sales negotiations, making the process more straightforward and efficient.

Auction Terminology Explained

- **Reserve Price:** The minimum price the seller is willing to accept. This price is confidential and not disclosed to the bidders.
- **Vendor Bid:** A bid made by the auctioneer on behalf of the seller to help start the bidding or move it closer to the reserve price.
- **On the Market:** This announcement means the reserve price has been met, and the property will be sold to the highest bidder.
- **Passed In:** If the highest bid does not meet the reserve price, the property is "passed in" and not sold during the auction.
- **Bidders Card:** A card issued to registered bidders, which must be raised to place a bid.
- **Hammer Falls:** The moment when the auctioneer announces "sold" and brings the hammer down, finalizing the sale.

By following these auction tips and staying organised, you'll be well-equipped to bid confidently and successfully on a property. Remember, auctions offer a great way to purchase property, providing transparency and equal opportunities for all buyers.

Preparing for auction day is easy with the right steps. We hope this guide helps you feel confident and ready to bid.

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Good luck and happy bidding!

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