



FAQ'S ABOUT ATTENDING AUCTIONS

PAPANUI BRANCH AND ADMINISTRATION

471 Papanui Road, Papanui
PH: (03) 352 6166 FAX: (03) 352 1322
E: enquiries.papanui@harcourtsgold.co.nz

Harcourts gold, International and Migrant Division

473 Papanui Road, Papanui
PH: (+64) 3 662 9811 FAX: (03) 352 1322
E: 888@harcourtsgold.co.nz

REDWOOD BRANCH

280 Main North Road, Redwood
PH: (03) 352 0352 FAX: (03) 352 8400
E: enquiries.redwood@harcourtsgold.co.nz

PARKLANDS BRANCH

Parklands Mall, Queenspark Drive, Parklands
PH: (03) 383 0406 FAX: (03) 383 0525
E: enquiries.parklands@harcourtsgold.co.nz

NEW BRIGHTON BRANCH

New Brighton Mall, New Brighton
PH: (03) 382 0043 FAX: (03) 388 0116
E: enquiries.newbrighton@harcourtsgold.co.nz

GOLD PROPERTY MANAGEMENT LTD

501 Papanui Road, Papanui
PH: (03) 352 6454 FAX: (03) 352 6456
E: gpm@harcourtsgold.co.nz

Gold Property Management Eastside

New Brighton Mall, New Brighton
PH: (03) 382 0043 FAX: (03) 388 0116

0800 BUYAHOME (0800 289 24 66)

GOLD REAL ESTATE GROUP LTD LICENSED AGENT
REAA 2008 A MEMBER OF THE HARCOURTS GROUP

EMAIL [INFO@HARCOURTSGOLD.CO.NZ](mailto:info@harcourtsgold.co.nz)

VIEW OUR LIVE ONLINE AUCTIONS AT...
www.homes4sale.co.nz

FOLLOW US ON...     



THE FOLLOWING GIVES YOU A BRIEF OVERVIEW OF SOME QUESTIONS YOU MAY HAVE REGARDING AUCTIONS...

Do I have to be in a cash position to bid?

The straight answer is yes! To bid at an auction, you need to be bidding in cash - 10% only is required on the day of the auction, the balance is due on the settlement date.

However, as explained below, you may talk to the auctioneer about extending the settlement date, giving you longer to arrange money. Also with an auction you may have a lead-up period of up to four weeks which may also allow you to get into a cash position.

How do I work out the price?

The auction process allows you, the market, to firstly appreciate the house and then determine the price. We find as marketers that some people literally become experts in a particular price range and they are able to estimate (reasonably accurately) what a home is worth. They do this by drawing their knowledge of the homes they have looked at in that particular price bracket. If you need help ask your consultant for the recent sales in the area. These sales will vary in price, bedrooms, land etc. You may also decide to get a valuation.

What about selling my house?

One of the benefits of buying at auction is that you may have up to three months with prior permission from the vendors, to organise and get your own home sold.

The fact that you own a home is not necessarily detrimental to your buying at auction. Talk to your consultant about whether they have somebody 'waiting' for a home like yours, as an early sale may be closer than you think. It's worth remembering other buyers will be in the same position you are, and if you get a cash offer on your home, you are in an extremely strong position to buy the auction property either before auction or on auction day.

If you believe your home is 'saleable' you may also consider talking to the Auctioneer via your sales consultant about extending the settlement date on the auction property, thus giving you extra time to get your home sold.

How do I borrow money when I don't know the price?

Most lending institutions are now conversant with modern auction techniques. Once you have worked out the price you believe the property is worth, discuss this with your bank, lending institutions, or mortgage broker. You will find they agree to lend you money up to a certain 'bidding price', so you will then know just how high you can bid at an auction.

The fact that you are borrowing money should not prevent you from bidding or buying at auction.

Can someone else bid for me?

Of course! Anyone may bid for you on auction day. They may, if they are acting in a professional capacity, require written advice as to how high you wish them to go. Such bidders could be your solicitor, perhaps an

experienced member of your family or valuer. With the permission of the vendor and with prior notification you may also bid by phone.

What are the normal conditions I would buy under?

10% of the purchase price is required to be paid on the auction day if you are the successful bidder. Therefore, you need your cheque book and the ability to have a balance in your account to cover the deposit once it is banked.

When you bid at an auction you are buying unconditionally and for cash, i.e. if your bid is successful, you have bought the property. There is no subject to finance, or subject to house sale, you have bought the house. There is nothing to be wary of as long as you have done your homework, and have sought the correct advice along the way. You are essentially making a cash unconditional offer.

Settlement is as per the Particulars and Conditions of Sale, and can typically be up to three months after the auction date, particularly if you have a property to sell. Some owners will consider variations and these are recorded individually on an 'Aside Agreement', to allow potential buyers to be able to bid on the day.

Can I buy before auction day?

Some owners may consider selling before auction day, some may not. They would normally need to believe that the offer was a very good one to convince them to sell prior to auction. Because the property is going to auction, if an acceptable pre-auction bid is tabled all interested parties are contacted. See the page 'Procedure for Pre-auction Bid', which explains how it will be handled. Chattels are normally mentioned in the Particulars and Conditions. Make sure they tie in exactly with what you believe is being left in the home. GST will also be mentioned

in the Particulars and Conditions and you should check that this tallies with what you believe. Note that on residential homes there is normally no GST payable.

What is a vendor bid?

The conduct of auction states that the vendor has the right to bid himself or through an agent or through the auctioneer. This bid may be used to start the auction, or by the auctioneer during the auction to increase the bidding. The auctioneer will and must disclose all vendors bids. If someone else will be bidding for the vendor other than the auctioneer, that person will be identified before the auction. Vendor bids WILL NOT be exercised once the reserve price has been reached.

What are the particulars and conditions of sale?

This is the contract that you will sign if you are the successful bidder on the day. It is simply a contract that spells out the conditions you have bought the home under, and binds you to the purchase of the home. It also binds the seller to sell to you as per the auction agreement. The Particulars and Conditions are available prior to the auction. If you have any doubts on wording or clauses included, then you should consult the sales consultant concerned, or your solicitor. Note that if you buy the property before an auction or at the auction you will use the normal Particulars and Conditions of Sale Agreement. This may also be used immediately after the auction. If the property is 'passed in' and you are then interested in offering on the property the standard Sale and Purchase Agreement designed by the Law Society and Real Estate Institute will probably be used.