

Understanding the auction process – part two

CONSUMER COLUMN

The auction for buyers:

From a buyer's point of view, open house days and inspections by appointment are the best time to make enquiries, get a copy of the Contract of Sale, take a good look around the house and clarify small particulars (such as is the dishwasher included in the sale, and in the case of a rental property, do fittings such as curtains belong to the tenant or the landlord?)

It is also the time when building and pest inspections should be conducted. A reminder though – inspections can only be held at the permission of the current owners and are done so at the buyer's own cost.

Although inspections are an additional cost, the REIQ recommends buyers seriously consider obtaining inspection reports, as properties sold under the hammer are unconditional.

"It's important to arrive early on auction day. This gives the buyer the chance to make sure there are no late changes to the contract and get themselves ready to bid. Government regulation requires all bidders show photo identification and register with the auctioneer. Registered bidders will then be given a bidder identifier, such as a paddle, to be used during the auction," Mr Molloy said.

The auction will begin with the auctioneer reading the details of the property contained in the Contract of Sale and will also read the Conditions of Sale by auction. Then the auctioneer will call for bids.

Buyers should raise their paddle to make a bid, and call out a bid if they want to move a bid by larger or smaller amounts. A good tip is to stand where you have a good view of other bidders and the auctioneer.

It is important that buyers know their highest price range before the bidding commences and do not get carried away with the moment. If the buyer succeeds at auction they must be prepared to sign a Contract of Sale immediately, and put down the prescribed deposit.

If the reserve price has not been reached during the course of the bidding and the property is passed in for sale by negotiation, bidders may still be able to negotiate to buy the property.

If you're thinking of buying or selling a property make sure you choose an REIQ accredited agency.

"It is important for consumers to be aware that not all real estate agents are REIQ accredited agencies. The REIQ accredited agency logo is displayed in the front



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window of accredited agencies and serves as a visual safeguard to help consumers make informed and confident choices," Mr Molloy said.

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