

Real Estate Statements

BY PAUL WRIGLEY



TIPS ON BUYING A PROPERTY AT AUCTION.

Buying a property at Auction can be a stressful time. This week we will look at the process involved in preparing yourself to buy a property at Auction.

Inspecting the property.... It is wise to inspect the property twice before purchasing it. Try not to get too emotionally attached to the property, just yet. It is wise to organise pest & building inspections prior to bidding at the Auction. Your finance needs to be rock solid. When you buy at Auction it is unconditional, meaning you can't pull out of the sale for any reason without penalty.

Contracts... It is advisable to have your solicitor/conveyancer peruse the contract for sale prior to your bidding at the Auction.

Research Comparable Sales... Before you bid at the Auction you should look at comparable sales in order to give yourself a good understanding of property values in the area.

Auction Day... Before you bid at an Auction you must register. You need to show photo ID and you will receive a bidders card which must be shown when you bid.

Set your Limits... I advise everyone to set 2 limits on what price you will bid to. It is almost certain you will go past your first limit. In the heat of the moment you will need to make a quick decision.

How to Bid... Bid loud & fast, act confidently and try to intimidate your competition, giving yourself a better chance to eliminate them. Don't take too long to come back with a counter offer.

Vendor Bid... The Auctioneer must announce and can place one bid on behalf of the vendor. This vendor bid can start bidding, resume bidding or be used to pass the property in.

Reserve Price... Most Auctions will be subject to a reserve price. Once the bidding reaches this price, the Auctioneer may announce "the property will definitely be sold", & call the bids as first call, second call, third & final call & then sold. Once sold the contracts are signed, exchanged & are unconditional.

Reserve Not Met... If the reserve is not met the property will pass in to the highest unsuccessful bidder. This bidder will have the opportunity to negotiate with the vendor & try to buy the property after the Auction.

For a bidders guide please contact me and I will send you a copy.

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