



Bidder's guide

residential and rural property auctions



QUICK TIP

Register your details with the selling agent before auction day.



IMPORTANT

Registering for an auction does not mean you must bid. Registering simply gives you the right to bid.

From 1 September 2003, you will not be able to bid at an auction of residential and rural property in NSW unless you give the selling agent your name and address and show proof of your identity. Your details will be recorded by the agent in the Bidders Record and at the auction you will be given a bidder's number. Registering for an auction does not mean you must bid. Registering simply gives you the right to bid.

Who needs to register?

If you are bidding to buy the property jointly with another person, for example, a spouse or partner, only one of you needs to register.

You need to register if you are bidding for another person or a company, and you need to show the agent a letter of authority from them, authorising you to bid on their behalf. This also applies if you are bidding on behalf of someone on the telephone.

If you are bidding for another person:

- the letter of authority must include the person's name, address and the number on their proof of identity (eg, driver's licence or passport number).

If you are bidding for a company:

- the letter of authority must be on the company letterhead and the ABN will be recorded in the Bidders Record as the company's proof of identity.

When to register

You can register with the selling agent at any time prior to the auction, such as when you inspect the property, or on the day itself.

If you pre-register, you will need to show the agent your proof of identity on auction day. The agent will then give you your bidder's number.

What happens at registration

The agent will write your name, address and the number of your proof of identity in the Bidders Record and, if you are bidding for someone else or a company, their name, address and proof of identity details. The agent will then give you your bidder's number, which you must display when you bid.

What kind of proof of identity is needed to register?

A card or document issued by government or a financial institution, and that shows your name and address.

Here are some examples.

Passport
Driver's licence or learner's permit
Senior's Card
Vehicle registration paper
Council rates notice
Centrelink card, etc

If you do not have this kind of proof of identity, you can use two documents that together, show your name and address.

Here are some examples.

One must show your name and be issued by a government or financial institution, for example:

Medicare card
ATM card
Credit card or store card
Birth certificate
Citizenship papers, etc
and

One must show your address, for example:

Utilities bill (eg gas, electricity, telephone)
Real estate rental agreement
Statutory declaration stating your address



IMPORTANT

Please return your bidder number to the agent after the auction.




IMPORTANT

No cooling-off period exists when you buy or sell at auction.



Other fair trading information

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 13 32 20
business hours

What if I arrive at the auction late?

If you arrive after the auction has started and wish to bid, you will need to quickly find the agent and register or present your proof of identity, if you have pre-registered. It should only take a few moments for the agent to note your details and give you a bidder number.

If you need to make a bid immediately, hold up your hand to let the auctioneer know you are going to make a bid after you have registered. As soon as you have a bidder number, the auctioneer can accept your bids.

Your privacy

The agent is not permitted to show the Bidders Record containing your details to anyone, including the property owner. Only an authorised person from the Office of Fair Trading is permitted to see the Bidders Record.

The agent must store the Bidders Record securely and cannot use the information it contains for any purpose.

Auction conditions

This auction is being conducted under certain conditions that are set by law.

The auctioneer will have these conditions on display before the auction so that you can read them. The auction conditions include:

- the highest bidder is the purchaser, subject to any reserve price
- the property seller is entitled to one bid only
- before the auction, the auctioneer must announce if the seller has reserved the right to make a bid
- the auctioneer must announce when the seller's bid is made (if it is used)
- the auctioneer can refuse a bid that is not in the interests of the seller
- the auctioneer has no authority to accept a late bid, that is, a bid after the fall of the hammer
- if there is a disputed bid, the auctioneer is the sole arbitrator and makes the final decision
- the successful buyer's name must be given to the auctioneer as soon as possible
- it is an offence to collude with someone to interfere with free and open competition at the auction, for example, by arranging to make 'dummy' bids.

Successful bids

If you are the successful bidder, you must then sign the sale contract and pay the deposit on the spot. This is usually 10% of the purchase price. Remember, there is no cooling-off period when you buy at auction.

After the exchange of contracts, your solicitor or conveyancer will carry out various searches on the property prior to settlement. Your solicitor and the seller's legal representative will then arrange for settlement. You must pay the balance of the purchase price upon settlement.

Dummy bidding

It is illegal to make 'dummy' bids at an auction.

The seller of the property is entitled to make one bid or have one bid made on their behalf. When the seller's bid is made the auctioneer must announce it. For this reason, the seller's bid can only be made with the auctioneer's knowledge. Once this bid has been used, no more bids can be made by or for the seller.

If you make 'dummy' bids for the seller, you may be prosecuted and fined up to \$22,000. The property seller who asked you to bid can also be fined up to \$22,000, as can the agent and the auctioneer if they were involved in the arrangement.

Further information

The Office of Fair Trading can give you more information about the laws applying to property auctions and agents.

Contact the Office on 13 32 20 or visit our web site at: www.fairtrading.nsw.gov.au

Where to get more information

Fair Trading Centres

Tel. 13 32 20

TTY Tel. 9338 4943

Telephone service for hearing impaired.

Language Assistance Tel. 13 14 50

Ask for an interpreter in your language

www.fairtrading.nsw.gov.au

This fact sheet must not be relied on as legal advice. For more information about this topic, please refer to the appropriate legislation.