

## TIPS ON HOW TO BID AT AUCTION

Auction clearance rates are improving with the numbers of registered buyers and crowds also increasing across Queensland.

If you're planning to bid at auction, the REIQ strongly recommends securing pre-approval for your finance and organising a building and pest inspection on the property beforehand.

While the numbers of homes sold by auction in Queensland may only be relatively small when compared to NSW and Victoria, it is an increasingly popular method of sale which requires buyers to fully understand the process.

A very important part of the auction process is that the successful bidder on auction day will be required to sign the Contract of Sale and pay the required deposit on the spot. There is no cooling off period when you buy a residential property at auction in Queensland.

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 property and clarify particulars.

It is also the time when building and pest inspections should be conducted. A reminder though – inspections can only be carried out with the permission of the owners and will be at the prospective buyer's cost.

The REIQ recommends buyers consider obtaining inspection reports, as properties sold under the hammer are unconditional. It's also important to arrive early on auction day. This gives the buyer the chance to review the terms and conditions of auction and make sure there are no late changes to the Contract of Sale and get themselves ready to bid.

The auction process itself is strictly defined by legislation to ensure fairness for both buyers and sellers.

Legislation requires all people bidding at auction to provide their names, addresses and proof of identity prior to bidding. This information must be provided for a bid to be accepted during an auction.

The bidder will be provided with a number, which must be displayed if you make a bid during the course of the auction. It is important to remember that you don't have to bid just because you have registered, but you must be registered if you intend to bid.

Tips for bidding at auction include:

- Position yourself so that the auctioneer can see you
- Hold up your bidder number and call out your bid in an audible voice
- You can either call out an exact amount, or indicate the increment you wish to increase the previous bid by (this increment may be suggested by the auctioneer)
- At the start of the auction, the auctioneer will announce if the property is to be sold with or without a reserve price.
- The auction may refuse to accept a bid

It is also important to keep to your budget during the auction because if you are the successful bidder, you will be the new owner of the property.

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