

## Commonly Asked Questions

### What is a Real Estate Auction?

Auction is a form of marketing a property through intensive advertising mediums designed to capture the maximum attention of buyers within a set time frame. The process is a means of purchasing Real Estate through public negotiations to determine the true market value.

### What is the Reserve Price?

The Vendor sets the reserve price on the day of the Auction or the day prior. The reserve is generally established by the intending buyer's feedback.

### How do we bid at the Auction?

Simply attract the attention of the Auctioneer by putting your hand up, calling out or nodding your head when you catch the Auctioneer's eye. The Auctioneer usually nominates the amount of the bid he is looking for. If you are the successful bidder, you will be asked to pay the deposit and sign the contract.

As a buyer you will be also be asked to acknowledge that you have received a copy of the New Zealand Residential Property Sale & Purchase Guide and other required disclosures or ask you to acknowledge that, if you are an out of town buyer, you have referred to these on the website [www.reaa.co.nz](http://www.reaa.co.nz). This is a requirement under the Real Estate Agents Act 2008 and can't be contracted out of by either party.

### Can I buy before Auction?

Yes. You simply submit the offer to your agent on the standard contract of sale and if the price and settlement dates are agreed to, the contract is then signed, and the property is sold before Auction.

### I want to buy it, but I have a house to sell.

There are two answers. If you are in a sound financial position you can organise a bridging loan. The other way is to buy on a longer settlement date, giving you time to sell your existing house.

### The Terms and Conditions that are offered don't exactly suit me. Can I get a variation to allow me to bid?

Yes. It's called a side agreement, which is between you and the seller. In fact, any of the terms may be varied and it is quite common to have a side agreement about possession, chattels or deposits. However, before the bidding starts the parties must agree to any side agreements.

### What if the house doesn't sell?

If the reserve price is not reached, it is passed to the highest bidder. The highest bidder then has the first right to purchase the property immediately after the Auction at the reserve price, otherwise the property will be offered for sale to all interested parties.

### What contracts do we sign and what are the standard conditions?

The contract is the standard contract on display at the Auction.

The usual conditions of purchase are: -

1. 10% of the purchase price paid as a deposit, either by cash, bank or personal cheque or by direct debit on the day of the auction.
2. Settlement date is normally 30 – 90 days from the signing of the contract