

To those who might be somewhat unfamiliar with the process, buying a property at auction might feel a little overwhelming. It's important that you go into auction day with a level of confidence around what might transpire, so here are some hints and tips that may assist you in your bidding on the day.

REMEMBER YOUR IDENTIFICATION

In NSW you will have to register in order to bid at the auction of a residential property. To do this, you will need to bring with you some current identification, most commonly a driver's license. You'd be surprised at how often this is left in the car, or worse, at home on the kitchen bench. Save yourself the mad dash!

WHAT IF I'M BUYING ON BEHALF OF A COMPANY, TRUST OR SUPER FUND?

To bid and buy on behalf of a 3rd party entity, you will need a written authority. Signatures of all Directors must accompany said authorisation, as well as the entities address and Australian identification numbers, such as their ABN, CAN, Trust or Fund reference number. The nominated bidder will still need to show their own drivers license to register as a nominated bidder. Ask your agent for 'Authority to bid' templates.

CAN SOMEONE BID FOR ME?

Sure! If you're unable to attend the auction, or just would prefer if someone else was there to bid for you, you'll need to give that person a power of attorney, or bestow them with a Bidding Authority form that they can provide the agent on the day. The deposit will still need to be paid in your absence, so it is critical that you have made arrangements for this to happen on auction day.

BIDDING TIME

When it comes time to bid, remember there are no prizes for second place. You're there to buy a home, so (figuratively) leave it all on the driveway. More often than not, the buyer that starts the bidding ends up securing the property. Confident bidding will establish your dominance throughout the auction, and the auctioneer will always refer back to you as the auction proceeds. Countering bids quickly can rock your competition, particularly if you mix things up with regards to the increments.

BEND AND FLEX!

Obviously, you should go into the auction with an idea of what you think the property is worth to you, and you should definitely know what you can afford with respects to repayments and your individual lending circumstance. That said, you just never know when another bidder has reached their limit, so that one extra bid just might secure the property. Don't leave wondering if one more bid might have won the day. If you get outbid, it's cost you nothing. Most people forget what they paid for a property when selling 10 years later.

BE THE HIGHEST BIDDER

One of two things will happen on auction day, and so the best place to be in both instances is atop of the bidding order. If you're the highest bidder and the property is above its reserve, in lieu of any further bidding the gavel will fall and the property will be yours. In the instance that the property isn't 'on the market' / under its reserve, the property will be passed in and the agent will, as a courtesy, negotiate post-auction with the highest bidder. If you want to buy the home, make sure that whatever the outcome, you're the highest bidder.

WHAT IS A VENDOR BID?

In the state of NSW, the vendor bid is a single bid placed by the auctioneer on behalf of the property owner. Whilst not always used, the vendor bid must always be declared by the auctioneer in a clear fashion if utilised. It is important to note that the vendor bid is not a declaration of sale price, nor is it the vendors reserve. Most commonly, the vendor bid can be used to start an auction if the crowd is apprehensive to do so, or to improve the level of bidding closer to where we need to be to transact.