

Pre-Auction Checklist for Buyers

We've prepared this information to help prepare you for buying a property at Auction.

So... You've seen a house that's going to be sold by Auction and decided you'd like to buy it? Fantastic!
Here's what to do next:

1. If you haven't already done so, make sure you let the salesperson you're dealing with know that you're interested in the property by "Registering your Interest". In most cases you will find a link to the property files on the listing website, which will include details of the property and contain such things as an Auction Contract, the Title & LIM (Land Information Memorandum) for the property, and any other pertinent information available. It pays to get this information as soon as you can, sometimes properties are sold prior to the initially advertised date. If you've registered your interest you'll be kept informed should the Auction be brought forward.
2. When buying at Auction, you are buying on an "unconditional" basis, so it's wise to do your "homework" early by:
 - Getting your solicitor to check over the LIM & Title to the property.
 - Ensure your finance is in place (know your top limit!) and that you are in a position to pay the standard 10% deposit immediately after the Auction if you are the successful bidder. Sometimes a lower deposit may be acceptable but this must be arranged in advance of the auction. Contact the salesperson you are dealing with if you want to vary the deposit ammount. The deposit is most commonly paid by electronic bank transfer to the Trust Account of the Real Estate Firm handling the sale. Let the salesperson you're dealing with know how you intend to pay the deposit, or if you foresee any difficulty meeting these requirements.
 - Check the nominated settlement/possession date on the front page of the Auction contract. If you'd like to request an alternative date, advise the salesperson you've been dealing with.
 - Check that you can get Insurance on the property should you buy it. In most cases in Canterbury since the earthquakes the incumbent insurer will agree to insure the next owner, but if you encounter any difficulty with this, advise the salesperson you've been dealing with. They may be able to help.
3. Have you been provided with the Real Estate Agents Authority (REAA) booklet: "New Zealand Residential Property Sale and Purchase Agreements Guide"? If not, ask for one from the salesperson you've been dealing with or you can get one from any Real Estate Office, or the Auction Venue.
4. Have you been to an Auction before? If not and time permits, it's a good idea to attend one. The salesperson you've been dealing with will be happy to assist wherever possible.
5. Can you attend the Auction in person? If not, you can also bid by telephone or through a third party, but this needs to be arranged in advance so once again; let the salesperson know so they can arrange the necessary documentation.
6. If you are buying the property in conjunction with another person, we recommend that both of you attend the Auction, but if that's not possible, try and ensure that you can at least be in telephone contact with each other whilst the Auction is in progress.
7. Plan your bidding strategy in advance. Auctions can move fairly swiftly so it pays to be well prepared beforehand. If you are buying in conjunction with another person, decide who will do the bidding, or whether you'd prefer the salesperson you're dealing with (or another 3rd party) to bid for you. Your salesperson can also offer advice and a few tips that may be to your advantage on Auction day.
8. Make sure you know when and where the Auction is to be held. Some people have missed out by being in the wrong place at the wrong time!