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TIPS FOR BUYING AT AUCTION

Make sure that you have thoroughly researched the market. Do not 'impulse buy'.

Try to remove the emotion from the exercise. Tell yourself that you would like this property but prepare yourself for disappointment.

Set a limit before the auction, but know that it may be necessary to stretch that limit to secure this particular property.

There are no bargains in residential real estate. Be prepared to pay a little more than you think that a property may be worth if the property meets all your other needs. Paying 5% more than you really want to and buying the property is much more satisfying than missing another property for the sake of a few thousand dollars which could have been repaid over 10 or more years.

Recognise that an auction is a power struggle and the auctioneer will always seek to control the process. Whilst an experienced buyer may sometimes compete for control and influence the process, it is difficult for an inexperienced buyer to do so. Nevertheless, do not allow the auctioneer to dominate. Assert yourself, ask questions, change the bidding, and seek time to confer before bidding further. All of these actions will slow proceedings to a more manageable pace and give you time to consider your position.

Always ensure that the agent will declare when the property is on the market. Ask the agent privately before the auction or publicly during question time. The property will not be sold until it has reached the vendor's reserve and the agent declares it to be 'on the market'. In some circumstances it is useless bidding before this point is reached and professional buyers will await this call before becoming involved. In other circumstances there is some virtue in being involved at this early stage and then dropping out, only to come in later when the property is on the market. There is no 'right' way of approaching these questions as everything depends on the market - the involvement of other prospective buyers and tactics must be adjusted to take account of these circumstances.

Consider asking someone with experience in these matters to represent you at the auction.