



Buying Property at Auction?

You need a plan

Preparation

- Have your finance approved.
- Your bank will need a copy of:
 - the Auction Agreement,
 - the Title, and
 - the LIM.
- They may also need:
 - a valuation, and
 - a building report.
- Go to several auctions before buying. Get comfortable with the process. (Ask your agent to go with you.)



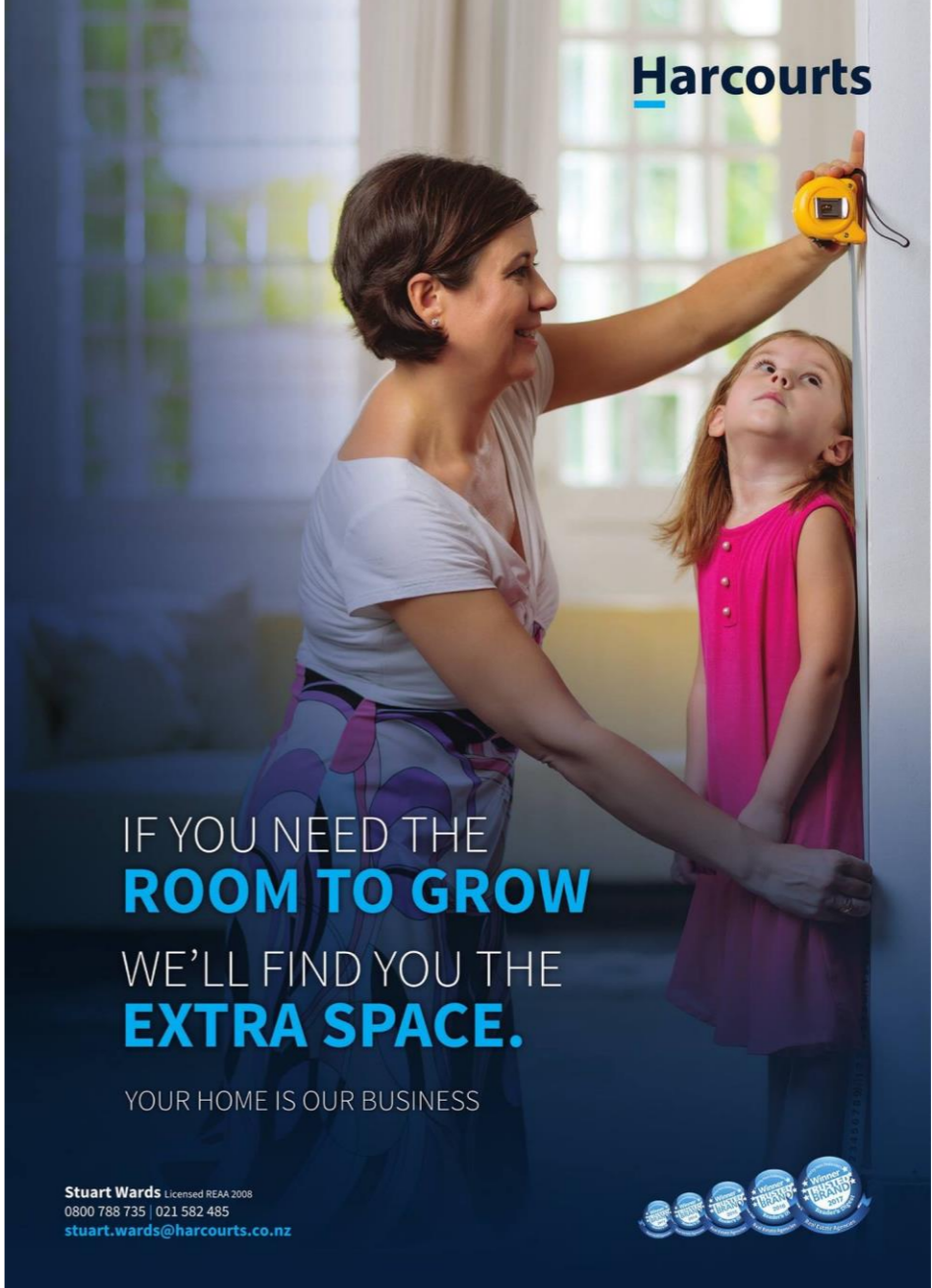
Your Strategy

- Avoid the fight!
- Eliminate as many other buyers as you can, as soon as you can.



1. Eliminate Other Buyers

- Make a pre-auction offer as soon as you can after the property comes onto the market.
- By doing this, you'll eliminate:
 - those buyers who haven't seen the property, and
 - those buyers who haven't had time to arrange finance.



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2. Know Your Numbers

- Know your maximum buy price, but
 - Have a fighting fund of \$1,500 - 2,500
- When other bidders stop on a 10,000 increment, you might buy if you have that little extra \$2,500. (If the others stop at \$700,000 you'll win if you've got \$701,000 - 702,500)



Top Price – Unhappy Price

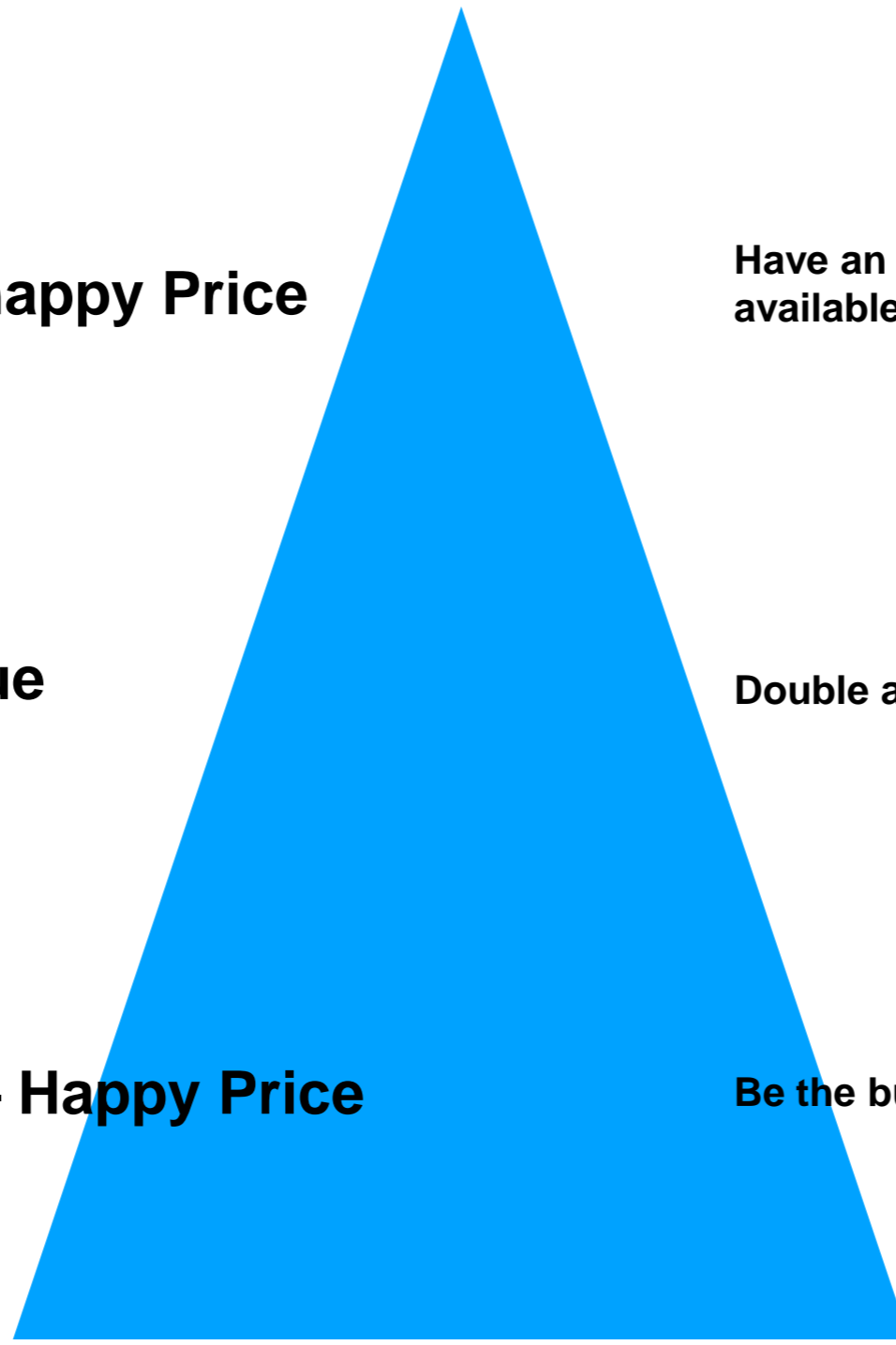
**Have an extra \$1,500 – 2,500
available for the last bid.**

Fair Market Value

Double anyone else's bid.

Opening Price – Happy Price

Be the buyer that opens the bidding.



3. Out-bid them early

- Be first to bid. Auctioneers like buyers who open the bidding.
- Make your first bid strong enough to knock your competition out of the race early.
- Start at your happy price or just below a fair price.
- If anyone else bids, double their bid. Be stronger than them.
- Be prepared to go to your grumpy price early.
- (Prolonged counter-bidding in \$1,000 increments lets the other buyers think they can beat you.)



4. Be the Negotiating Buyer

- If you haven't reached the reserve price, your goal is to be the last one bidding so that you can negotiate directly with the auctioneer.
- You get an exclusive opportunity to negotiate your deal.
- There is power in being a cash buyer.
- Do not wait for the property to be passed in. You'll be competing with all the other conditional buyers.



5. Close the Others Out

- At the conclusion of these negotiations, the auctioneer will confirm whether or not your offer is sufficient to buy the property.
- Use your cash buyer status to your advantage and negotiate a deal. Take your time.
- Be prepared to face more bidding if the property is announced on the market. Have a bidding strategy worked out to respond to any new bidders quickly..



Buying or selling and need a plan?

Call me...

Stuart Wards

0800 STU SELLS

021 582 485

stuart.wards@harcourts.co.nz

stuartwards.co.nz