



BUYERS' GUIDE for auctions

*Perfect for investors
first home buyers,
everyone!*





RE-MODELLING THE WAY AUCTIONS ARE CONDUCTED TO MAKE THE PROCESS FRIENDLIER FOR ALL PARTIES.

Through extensive consumer research, it was discovered that many buyers had a fear or dislike of standard auctions and therefore would avoid them. This may have been from a negative experience for them or a friend in the past, or a sensationalised media story based on a minority.

We found this unfortunate, knowing how transparent a well-run auction could be. We also knew that it would not be best for the vendors of a property to sell using a standard auction system if some buyers were turned off by the process. Rather than give up on such an effective process altogether like many agents, we went about addressing the main areas of concern to create a better way to transact property.

FRIENDLY AUCTIONS AT A GLANCE



Third party inspections for pest and building at the vendors' cost, not yours, to allow you to do all due diligence before offering or bidding.



Assistance with a price guide so you know if the property is in your price range.



How to get finance approval in order to bid at (or make an offer) before auction



Flexible deposit and settlement terms available.



More time to research, prepare and think about the price you want to pay than with many 'for sale' properties.



A modern, transparent and ethical way to transact property.

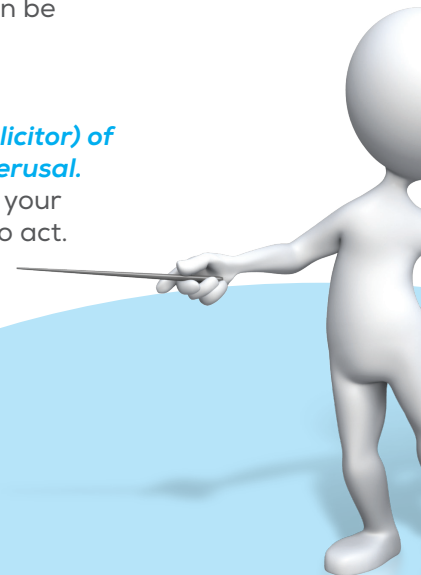



10 STEPS TO PREPARING TO BUY AT AUCTION

Purchasing a property is a process that requires your attention and involvement regardless of whether it is for sale or auction.

Your Friendly Auction Agent can always help you through the steps as they are the only person that can be in touch with ALL OF THE PARTIES all the way through.

- 01** Inspect the property as early as you can in the campaign.
- 02** *Make the agent aware of your interest and provide them with all your contact details including a back up phone number* so the agent can communicate important updates such as a heads up when another buyer has made an offer prior to auction. If you have registered your interest, we will not sell the property before speaking with you.
- 03** *Obtain a copy of the draft contract and inspection reports if available immediately after your inspection.*
- 04** *Conduct second or subsequent inspections and bring along any other decision makers.* Again, conduct these inspections as early as possible, so you can be ready to act if there is the chance of a sale happening prior to auction.
Advise the agent of your ongoing interest and progress.
- 05** *Advise a Friendly Auction accredited solicitor / conveyancer (or your solicitor) of your interest in the property and forward a contract to them for their perusal.*
This should be free of charge, so do it early, before you have decided on your final price or if you are definitely bidding, as you will be more prepared to act.



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- 06** *Advise a Friendly Auction accredited broker of your interest in the property and commence lending enquiries.* This step is critical, even though you may have a “pre-approval”, as you may need to conduct further steps to be ready to offer unconditionally or bid. You should pass your Loan Market broker details to the agent as soon as you are interested so your agent can help you get ready.
 - 07** *Meet the agent prior to auction for a wrap-up and advice on bidding at auction.* This can also be done in a pre-booked phone call and is best done approximately 4 days out from the auction.
 - 08** *Confirm your deposit with the agent at least 3 days prior to auction.* If you wish to request a deposit amount that differs from what is stipulated in the contract, it must be approved by the vendor and their solicitor/ conveyancer in advance.
 - 09** *If you wish for an agent or someone else to bid on your behalf,* or if you are bidding on behalf of a company or SMSF (self managed super fund), then the appropriate documentation is required. This is very simple to organise, but please prepare early.
 - 10** *Be at the auction early to register* and once the auction is underway, bid with confidence, to where you are comfortable.



THE 5 MAIN OBJECTIONS FROM BUYERS ABOUT AUCTIONS WERE:

- 01 Having no idea of price and the agent not willing to assist
- 02 Having to pay to get pest and building inspections done prior to bidding at auction because there is no cooling off period in auction sales
- 03 Needing finance approved before attending auction and having to deal with banks to obtain that approval
- 04 Needing to obtain legal advice prior to the auction and pay costs
- 05 Not liking the pressure of auction or having to make a decision on the spot

HOW WE HAVE ADDRESSED BUYERS' CONCERNS:

01 Having no idea of price and the agent won't help me

Wherever possible, we provide a price guide whether it be verbal or printed. This guide is updated constantly throughout the campaign and any buyer who has shown serious interest will be informed of this guide.

The guide takes into account buyer feedback to date, where the vendor would like to see bids come in and other recently sold properties. Agents who subscribe to the Friendly Auction System know to use realistic price guides and not under or over quote. On average, most properties sell within 10% of their price guides. This is just a guide but allows you to prepare finance etc before bidding. If you really want to secure the home, you may allow for slightly more, though you may not need it.

The Friendly Auction overcomes the price issue of standard auctions.





Having to pay to get pest and building inspections done prior to bidding at auction because there is no cooling off period in auction sales

Friendly Auctions aim to provide, wherever possible, a pest and building report for the prospective buyers to view. These are always conducted by a licensed inspector and a panel of reputable inspectors are used to ensure the opinion is neutral. The buyer still has the option to get their own inspections done if they wish, but by having the report there for viewing, the buyer can save hundreds of dollars and still bid well informed.

Question: If the vendor's have paid for the report, how can we be sure it doesn't favour the vendor?

Answer: The report is conducted and written in exactly the same way, regardless of who it is ordered for.

Our company is pushing for it to be compulsory that pest and building reports are supplied for every property, whether they are for sale or auction. It is like a 'road worthy certificate' that you would provide with a car that you sell. The reports will show all defects that can be detected by the inspector.

Some solicitors will suggest that you get your own reports done, and that is absolutely fine, but the Friendly Auction reports will be available for your perusal. Bear in mind that these inspectors are the same reputable inspectors that many law firms and conveyancers recommend for buyers in the area.

By providing a report the vendors show they aren't hiding anything. In fact, we urge you to take all factors into account when deciding on your price. This is not a luxury you get with most 'for sale' properties. Most of the time the price you offer for a 'for sale' property may be higher than you would offer after reading the reports. Many sales fall over this way and all parties have incurred costs by the point of breakdown. The Friendly Auction System overcomes this.



(08) 8927 5505



(08) 8947 2288



(08) 8947 3074



Needing finance approved before attending auction and having to deal with banks in a certain time frame to get approval

Friendly Auctions in association with the Loan Market – takes the pain out of finance approval before auctions. If you are interested in one of our auction properties, the Loan Market team will help you through the finance process to maximize your chances of being able to bid or offer unconditionally.

The Loan Market has already done the hard work in sourcing all of the 'Auction Buyer Friendly' lenders. They will often complete your approval process in half the time of others in the market*. We provide them with a full information and valuation kit, which dramatically streamlines the process of the application. If you don't end up buying the property, then in many cases you will be pre-approved for the next property you may be interested in.

CONTACT ONE OF OUR FRIENDLY AUCTION ACCREDITED LENDERS



Bren Rodda 0417 139 897

Derek Lee 0417 820 148

Andrew Chudleigh 0423 513 061



04

Needing to obtain legal advice prior to the auction and pay costs

Just like with the Friendly Auction accredited lender, we have assembled a panel of Friendly Auction legal specialists. These reputable solicitors and conveyancers will happily see you for FREE prior to an auction and review the contract for sale for you ahead of the auction.

You will only then be charged the company's standard conveyancing rate upon settlement of sale if you are successful in purchasing the property. This will allow you to bid with confidence and knowledge regarding relevant items like: title encumbrances, special conditions in the contract and what the zoning of the area permits in relation to further development etc.

Once again, the Friendly Auction System has overcome the issue of needing to seek costly legal advice prior to bidding.

CONTACT OUR FRIENDLY AUCTION
ACCREDITED LEGAL SPECIALISTS



1800 529 522



05

Not liking the pressure of auction or having to make a decision on the spot

The Friendly Auction System overcomes the issue of having to make a decision on the spot by giving the buyer more information than private treaty sales (and other auctions) earlier.

Think about how little time you have to make a decision on a well-priced 'for sale' property when you see it listed. In many cases, if you are lucky enough to get to the first open home in time, there may be offers on the property before you even inspect or make enquiries with the agent. Then, you have to decide, often in as little as 30 minutes. Or you may be one of the lucky ones and have the luxury of a whole 24 hours in which to make this huge life decision.

With 'for sale' properties you do not get to find out what the other offer is and you often do not have a chance to read the contract first before making an offer. In most cases you don't get to see a pest and building report either before deciding on what price you will pay. Now that's pressure!

Many buyers surveyed were disappointed they didn't get the opportunity to decide on an offer or to research a property properly before it went under contract with another buyer.

With the Friendly Auctions system, you normally have up to four weeks to decide on the home price you are prepared to bid, to conduct research on the area, to seek legal advice, gain finance approval and often inspect several times. Even if you didn't see our extensive marketing early and only got to the property in the last week of the campaign, we still have more information for you to help you make an informed decision than with the majority of 'for sale' properties.

Our Friendly Auction days or evenings are run professionally and are designed to be fun and low stress. Sure you are buying a property and there are formal proceedings involved, but this is part of every sale. We aim to make the process as easy and memorable as possible.

Friendly Auctions take most of the pressure out of buying property.



THE FRIENDLY AUCTION ACCREDITED LENDING SPECIALIST

Some banks and brokers will attempt to turn you away from bidding at auction or resist getting you ready for auction, as it involves more work for them and they aren't guaranteed they will secure that loan business. Loan Market have a different philosophy: 'To help every buyer they can get in the best position possible to buy the property they want.'

Loan Market are our preferred fully accredited mortgage broking firm that can access a wide range of home loan products from 35 different lenders and help negotiate a great deal - and all of this hassle free! They can often get you an even better deal than you can with the bank you're already talking to, due to their ability to shop around the lenders for you. Loan Market provide a free service to you as the buyer, as they are paid by the bank on the successful settlement of the loan you are happy with. Loan Market give special preference to RE Central and Central Property Management clients through a referral relationship built on great service and extremely satisfied clients.

CAUTION: Many banks and lenders will state that you are "pre-approved", when in fact your loan application has not been fully assessed and you may have many more conditions to satisfy before you are ready to bid at auction. Loan Market can also give obligation free advice on whether you are actually fully "pre-approved" by a bank and if you aren't, help you get there with your best chance of being ready for auction or an offer prior.

Even if you already have "pre-approval", it's worth getting a second opinion from Loan Market to ensure you are getting a great deal and that your loan will be structured in a way that's best for you and not the bank.

Please advise Loan Market that you have been referred by Real Estate Central for special attention. Please also tell your Real Estate Central agent if you are getting assistance from Loan Market, as we can send them all information required to assist in speedy preparation for auction or prior offers.

CONTACT ONE OF OUR FRIENDLY AUCTION ACCREDITED LENDERS



Bren Rodda 0417 139 897

Derek Lee 0417 820 148

Andrew Chudleigh 0423 513 061

THE FRIENDLY AUCTION ACCREDITED CONVEYANCING SPECIALISTS

These reputable solicitors and conveyancers are a part of our panel due to a range of criteria that includes:

- Being pro-active and willing to talk to and see clients in a timely manner, often after hours
- Being willing to look at contracts for sale prior to an auction and provide advice on these without any charges to you as the client if you don't proceed to purchase the property, or are unsuccessful at auction.
- Being reasonably priced in relation to other reputable firms.

As Friendly Auction agents, we do not receive financial kickbacks or incentives to refer these professionals to you. These individuals and companies have simply provided outstanding service to clients in the past. We have had fantastic feedback (about these firms) from buyers and sellers and we are always open to your feedback as we constantly wish to monitor the service of those we recommend.

Please bear in mind that a lot of advice can be given by phone or perhaps just via one face to face meeting. We also recommend you conduct your own research and select the conveyancer you are most comfortable with.

PLEASE NOTE: Please mention that you have been referred by Real Estate Central and specify which listing agent(s) you have been dealing with to receive the most prompt attention and ensure there are no charges for contract perusal and advice.

Please inform your Real Estate Central agent which solicitor or conveyancer you are intending to use, so that the agent can forward all necessary information to them and help negotiate any required conditions to assist you buy at a Friendly Auction.

Flexible deposits and settlements can sometimes be available, though advance notice to the agent is required. Please also be aware that the pest and building inspectors will generally be willing to talk to you about the report content and transfer the report into your name if you are the successful purchaser at auction. The reports are independent and are prepared in the same way they would be if you engaged the companies yourself. Feel free to pass these reports on to the solicitor or conveyancer you use. Please contact the agent if you have any queries about this section or your preparation whatsoever.



P 1800 529 522



P (08) 8948 4600



P (08) 8981 1086



P (08) 8942 2811

SUMMARY/ADDITIONAL TIPS

Always listen to your Real Estate Central Friendly Agent

We have helped many buyers through this process and can advise you on how to maximise your chances of securing a property with minimal stress and fuss!

Your Real Estate Central Friendly Auction Agent is the only person legally allowed to communicate with buyers, sellers, lenders, buyers' solicitors and vendors' solicitors. Real Estate Central adheres to a strict code of ethics and treats every buyer with equal respect.

Even though the Real Estate agent is employed by the vendor, we know the key to a successful sale is to make sure every buyer has an equal opportunity to pay their best price.

Be Pro-active

Whether buying by 'for sale' or by auction, you have to work through the process of preparation. Those who FOLLOW THE STEPS EARLY always have the best chance.

Don't leave things to the last minute and always ask your Real Estate Central agent for help if you need it.



Don't be fearful

Although buying at auction may seem like a daunting process, it is actually not a lot different than 'for sale' except that with auctions you generally get more time to prepare and receive most of the information you require for your due diligence before you make an offer or bid, instead of after.

Regardless of which method you use to buy property there are always decisions to make and papers to sign. Real Estate Central aims to make this process as smooth as possible.

Conduct your own research

Your Friendly Auction agent will aim to provide you with as much useful information as they can. However some questions may not be easy to answer as the information may not be easy to obtain. Use resources like RPData, recentral.com, Home price guide and others to obtain information.

Be wary of 'opinions' of well-meaning third parties that have no financial interest in your decisions.

*DISCLAIMER

The information contained in this guide and provided by Real Estate Central is to be considered as general information only. Real Estate Central bare no responsibility for the accuracy of its contents. Each party should rely on their own independent enquiries.

FREQUENTLY ASKED QUESTIONS

Q. Can I buy prior?

A. Any property can legally be sold prior to auction though this may not always suit the vendor. We understand you may have reasons for offering prior to the auction, so here is a check list to make your offer most appealing to the vendor:

1. Be prepared up to at least step 7 of the “steps to preparing to buy at auction” checklist provided in this booklet.
2. Offer above the indicated price guide on the property (if a guide is given).
3. Provide your offer on a signed contract for the property, with a certificate from your solicitor waiving the cooling off period & authority to exchange contracts.
4. Provide 10% deposit with your offer to allow exchange of contracts if the vendor is agreeable.

By following these 4 steps you are demonstrating your serious intent to purchase & that you are not just testing for the vendor’s reserve price. These 4 steps are similar to the terms of auction sale. You don’t have to follow these steps but it is recommended to give you the best chance of tempting the vendor to cancel the campaign they have invested in and hence the auction and therefore any chance they have to sell to another buyer.

Q. What if my offer isn’t accepted prior to auction & I have followed the steps? Have I wasted my time?

A. Not at all. The vendor just may not be ready to sell prior to the auction or have ever intended to sell prior. Often an offer that was not accepted prior to the auction may be acceptable or strongly considered on auction day. After the vendor has had the entire marketing campaign to consider the feedback from the market they are often more flexible on price at auction than prior. This can be advantageous to you as the buyer to be registered and bidding as the vendor may be more inclined to sell under the hammer to gain a result.

Q. What if I cannot bid under the standard auction terms but still wish to participate?

A. After performing as many as possible of the 10 steps outlined in the “steps preparing to buy at auction” checklist you should provide a request to the agent in writing outlining what terms you require to be able to purchase. For example: a lower deposit or longer settlement. The agent will then speak to the vendor and their legal representative and seek permission for the buyer to participate under these terms.

Q. How can I pay a deposit?

A. The standard contract deposit for 'for sale' or auction properties is 10%. You can pay this by bank cheque, personal cheque, deposit bond, cash (consult the agent first), or direct deposit post auction. Due to it being difficult to predict the exact amount of deposit required (as the auction doesn't have a fixed price) the Friendly Auction agent can request approval from the Vendor for an agreed fixed deposit amount. Alternatively an arrangement can be entered into for the buyer to have a bank cheque available at the auction for an agreed amount and then they can pay the remainder of the deposit post auction so that the 10% is reached.

TIP: Always speak to the agent as early as possible (at least 7 days prior) about the deposit and how you will pay it, as some arrangements like deposit bonds can take some time to be approved.

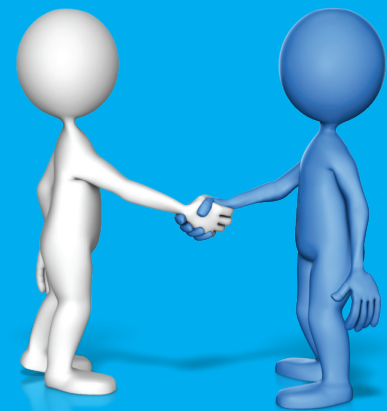
So there you have it, a smarter and friendlier way to transact property.

Feel free to speak to your Real Estate Central sales representative about any other questions you have. If we can't answer it on the spot, we'll get right back to you.

If you are considering selling your property by Friendly Auction, please let us know. It would be our pleasure to show you the full range of options available.

If you are a professional who would like to be included on our pest and building, legal or finance panel, please contact sales@recentral.com.au to discuss.

Good luck and enjoy the experience!



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DO YOU HAVE A PROPERTY TO SELL?

If you are planning on selling your property and you find the following benefits appealing, please contact us today.

Benefits of SELLING with the Friendly Auction System:

- Access to a **wider price range of buyers** for your property through not having to worry about choosing a fixed price up front
- **Maximum exposure** for your property from high profile proven effective marketing tailored to your property
- A **greater chance of selling in the peak selling period** of 4 to 6 weeks while competing properties stay seated on the market
- Your sale contract is unconditional, **less fall-over sales**
- There is **no ceiling on the price** that can be achieved
- Because buyers get longer to decide the maximum they will pay there is **no fear you have missed anyone** in the market
- You get **genuine, accurate market feedback** from your Friendly Auction Agent and therefore can make the right decisions in the right time frames.

Don't take the risk of selling your property with anyone but a genuine Friendly Auction accredited agent.

REAL ESTATE
CENTRAL

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