

15

AUCTION INFORMATION & FORMS

We recommend that you seek legal and/or technical advice regarding this document.

Statement of passing over information.

This information pertained hereafter has been supplied by the vendor or the vendor's agents. Accordingly, Prier Manson Limited is merely passing over information as supplied to use by the vendor or the vendor's agents. We cannot guarantee its accuracy and reliability as we have not audited or reviewed the information. All intending purchasers are advised to conduct their own due diligence investigation into this information. To the maximum extent permitted by the law Prier Manson Limited does not accept any responsibility to any person for the accuracy or use of the information herein.

A Guide to Buying at Auction

RayWhite.

Prior to the auction

Have the title, land information memorandum (LIM), and any other relevant documentation approved by your legal representative before the auction

Make sure you have an arrangement in place to pay 10% deposit if you are the successful bidder

You need your finance arranged to coincide with the dates of settlement and possession. (This date may be flexible to suit both parties)

We recommend you have insurance cover arranged for the property prior to the commencement of the auction.

You will need to sign acknowledgements that you have been supplied a copy of the *New Zealand Residential Property Sale and Purchase Agreements Guide* and any property disclosure documentation.

Pre-auction offers

If the vendors have agreed to consider an offer prior to the auction then the offer should be unconditional and on a sale and purchase document. Should your pre-auction offer be at a price that is acceptable to the vendors, the vendors may choose to bring the auction forward & require the salesperson to contact all other interested parties to explain that an acceptable offer has been made and the auction will be brought forward as per the Ray White Ferrymead Pre-auction Procedure.

The vendor reserves the right to vary their instruction and may withdraw the property from Auction.

However, in most cases the auction is brought forward and the opening bid will be at the level of the acceptable offer. If no better bid is received then the property will be sold to the person or persons who made the pre-auction offer. If a better bid is received then the property will be sold to the highest bidder.

At the auction

Should you be the highest bidder and successful purchaser your 10% deposit is required to be attached to the memorandum of sale which will be signed by the auctioneer and yourself immediately after the auction.

You need your finance arranged to coincide with the date of settlement and possession. However, if you require a longer period to settle, please talk to your sales consultant who may be able to arrange this prior to the auction. Any variation to the terms of sale will need to be in writing and needs to be agreed to prior to auction.

Can I have someone else bid for me?

With your written authority, anyone may bid at auction on your behalf. They may require written advice as to how high you wish them to go. Other bidders could be your solicitor, real estate consultant, a friend, or a family member. With the permission of the vendor and with prior notification you may also bid by telephone.

Written evidence is required whereby if the person bidding on your behalf is successful at auction then you undertake to complete the contract in accordance with the terms of sale. This also applies for a telephone bidding authority.

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Prier Manson Ltd Licensed (REAA 2008)

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A Guide to Buying at Auction Continued

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Chattels

Are mentioned in the particulars and conditions of sale. Please check to ensure they tie in with exactly what you believe is being left in the home.

GST

Will also be mentioned in the particulars and conditions of sale and you should check that this tallies with what you believe. Please note that on residential homes there is normally no GST payable.

Particulars and conditions of sale

This is the contract that you will sign if you are the successful bidder on the day. It is simply a contract that spells out the conditions you have bought the property on, and binds you, the purchaser, to the property. It also binds the vendor to sell to you as per the auction bidding. Once again, any variation to the terms needs to be in writing and agreed to in advance of the auction.

The particulars and conditions are available prior to the auction. If you have any doubts as to the wording or clauses, then you should consult your sales consultant or your solicitor. Please note that if you buy prior to the auction then the same conditions will apply.

Register your interest

If you are interested in the property, be sure to let the salesperson know. This ensures that if another buyer makes an offer before the auction (that is acceptable to the owner) then we are able to contact all registered parties (those who have registered their interest). We recommend all registrations should be in writing and on the form supplied.

Extra assistance for you

At Ray White Prier Manson Limited our auctioneers are all very experienced and with our Marketing Consultants, are always available to assist you with any further help you may require either pre-auction or on the day.

Specialist advice

We recommend you seek independent legal and/or technical advice prior to entering into an agreement to buy or sell property in New Zealand.

Pre-Auction Offer Procedure

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1. The Auctioneer/Manager must be contacted first and only written and signed offers will be considered.
2. The procedure has been fully explained to the vendor/purchaser by the agent and this Pre-Auction Offer Procedure is signed by both parties if the offer is accepted to bring the Auction forward.
3. Both buyer and seller are advised to seek legal and or technical advice before signing the agreement unless waived by either party.
4. The offer must be prepared on the REINZ Standard Sale and Purchase agreement. This agreement will be unconditional in all respects, (deletion of clause 6.2) but with the addition of the clause to Further Terms of Sale as provided overleaf.
5. The seller must be reminded that they cannot withdraw their property from the brought forward auction once they have signed a pre-auction offer as they would be in default of this clause.
6. The purchaser must be reminded that their pre-auction offer once signed is legally binding upon terms as set down by the additional Pre-Auction Clause clause and this Pre-Auction Procedure form.
7. A deposit equal to 10% of the purchase price (refer clause 2.0) in the agreement will be paid immediately to the Agent upon this agreement becoming unconditional in all respects.
8. If the offer is not at an acceptable level for the client, no counter-offer is made. It is merely communicated to the purchaser that at this time, the offer is not at an acceptable level to the sellers.
9. If the pre-auction offer and terms are acceptable to both seller and purchaser, the contract upon both parties signing this agreement will be dated, processed and sent to the seller and purchaser's solicitor. As per the additional Pre-Auction Clause all interested parties will be notified.
10. The sellers will sign at the time of accepting the pre-auction offer an Auction Reserve Form at the value of the pre- auction acceptable offer.
11. Should a higher bid be received at the Auction, then the existing Sale and Purchase agreement, as per the Pre-Auction Clause, will be at an end and at the conclusion of the Auction the successful/highest bidder will sign the Memorandum of Contract in the Auction Particulars and Conditions of Sale of Real Estate by Auction.

Purchaser Acknowledgement

I/we confirm that we wish to make a pre-auction offer on _____ and acknowledge that my offer will be treated in accordance with the procedures as detailed above.

Name: _____ Signed: _____ Date: _____

Name: _____ Signed: _____ Date: _____

Vendor Acknowledgement

I/we confirm that we agree that the pre-auction offer attached is acceptable to me/us and authorise you to follow the procedures and timeframes as detailed above.

If no sale is achieved at auction for a greater sum than in this agreement then the property will be sold to the purchaser as per the agreement we have accepted.

Name: _____ Signed: _____ Date: _____

Name: _____ Signed: _____ Date: _____

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Pre-Auction Offer Procedure v3 13-02-2024

Pre-auction clause to be inserted into Sale & Purchase Agreement and numbered accordingly:

XX.0 Pre-Auction Clause

- XX.1** *The parties acknowledge and agree that this Agreement is unconditional in all respects with the exception of this ClauseXX.*
- XX.2** *The parties also acknowledge that the date and time of the Auction will be brought forward to a time and date that has a minimum of 48 hours (which includes at least 1 full working day) from the date this agreement is signed by all parties. All interested parties will be notified of the new time and date of the Auction and the fact that a Pre-Auction offer has been received.*
- XX.3** *The parties acknowledge that the price in this Agreement will remain confidential until the Auction commences and will become the opening bid and reserve price of the Auction.*
- XX.4** *If during the Auction a bid is received that is unconditional and which is higher than the price in this agreement, this Agreement will immediately be at an end and the property will be sold to the person that holds the highest bid at the conclusion of the Auction.*
- XX.5** *If during the Auction, no higher unconditional bids are received by the close of the Auction, this Agreement will immediately become unconditional in all respects*

Auction Registration of Interest



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Property Address: _____

Auction Date: _____

Inspected with (Salesperson): _____

Date Inspected: _____

We would like to register our interest in the above-mentioned property to be sold by Auction by Prier Manson Limited.

Names: _____

Phone: _____

Email: _____

Postal address: _____

Solicitor: _____
(Firm) (Name)

We understand the vendor may/may not (*delete as appropriate*) consider unconditional offers prior to the Auction and has acknowledged to follow the Ray White Ferrymead pre-auction procedure should such an offer be acceptable but may elect to withdraw the property from auction at any time.

Furthermore, should the pre-auction procedure be followed we understand that all parties who have registered their interest in the property will be contacted as part of the pre-auction procedure and given an equal opportunity to participate in the brought forward auction.

Signed: _____ Date: _____

Signed: _____ Date: _____

It is important that you complete this form and deliver or email to our office or Salesperson.

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Phone Bidding Authority



Property: _____ Auction Date: _____

Potential Purchaser's Name(s): _____

I/we hereby authorise _____
to bid on my/our behalf at the auction of the property.

I/we acknowledge:

1. I/we have viewed the particulars and conditions of auction and a property information pack has been made available to me/us.
2. I/we have completed and signed the related property disclosure and registration documents prior to auction.
3. The buyer acknowledges that where a Ray White Ferrymead Licensee bids on behalf that the licensee works for the seller and is merely there to assist in facilitating the bidding on my/our behalf.
4. I/we authorise you to bid on my/our behalf at the auction in accordance with instructions to be given to you prior/during the auction or by telephone during the auction.
5. In the event that I am/we are the successful bidder:
 - 5.1. We authorise the Auctioneer, in our absence, to sign the memorandum recording the sale on completion of the auction. We acknowledge this will bind me/us as if I/we had personally signed.
 - 5.2. I/we will pay the deposit, 10% of purchase price, immediately upon conclusion of the auction to Public Trust o/a NZ Real Estate Trust
 - 5.3. I/we hereby indemnify the licensee, auctioneer and Ray White Ferrymead (Prier Manson Limited) from any personal liability in any manner or form arising from your role as my/our agent in bidding at auction on my/our behalf.
6. I/We also acknowledge receiving a copy of the New Zealand Residential Property Sale Purchase Agreement Guide.

Contact details

Phone: _____

Email: _____

Postal address: _____

Solicitor: _____
(Firm) (Name)

Signed: _____ Date: _____

Vendor(s) Accepts/Declines: _____
(Signature)

Date: _____

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Aside Agreement



Variations to Particulars and Conditions

The Seller(s) agrees that the terms and conditions for the auction of:

Offered for sale by public auction by Prier Manson Limited on: _____
(date)

Are varied as follows if purchaser named below is the successful purchaser at auction:

Buyer Name(s): _____

Signature(s): _____

Vendors Name(s): _____

Signature(s): _____

Date: _____

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Best Practice Guide

Auction

Version 1.2: Republished September 2021

1. General

1.1 When conducting the sale of a property by auction, members should not engage in any conduct which is misleading or deceptive or is likely to mislead or deceive. This principle applies to conduct prior to, at and after the auction.

1.2 Nothing in this Guide limits or diminishes members' obligations to report suspected misconduct or unsatisfactory conduct of a licensee to the Real Estate Agents Authority as required under the Real Estate Agents Act 2008 and/or its regulations.

2. Before the Auction

2.1 Members should not advertise a property as being for sale by auction unless there is intended to be an auction and unless a written auction authority form has been duly executed by or on behalf of the seller.

2.2 Members should provide a copy of this Best Practice Guide to prospective sellers prior to having them sign the auction authority.

2.3 Sellers should sign an acknowledgment of acceptance of the terms of this Guide, which should form part of the auction authority.

2.4 Prior to the auction, the member should make available for inspection the terms and conditions under which the sale of the property by auction will be undertaken.

2.5 If applicable, the member should specify in such terms and conditions of sale that the seller reserves the right to bid either personally or through an agent.

2.6 The member should make this Guide available for inspection prior to the auction.

2.7 Members should make reasonable endeavours to inform all interested parties if a property is to be withdrawn from auction or is to be sold prior to auction.

3. At the Auction

3.1 The auctioneer should conduct the auction at all times with integrity and in compliance with the law of New Zealand and this Guide.

3.2 The terms and conditions of sale should be on display and available for inspection, together with this Guide, at the auction. Any portion of the terms and conditions of sale relating to the description of the property will be read aloud by the auctioneer at the commencement of the auction of that property.

3.3 Before commencement of the bidding for a property, the auctioneer should announce whether the seller has set a reserve price. The reserve price, if any, should not be disclosed to bidders.

3.4 Before commencement of the bidding for a property, the auctioneer should announce whether the seller has reserved the right to bid one or more times at any level below the reserve price at the auction and, if so:

(a) Whether the member has been appointed to bid on behalf of the seller and, in such case, that all bids made on behalf of the seller will be made and declared by the auctioneer; or

(b) Whether the seller or some other person will be bidding on behalf of the seller and should identify that person in which case any bid made by that person should be declared by the auctioneer.

Neither the member nor any salesperson engaged by the member should make or assist any other person to make any bid on behalf of the seller in contravention of any announcement by the auctioneer pursuant to this clause. The member, or any salesperson engaged by the member, should immediately advise the auctioneer of any bid which they believe to be made in contravention of this clause.

3.5 Where the seller does not provide the auctioneer with a written reserve prior to the auction, the auctioneer should announce that the property is to be sold without reserve and no bid should be made by or on behalf of the seller at the auction.

3.6 In making a bid on behalf of the seller at the auction, the auctioneer should exercise his/her independent judgement.

3.7 Where in advance of the auction, any contractor/employee of the member or the auctioneer has been requested to bid for a prospective buyer, whether that buyer is present or absent, the auctioneer will announce that fact and identify those contractors/employees who will be so bidding.

3.8 The auctioneer should ensure that the amount of any bid is clearly stated.

3.9 The auctioneer may refuse any bid.

3.10 The auctioneer should resolve any disputed bid in accordance with the terms and conditions of sale governing the auction.

If such terms and conditions do not specify how disputed bids are to be resolved, then the auctioneer should resolve any disputed bid in accordance with the Particulars and Conditions of Sale by Auction 4th Edition (or any document approved by the REINZ in substitution thereof).

3.11 Under no circumstances will a bid by or on behalf of the seller be exercised by the auctioneer at or in excess of the seller's reserve price.

3.12 The auctioneer will always clearly announce if the property is about to be sold under the hammer.

3.13 Subject to the reserve price being reached, the highest bidder should be the buyer.

3.14 If the seller so instructs, the auctioneer will announce during the course of the auction that in the event of the property being passed in the highest bidder will have the first right of purchase of the property at the seller's reserve price.

4. After the Auction

4.1 If a property is passed in at auction, no post auction advertising for the property should make any reference to any seller bid made for the property at the auction.

Are you confident to **keep bidding?**

When it comes to buying property there's no such thing as too much research.

Your local real estate agent can provide you with lots of useful background information on the neighbourhood and can get you up to speed on similar sales in the area. At the same time, I can help you choose the right home loan.

Even before you think about making an offer, it's worth speaking with me, your local Loan Market adviser. I can:

- ▶ Work with NZ's widest range of lenders – to ensure you're aware of your maximum borrowing capacity
- ▶ Organise a pre-approval – essentially giving you the green light from a lender to spend up to a certain amount
- ▶ Put you in a much better negotiating position – by ensuring you understand the costs of making another bid

How much does an extra bid cost?

If the property you're after is going to auction, it's nice to know the difference on your repayments that a higher bid will make.

You'll see from the table here, how your weekly loan repayments change with additional bids.

Weekly additional payments by incremental loan amount

Interest rate	\$1,000	\$5,000	\$10,000
3.50%p.a.	\$1	\$5	\$10
3.75%p.a.	\$1	\$5	\$10
4.00%p.a.	\$1	\$6	\$11
4.25%p.a.	\$1	\$6	\$11
4.50%p.a.	\$1	\$6	\$11
4.75%p.a.	\$1	\$6	\$12
5.00%p.a.	\$1	\$7	\$13
5.25%p.a.	\$1	\$7	\$13
5.50%p.a.	\$1	\$7	\$13
5.75%p.a.	\$1	\$7	\$13
6.00%p.a.	\$1	\$7	\$14

We are not implying these rates are available or realistic, or that credit is available or suitable. Rates are purely indicative to demonstrate how a loan repayment might change if the loan principal increases on a 30 year loan of \$500,000. This is not a repayment amount and does not consider your unique circumstances or product fees.



So in a nutshell, by arranging your finance first, you really will be streets ahead of other buyers when the time comes to make an offer.

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