

Pre-Auction Offer & Procedure

ACKNOWLEDGEMENT

Property _____

Seller _____

Purchaser _____

ACKNOWLEDGEMENT

- a. The seller confirms to the licensee that they wish to sell their property at auction and an auction date has been set for the property.
- b. The seller wishes to accept pre-auction offers, which will be conducted in accordance with this **Harcourts Pre-Auction Offer Procedure** agreement.
- c. All pre-auction offers must be prepared using the REINZ Auction agreement and must be unconditional.
- d. The seller retains the right to withdraw from an auction entirely before a pre-auction offer is signed. This means that the seller can cancel an already scheduled auction in order to sell the property to a specific purchaser. However, once a pre-auction offer is signed by the seller, then this pre-auction offer procedure will be binding on the seller.
- e. If the pre-auction offer is not at an acceptable level, the seller will not counter-sign it, and the prospective purchaser will be told that the pre-auction offer was not acceptable.
- f. If the pre-auction offer is at an acceptable level, and the seller chooses to follow the **Harcourts Pre auction Offer Procedure** by signing the pre-auction offer, then the acceptable price will become the reserve price for the brought forward auction.
Note: A reserve form must be completed and signed by vendors at this time.
- g. The purchaser accepts that other prospective purchasers may have already expressed their interest in the property, such that the sales consultant will have a duty to contact all interested parties in the event that an acceptable pre auction offer is made to allow them an opportunity to bid at the brought forward auction.
- h. It is recommended that the brought forward auction be a minimum of 48 hours after the pre-auction offer is signed by the vendor, and includes one full working day from the date the seller signs the Particulars and Conditions of Sale of Real Estate by Auction form.

The following clause is inserted into the auction contract prior to the offer being signed by the purchaser.

Pre-auction Offer Condition

This Agreement is conditional upon the Seller (Vendor) not selling the Property at a higher price (than the purchase price in the Agreement) at the brought forward Auction either at the fall of the hammer or at such time that the auctioneer announces that the auction is at the end.

As soon as is reasonably practicable following the brought forward auction having been completed, the Vendor shall notify the Purchaser in writing as to whether or not the condition in this clause has been satisfied.

For the avoidance of doubt, this pre-auction offer condition must be satisfied before this Agreement becomes unconditional in all respects.

By signing this Pre-auction Offer & Procedure Acknowledgement, the Seller and the Purchaser both acknowledge that:

1. The licensee has thoroughly explained and discussed the meaning and implications of the **Harcourts Pre-auction Offer Procedure** to the seller and to the purchaser; and
2. The seller and the purchaser understand their rights and obligations under the **Harcourts Pre-auction Offer & Procedure**; and

Initials here: _____

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3. The seller and the purchaser agree to be bound by the terms contained in the **Harcourts Pre-auction Offer & Procedure**; and
4. The licensee has recommended that the seller and the purchaser seek independent legal, technical, or other advice (as the seller or purchaser may require) on the **Harcourts Pre-auction Offer Procedure** and any other documentation prior to signing any documents, and that the parties have either taken such advice or have waived their right to do so; and
5. The purchaser confirms that the Pre-auction Offer has been signed and includes:
 - a. the purchase price; and
 - b. immediate payment of the deposit (equivalent to 10% of the purchase price) to the licensee by bank transfer in cleared funds upon the Pre-auction Offer being declared unconditional at the brought-forward auction; and
 - c. the Pre-auction Offer Condition enclosed above;
6. Once the Pre-auction Offer is signed by the Seller:
 - (a) the Pre-auction Offer remains conditional upon the outcome of the brought-forward auction; and
 - (b) the seller is bound to sell their property to the purchaser if a higher price is not received at the brought forward auction; and
 - (c) the seller cannot withdraw the property from auction; and
 - (d) the purchaser cannot withdraw its pre-auction offer; and
 - (e) the seller cannot change the reserve price (which must be equivalent to the purchase price in the Pre-auction Offer); and
 - (f) the purchase price in the Pre-auction Offer is not a bid and will not be treated as a bid at the auction; and
 - (g) the purchaser may attend the auction and may bid separately

THE BROUGHT-FORWARD AUCTION DETAILS:

Brought-forward auction shall be held on _____

Signed by the Seller: _____

Print Name: _____

Trustee/Director/Authorised Signatory

Print Name: _____

Trustee/Director/Authorised Signatory

Print Name: _____

Trustee/Director/Authorised Signatory

Print Name: _____

Trustee/Director/Authorised Signatory

Signed by the Purchaser: _____

Print Name: _____

Trustee/Director/Authorised Signatory

Print Name: _____

Trustee/Director/Authorised Signatory

Print Name: _____

Trustee/Director/Authorised Signatory

Print Name: _____

Trustee/Director/Authorised Signatory