



friendly
AUCTIONS



INTRODUCTION

Friendly Auctions at a Glance

- .. 3rd party inspections for pest, building or strata at the vendor's cost, not yours, to allow you to do all your due diligence before making an offer or bid
- .. Assistance on price guide and how to get finance approval to bid or offer pre-auction
- .. Flexible deposit and settlement terms available by negotiation
- .. More time to research, prepare and think about the price you want to pay in comparison to many 'for sale' properties
- .. A modern, transparent and ethical way to transact property
- .. The Friendly Auction System is now used right throughout Australia by accredited professionals and is trained and supported by Australasia's most trusted and respected training authority, the Realtair Academy



10 Steps to prepare to buy at auction

1. Inspect the property as early as you can in the campaign.
2. Make the agent aware of your interest and provide all contact details including a back up phone number and email details so the agent can provide important updates like notice of other offers prior to auction.
3. Obtain a copy of a draft contract and inspection reports if available immediately after your inspection.
4. Conduct second or subsequent inspections and bring along any other decision makers. Again, conduct this inspection as early as possible, so you can be ready to act if there is a sale prior to the auction. Advise agents of your ongoing interest and progress.
5. Advise a Friendly Auction accredited solicitor / conveyancer (or your solicitor) of your interest in the property and forward a contract for their perusal. This should be free of charge, so do it early, before you've decided on your final price or if you're definitely bidding, as you'll be more prepared to act.
6. Advise a Friendly Auction accredited lender (or your own broker/ lender) of your interest and commence lending enquiries. This step is critical, as even though you may have a "pre-approval", you may need to conduct further steps to be ready to offer unconditionally or bid. You should pass your bank or broker details to the agent as soon as you are seriously interested.
7. Meet agent prior to auction for summary and advice for the auction. This can also be done in a pre-booked phone call and is best done approximately 4 days out from the auction. Register to bid via Realtair online.
8. Confirm your deposit with the agent at least 3 days prior to the auction. Please note; that if you wish to request a deposit other than the contract deposit, it must be approved by the vendor and their solicitor in advance.
9. 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 Self Managed Super Fund, then the appropriate documentation is required. This is very simple, but please prepare early.
10. Be online or in attendance at the auction early and once the auction is underway, bid with confidence, only to where you are comfortable.





WHAT'S SO FRIENDLY ABOUT IT?

So why was the Friendly Auction System created and what's so Friendly about it?

In 2006, nationally recognised real estate innovator Mark Kentwell began re-modelling the way auctions were conducted to make it friendlier on 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 media story based on a minority. We found it 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.



The 5 main objections from buyers about auctions were:

1. Having no idea of price and the agent won't help me
2. 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
3. Needing finance approved before attending an auction and having to deal with banks in a time frame to get approval
4. Needing to obtain legal advice prior to the auction and pay costs
5. Not liking the pressure of auction or having to make a decision on the spot



BUYERS' CONCERNS

How we have addressed buyers' concerns:

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 above 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 may not need. In some cases a property will have a 'Buy now' price issued, this is the price or minimum price that the vendor will accept for an unconditional sale (no cooling off period) prior to the auction. If multiple parties offer this price then the agent may issue an 'Ethical Multiple Offer Form' for the buyers to declare their final price.

If the buyer doesn't believe that the 'buy now' price is reasonable they can simply come to the auction and the vendor may consider their bid if it is the highest in the auction, even if it doesn't reach the 'buy now price'. The vendor may set their reserve at a different figure than the buy now price if the property makes it to auction. 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 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.



Question:

- ✿ If the vendors 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 what it is ordered for. Our company is pushing for pest and building reports to be made compulsory to be supplied on every sale, whether it be private treaty 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 to get your own report done and that is fine if you wish, but the report is there for you if you want it. Bear in mind that these inspectors are the same reputable inspectors that many law firms and conveyancers recommend for buyers in the area. Approximately 80% of bidders at Presence Real Estate auctions in 2013 used the reports provided, many in consultation with their solicitor. We aim for the reports we provide to be done within 60 days of the date marketing commences. 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 in most private treaty sales. Most of the time the price you pay in a private treaty may be higher than you would after seeing 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.



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

Friendly Auction Finance Assist - another first, takes the pain out of finance approval for auction properties. If you are interested in one of our auction properties, our team will help you through the finance process to maximise your chances of being able to bid or offer. We have done the hard work in sourcing all of the 'Auction Buyer Friendly' banks, building societies, brokers and credit unions in your area. We can provide you with a list of contact persons who 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.

Question:

- ✿ What if my bank or broker doesn't appear on the list of Auction Buyer Friendly Lenders?

Answer:

- ✿ We can still send them the full info pack and valuation kit, they may even want to apply to become an accredited Auction Buyer Friendly Lender.



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

Just like with the Auction Buyer Friendly Lenders, we have assembled a panel of Auction Buyer Friendly 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 no surprises around things like: title, the waterboard and drainage diagram, 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 legal advice prior to bidding.





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 decide on a well priced Private Treaty (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 get there. Then, you have to decide, often in as little as 30 minutes and as often less than one day outside, whether you wish to make an offer or not. In private treaty sales, you don't get to find out what the other offer is, you often don't have a chance to read the contract first before offering and in most cases don't get to see a pest and building inspection report either before deciding on what price you will pay. Now that's pressure. So

many buyers surveyed were disappointed they didn't get time to decide on an offer or to research a property properly before it was sold as a private treaty sale. In Friendly Auctions, you have up to 4 weeks to decide on the price you are prepared to go to, to conduct research on the area, to seek legal advice, finance and often to inspect several times. Even if you didn't see our large promotion campaign early and got to the property in the last week of the campaign, we still have more information for you to help you make informed decisions than in private treaty sales. 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.





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

Feel free to speak to your Presence Real Estate 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, building, legal or finance panel, please contact clientcare@presence.net.au to discuss.





Friendly auction accredited lending specialists



One of the industry leaders for a reason, performing above and beyond other banks in providing tailored rates, flexible loan features and special discounts provided by their home lending specialists.

Phone: 13 2224



Loan Market are 100% family owned with no bank ownership. So, while we have the biggest panel of 60+ banks and lenders, we don't play favourites, striving to get the best outcome for you. Whilst keeping it real and not using bank jargon, we talk like you!

Phone: 13 5626



Friendly auction accredited legal specialists

These relatable solicitors and conveyancers are a part of our panel due to a range of criteria that includes: being proactive 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. Be reasonably priced in relation to other reputable firms. As Friendly Auction agents, we receive no financial kickbacks or incentives to refer to these professionals. These individuals and companies have simply provided outstanding service to clients in the last decade or so that we have been monitoring how legal professionals work with buyers and have never seen it as too much trouble to get a client prepared to buy the property they wish to go for at auction. We have had fantastic feedback from buyers and sellers with these firms 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 the advice can be given by phone with maybe one (if any) face to face meeting required, so the location of each solicitor isn't too critical, choose the one you're most comfortable with.





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- Next Legal & Conveyancing - Alicia Floyer
p: 02 4040 9888 m: 0401 345 588
Lot 12, 1A/270 Turton Road, New Lambton NSW 2305



- Kent Conveyancing - Michelle Kent
p: 02 4941 7474
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Australia 2284



- Kilpatrick Hatton Solicitors - Peter Kilpatrick p:
02 4920 8300
Suite 1 163 Pacific Highway Charlestown NSW 2290



- Impero Conveyancing - Fiona Eastwood
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103 Nelson Street, Wallsend NSW 2287



- Fletcher Piddock Lawyers - Andrew Fletcher p:
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- Evans and Wislang - Dylan Mitchell
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1/5 Library Ln, Charlestown NSW 2290, Australia



- Newcastle Legal and Conveyancing -Edward
Mathews p: 1800 003 004
17 Beaumont St, Hamilton NSW 2303, Australia

Please note:

Please mention that you have been referred by Presence Real Estate 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 Presence Real Estate agent which solicitor or conveyancer you are intending to use, so that the agent can get all necessary information together and help negotiate any required conditions to help you buy under the Friendly Auction process. 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 the same as they would be if you engaged the companies yourself, feel free to pass this on to the solicitor or conveyancer you use.

Please contact the agent if you have any queries about this section of your preparation whatsoever.



Summary/ Additional Tips

Always listen to your Friendly Auction Agent. We have helped thousands of buyers through this process and can advise you on how to maximise your chances of securing a property with as little stress or fuss as possible. Your Friendly Auction Agent is the only person legally allowed to communicate with buyers, sellers, lenders, buyers' solicitors and vendors' solicitors. We operate by a strict code of ethics and treat every buyer with equal respect. Even though the agent is employed by the vendor, we know the key to a successful sale is to make sure every buyer has an equal chance of paying their best price.



Be Proactive

- ✿ Whether buying by private treaty 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, always ask for help if you need it.



Don't be fearful

- ✿ Although buying through auction may seem like a daunting process, it is actually not a lot different than FOR SALE (Private Treaty) except that, you generally get more time to prepare and get most of the information you need for due diligence in advance in your offer or bids, instead of after. Regardless of which method you use to buy through there are always decisions to make and papers to sign. We aim 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 possible. However some questions may not be easy to answer as the information may not be easy to obtain. Use resources like CoreLogic, domain.com.au, Home price guide, Presence Real Estate research 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 Presence Newcastle, Lake Macquarie, Central Coast & Hunter is to be considered as general information only. Presence Newcastle, Lake Macquarie, Central Coast & Hunter bears no responsibility for the accuracy of its contents. Each party should rely on their own independent enquiries.



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 sale. 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.