

RayWhite.



Ray White Eastern Group Auction Buyer's Guide

Ray White_Know How

Statement of passing over information

This information has been supplied by the vendor or the vendor's agents.

Accordingly Mountfort Estate Agents Ltd is merely passing over the information as supplied to us by the vendor or the vendor's agents. All intending purchasers are advised to conduct their own due diligence investigation into the same. To the maximum extent permitted by law Mountfort Estate Agents Ltd do not accept any responsibility to any person for the accuracy of the information herein.

We recommend that buyers seek legal advice and any other technical or other advice or information.

Important—please read

Building inspection report

We always advise buyers to obtain their own building inspection report and advice for dwellings, and particularly for those built between the years 1990 and 2004, regardless of construction type.

Please refer to the Particulars and Conditions of Sale of Real Estate by Auction, and in particular clauses numbered from 20.0 onwards.

Structural integrity, watertightness, fitness for purpose

On inspection prior to bidding, buyers will need to recognise construction aspects of a dwelling, and recognise aspects such as plaster / monolithic cladding.

Plaster cladding in recent times has been the subject of discussion and comment, therefore all potential buyers will be required to obtain their own building report and independent advice prior to bidding.

Should the bidder not obtain their own specialist advice having been instructed prior by the agent, they are deemed to have satisfied themselves on all aspects of the property and are therefore bidding in reliance on their own judgment.

Preliminary Interest

Registering your interest

On inspecting this property, any preliminary interest should immediately be registered with the listing agent so that you can be given all relevant information on the property, and should an offer be received for the vendors' consideration prior to auction day, then you will be given the opportunity to equally make an offer for the vendors' consideration. If you do not register your interest, it is possible that the listing agent may not have all the information to be able to contact you should the property sell prior to auction.

Auction buyers' guide

The document you will sign

You will note that the document you will sign—the Particulars and Conditions of Sale of Real Estate by Auction—differs from the Agreement for Sale of Purchase of Real Estate in two distinct points.

Clause 8.2 - "The Purchaser is deemed to have accepted the vendor's title to the property and the purchaser may not make any requisitions or objections as to title". You will note the clause in the document under Further Terms of Sale - "The purchasers acknowledge they have been advised that any interests noted on the search copy of the title to the property whether by way of covenant easement caveat or memorial or otherwise should be referred to a lawyer or an expert trained in law and experienced in property law, for independent advice, prior to bidding on or buying the property".

Further Terms of Sale—there is no provision to include clauses in the Further Terms of Sale which provide for the contract to be conditional upon finance, Builder's Report, LIM etc.

You should therefore seek qualified advice and satisfy yourself as to all aspects of the property and legal advice relating to the Particulars and Conditions of Sale of Real Estate by Auction.

You will note that the document that you sign as the buyer of the property is a totally unconditional contract.

You will also note that the Particulars and Conditions of Sale of Real Estate by Auction includes 2.1:

"The property will be sold subject to a reserve price", and 2.5 that provides for the Auctioneer to bid for the Vendor—declaring that bid as a "Vendor bid".

Auction buyers' guide (ctd)

Buying prior to auction

1. All pre-auction offers must be unconditional. An accompanying authorised person in conjunction with the Auctioneer must be involved in the presentation of the offer to the Vendor.
2. Mountfort Estate Agents Limited Licensed (REAA2008) (trading as Ray White), recommend that Purchasers seek legal advice before signing this Pre-Auction offer document.
3. The offer is prepared on the Particulars and Conditions of Sale of Real Estate by Auction (Fourth Edition 2012 (6)), with the following time clause added as a special condition:
If the Vendor communicates to the Purchaser, in terms of Clause 6 of the Pre-Auction Offer document, that the offer is at an acceptable level then the Purchaser shall not be free to withdraw their offer before 8pm three working days from the date of such communication or from such other date as determined by the Auctioneer under Clause 7 of the Pre-Auction Offer document, acting reasonably.
4. The offer is presented to the Vendor for consideration with a deposit of 10% of the purchase price or such other deposit as the Vendor has approved.
5. If the offer is not an acceptable level no counter offer is made, it is merely communicated to the Purchaser that at this stage the offer was not at a level that would stop the auction. The deposit is returned.
6. If the offer is at an acceptable level, all other interested parties are then contacted and told that an unconditional offer to purchase the property has been received and will be accepted by the Vendors unless a better offer is received. They should then be informed of the time, place and manner for the opportunity to make their better offer.
7. The auction date and time will be brought forward, with the Auctioneer determining the date and time of the auction after considering all aspects of fairness to all interested parties;
 - a) the date and time to be conveyed to both parties and agreed to by both parties which may differ from time and dates referred to in Clause 3 of the Pre-Auction Offer document, or;
 - b) If, for any extraordinary reason, an auction cannot be conducted all offers will be presented as multi-offers.
8. At Auction the opening bid announced will be the offer already made.

Doing your homework

LIM information

Researching your own information as to all aspects of the property is so important so that you have confidence in the specialist you engage, and therefore, the information supplied to you.

Some important points to note:

- Issue of permits and confirmation of final inspection
- Floor plan—any alterations to floor plan as inspected
- Any external factors (future plans) that will affect the property

The Auckland Council Customer Centre can assist you with your property enquiry. Copies of documents relating to properties which may be held in Council archives, include:

1. Plans and other documents submitted with applications for Building or Resource Consent
2. Documents recording Council's administration of those consent applications.

If you require assistance on how to rectify an Identified Planning or Building issue (e.g. building being carried out with no consent), then you can ask to be referred to a member of the professional advice team. Information concerning any details should be addressed to the Auckland Council Building and Resource Consent Customer Enquiries at their offices at Kotuku House in Manukau.

Dwelling integrity

There are home inspection companies available to inspect the dwelling and give you advice on the structural integrity and other aspects of the dwelling— or you may know a qualified building inspector who you would have confidence in, to advise you.

We do not recommend any specific home inspector as their services should be completely independent for you to engage.

How can I buy this home?

Some answers to commonly asked questions about auctions

What is a real estate auction?

Auction is a form of marketing a property through intensive advertising mediums designed to capture the maximum attention of buyers within a set timeframe. The process is a means of purchasing real estate through public negotiations to determine the true market value of the property.

What is the reserve price?

The reserve price is usually set on the day of the auction by the vendor and remains confidential at all times. The reserve is generally established by the vendor taking into account the comments and price indications from potential buyers.

How do I bid at auction?

Simply attract the attention of the auctioneer by putting up your hand, by calling out, or nodding your head when you catch the auctioneer's eye. The auctioneer usually nominates the amount of the bid he is looking for. If you are the successful bidder, you will be asked to pay the deposit and sign the contract immediately after the auction.

Can I buy before auction?

Yes, depending on the instructions from the vendor. You simply submit your offer to the agent on the "Sale of Real Estate by Auction" form. The real estate company will also ensure that other interested potential buyers have an equal opportunity to submit their offer. If the price is sufficiently agreeable to the vendor, then the contract is completed and the property is sold before auction.

I can't buy at auction because I have to get finance.

That's OK. Your real estate company can refer you to a mortgage broker or you can organise finance through your bank or building society. Mortgage finance can be arranged at relatively short notice subject to the efficiency of the information that you can supply to a bank or finance company.

I want to buy it, but I have a house to sell.

There are two answers. If you are in a sound financial position you may organise a bridging loan. The other way is to buy on a longer settlement date, giving you time to sell and to settle your house. Discuss the marketing of your present home with your real estate agent as there may be buyers on their database that may suit your home allowing you to effect a sale in quick time.

What price do I have to pay to buy the property?

This is the price you are prepared to pay. Other people will perceive different amounts. Generally, your price will be established by what property has sold for around the area and also the particular features that the home offers you.

What if the house doesn't sell?

If the reserve price is not reached, the Auctioneer will indicate clearly if the property will be 'passed in' for immediate negotiation with all interested buyers.

What contract do we sign and what are the standard conditions?

The contract is the standard REINZ contract. This contract is on display at the auction.

The usual conditions for purchase at auction are:

1. 10% of the purchase price paid at deposit: either by cash bank cheque, or personal cheque
2. Settlement date is usually 30–90 days from the signing of the contract or as nominated by the auctioneer.

Your Ray White real estate salesperson is specially trained to assist you if you have any questions or if you require further information about auctions.

Ray White Eastern Group Auction venue map

Buckland's Beach Yacht Club
Ara Tai
Half Moon Bay 2012

