

# Tips and tricks for buying at auction

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Key editor

## How to secure your dream property

**A**UCTION day has arrived. You have spent the past six months trawling through the suburbs, inspecting properties, checking prices and quizzing estate agents.

Dozens of people wander through the property you want to buy with glossy brochures in their hands making hushed comments when the auctioneer calls for their attention.

Your heart is pumping. You repeat to yourself the figure that you have agreed with your partner will be the upper limit of your bidding.

But do you bid first or wait for someone else to show the lead? Do you bid hard or offer small amounts to slow the auction from racing ahead?

What are the auction traps to avoid and what are the tips to ensure you have the best chance of winning the property at the lowest possible price?

Estate agents and buyers' advocates (who make a living buying properties for others) say there are no fixed rules when it comes to the complex art of buying at auction.

Auctions can vary in many ways and the preferred method of handling one might alter from one to another, depending on the level of interest in the property, the closeness of the quoted price to sales prices of comparable properties and whether the property is put "on the market" during the auction.

Most experienced buyers agree it is best to be assertive when bidding. Don't be afraid to ask questions of the

auctioneer and offer figures smaller, or bigger, than the price being called for.

Author and advocate Patrick Bright recommends buyers attend at least a dozen auctions before they buy to familiarise themselves with the process, the theatrical

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atmosphere, the emotions and terminology of auctions.

Inexperienced buyers have even bid against themselves, and given away thousands of dollars, because they were unaware of what was happening around them, Mr Bright said.

His latest book, *The Insider's Guide to Saving Thousands at Auction*, says buyers should set a strict price limit, based on research of comparable sales and never exceed it.

"Set your limit on an odd number, because if two people have the same limit, which is

more likely to happen on a round number, then the first one to get there can buy the property," Mr Bright said.

Buyers should hold auctioneers accountable if the property is not yet declared "on the market" if bidding is well beyond the quoted price.

ADVOCATE JENNI WRIGHT

### SECRETS TO SUCCESS

Become familiar with the auction process

Set a maximum price based on sales results

Do not exceed your maximum price

Gauge the level of competition

Bid assertively

Restrain your emotions

Position yourself to see other bidders

Know when the property is "on the market"

Dress to win

Take a cheque

"Say the agent has quoted a property at 'low to mid-\$600,000s' and bidding is now at \$675,000," he said.

"I might ask the auctioneer if the property's on the market. If they say no, I say, 'Why not?'"

Advocate Jenni Wright, of Morrell & Koren, said buyers should appear as though they are going to win.

"If the bids are not yet at the reserve, you don't want to be bidding fast, but once the property is to be sold, bid hard and fast," she said.

"Make out as though you've got lots of money, even if you haven't."

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