

# THE BLUE BOOK CHECKLIST – How to Buy at Auction



2019 THE BLUE BOOK

REAL WEALTH AUSTRALIA PTY LTD



## Checklist: How to buy property at auction

### 1. Set your budget.

When bidding at auction, the number one rule that all property buyers need to follow is to set your budget and stick to it. In the heat of the moment, it's very easy to get caught up and bid \$10,000, \$20,000, even '100,000's of thousands of dollars' over what you were prepared to pay.

Notes:

### 2. Know the property's worth.

Make sure you are very clear about what you can afford and what the property is really worth.

Notes:

### 3. Organise inspections.

When you buy property at auction, you do not have the opportunity to conduct building and pest inspections after you agreed to buy the property, which is a legally binding, unconditional contract. Therefore it is essential that if you are serious about the property, you arrange for any relevant inspections to take place before auction day.

Notes:

### 4. Bid calmly.

If you are not confident in your ability to remain calm and level-headed on the day, it might be an idea to bring a friend to bid on your behalf. This will also ensure that you don't get carried away.

Notes:

**5. Take it seriously.**

Remember that once you put your hand up or shout out your bid, it is officially on record and can't be taken back, so only get involved if you have serious intentions to follow through! Once bidding is underway, bids usually increase in set increments of \$1,000 or \$5,000, dropping in value as the number of bidders drops off.

Notes:

**6. Be prepared to commit.**

If you "win" a property at auction, there is no opportunity to back out. Unlike a private treaty sale, there is no cooling off period, so you must be ready to commit to settle the purchase.

Notes:

**7. Celebrate!**

Congratulations on your new purchase!

Notes:

Additional comments