

Are you *Auction* ready?



Auction

Get ready for
auction day and
give yourself the
best chance to
secure your dream
home.

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.com.au

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1 What is an auction?

With an auction, the seller agrees a minimum reserve price with their agent before the property goes to auction.

On a fixed date and time, and conducted by an auctioneer, potential buyers will bid against each other for the property. If bidding reaches the reserve price or beyond, the property is sold to the highest bidder.

Contracts will be signed, exchanged and a deposit paid immediately after the auction.

Before you go to an auction, decide what your maximum purchase price is so you don't get carried away in the heat of a bidding war.

At loans.com.au, we're here to help you with the finance so you can go to your auction ready to make an offer with no hassle. We offer Conditional approval, where your home loan lending specialist will review your income and expenses with you to determine what you can realistically afford to repay, and what you can afford to bid for the home.

When you're ready to make an offer, we're here to help.



Before auction day, it's important to:



Inspect the property



Get a property valuation



Get a copy of the sales contract and seek legal advice



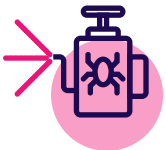
Confirm with the agent the deposit required on the day



Research the local market



Arrange your finance



Title searches & building and pest inspections

2 Be Auction Ready

Here are some tips to keep in mind to help you prepare for buying a property at auction.

1



Research the local market

Start by researching the real estate market in the area where the property is located. Look at the current market trends, recent sales prices, and the demand for properties in that area. It's no guarantee, but doing some of your own due-diligence can help you avoid lining up for a home that's beyond your budget.

2



Know your finances

A property auction is a fast-paced process where the property is sold to the highest bidder. The speed of the process makes it an attractive option for those who want to acquire a property quickly and without delay. This can be especially appealing to buyers who are looking to avoid lengthy negotiations or the risk of the sale falling through.

The auction process is typically less complicated than private treaty and the sale is usually

completed on the day of the auction. When the hammer falls, there is no option for a cooling-off period. If you are the successful bidder, you will have to settle the contract even if:

- The house doesn't pass inspections
- You change your mind
- Get your finances in check

Get your finance pre-approved, including the maximum amount you can borrow. You can apply for Conditional approval ahead of the auction [here](#).

If approved, we can supply your pre-approval letter so you can bid with confidence.



3



Know the property

When you purchase privately, your contract will typically have a Building and Pest Clause which allows you to get written reports from qualified building and pest inspectors about the property and withdraw from the purchase if they are unsatisfactory. This is not the case with an auction, so you need to get these reports before you bid. To bid with confidence, follow the steps below:

1 Inspect property

Thoroughly inspect the property and get a professional building inspection and pest reports.

2 Review the strata reports

If the property is in a strata scheme, review the strata reports.

3 Review contract

Review the contract with your lawyer or conveyancer and ensure you are comfortable with it.

4 Do necessary checks

Do all other necessary checks, such as a:

a) a land tax clearance search

b) a swimming pool inspection (if relevant).



Work out your price limit

- This is where early conditional approval of your home loan is beneficial. Conditional approval, which is also known as pre-approval, or Auction Approval, is a commitment by us to lend you up to a certain amount, subject to conditions such as verifying your income or getting an assessment on the property.
- During the process of applying for an Auction Approval with loans.com.au, your home loan lending specialist will review your income and expenses with you to determine what you can realistically afford to repay, and what you can afford to bid for the home.
- If you apply for Conditional approval before you even start looking for a home, you'll get the most benefits because you'll know exactly what you can afford from the outset and won't waste time looking at homes that are outside your price range.
- Remember, if you go beyond your maximum price, you may face inability to finance the purchase and loss of your hard-earned deposit and the serious legal consequences of failing to settle.

3 On auction day

The auction process

The auction is led by an auctioneer, and you'll need to register with the auctioneer. They'll give you a bidder's number, and they will manage the bidding process.

The seller of the house usually has a reserve price which is the minimum price that they will sell the property for at auction. If the reserve price of the property has been reached, it is considered to be "on the market" and will be sold to the highest bidder. If the reserve is not reached, then the property is "passed in" or "withdrawn from auction" and the highest bidder has the right to negotiate with the seller.

After the bidding, the successful bidder is required to pay an immediate deposit, which is typically 5% to 10% of the purchase price. The sale is settled once the contract has been signed by both the buyer and the seller, and all relevant payments have been made.



The required
deposit



Inspection details



Any other
relevant details

4 Get auction approved

We're here to make it easy for you to get Conditional approval, quickly, and at a low rate.

1



Apply

Apply online or on the phone with one of our Australian-based lending specialists.

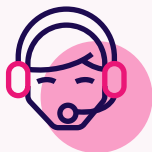
2



onTrack to Approved

Easily track your application in our secure online platform, as it progresses to Conditional approval.

3



Settle and Save

After you buy the home at auction, call our team with the good news! We'll then look after final approval and settlement, so you can get the keys to your dream home and start saving thousands.

5 The onTrack app

onTrack is our secure online portal, enabling you to safely process your home loan application entirely, including uploading payslips and personal information via your phone or computer from enquiry right through to settlement with real time updates as your application progresses.

Key benefits of onTrack include:



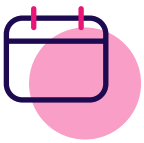
Easy application

Begin your application online, or chat to one of our Australian based home lending team.



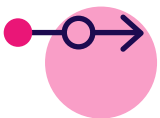
Download documents

Download all required forms and documents



Let's chat

Arrange a call with one of our home lending specialists at a time that works for you.



Track your progress

Track the status of your application and receive real time updates as it progresses through to settlement.



Upload documents

Upload your documents into one app. It's safe, secure and real easy.



Access at your fingertips.

You now have access and complete clarity of your loan application on-the-go with our onTrack app.



Login to Smart Money to manage your accounts online and onTrack to fast track your loan application.

- ✓ Gain 24/7 control of your application
- ✓ Get alerts straight to your phone
- ✓ Easy to download mobile app
- ✓ Secure online portal

Download onTrack



We're award winning, which means that's a win for you too!

As a loans.com.au customer, you'll love the benefits of our award-winning home loans.



7 Pre-auction check list

- ✓  Inspect the property
- ✓  Research the local market
- ✓  Get a security assessment
- ✓  Arrange your finance here
- ✓  Get a copy of the sales contract and seek legal advice about the terms and conditions
- ✓  Complete all necessary checks, such as title searches and building and pest inspections
- ✓  Ask the agent how much deposit they will ask for on the day and how you'll need to pay it

8 Auction terminology

Absentee Bidder	A person who is not at the auction but submits, in advance, a written or verbal bid that is the top price they will pay.
Bidder Number	The number issued to each person who registers at an auction.
Conditions of Sale	The legal terms that govern the conduct of an auction, including acceptable methods of payment, terms, and any other limiting factors of an auction. Usually included in published advertisements or announced by the auctioneer prior to the start of the auction.
Fall of the hammer	Towards the end of the auction, the auctioneer will call for any final bids. Once there are no more bids, the auctioneer will count down the ‘fall of the hammer’, which will signal the end of the auction. No bids can be made after the fall of the hammer and the highest bidder is legally obliged to sign and exchange contracts.

Hammer Price	Price established by the highest bidder and acknowledged by the auctioneer before dropping the hammer or gavel.
On the market	If the bidding has reached or is close to the reserve price – the figure at which the vendor has previously agreed they will sell – the auctioneer will confirm with the seller that they will sell at the highest bid. If they agree, the auctioneer will say the property is on the market. Bidding will continue and the property will be sold to the highest bidder. That's why it's important to do your research and secure finance before auction day.
Opening Bid	The first bid offered by a bidder at an auction.
Passed in	If bids do not meet the vendor's reserve price, the auctioneer will seek more bids. If bids still do not meet the reserve, the property may be 'passed in' or withdrawn from auction. The highest bidder then gets first right to negotiate with the seller.

Reserve Price

Before the auction, the vendor (seller) will usually tell the auctioneer the minimum price at which they will sell the property. This is called the “reserve price”.

Vendor bid

During the auction, the auctioneer may place a vendor bid. The auctioneer must announce is a bid is a vendor bid. It signals that the vendor is not satisfied with the price reached at that point of the auction.



9 Contact us



Call us on 13 10 90

7am - 7pm, Monday to Friday. AEST Alternatively
(+61 7 3017 8899)



Email customercare@loans.com.au



Chat online right now



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