

Advice from award winning auctioneers

REINSW - 16th June 2017 - <https://www.youtube.com/watch?v=NvI57cHleso&feature=youtu.be>

Award winning auctioneers Jesse Davidson and Gavin Croft recently hosted a webinar on awkward auction activities where they explained best practice in several areas. Watch it here.

Jesse, who works for auctionWORKS, won the REINSW's Novice Auctioneering Competition in 2010, and 2015 REINSW Awards for Excellence in Auctioneering.

Gavin is the Director of Auctioneering at BresicWhitney, and a two-time winner of the NSW's auctioneering championships. Both were also part of the NSW winning team in the 2016 State of Origin Auctioneering Competition, beating Queensland.

They offered their expert advice and best practice tips on a range of auctioneering topics, including how to handle a lone bidder.

What do auctioneers require on auction day?

Gavin explained that a review of the Contract for the Sale and Purchase of Land (Contract) is needed to make sure it is completed and that it includes the section 149 certificate, drainage diagrams, certificate of title, and lot plan.

Jesse added how it is important to find out if there is an easement on the property, and share where it is with the buyer before you give them a contract.

He explained: "Being honest upfront helps you build long-term clients because you're providing a quality service and providing information they want."

How to handle one registered bidder?

Gavin said: "It's really hard for someone to process that they are the only buyer and so it's best to be transparent and make sure that they understand what's going to unfold.

"I explain that they bid, or I will make a vendor bid, which they need to beat to buy it, or it goes into a negotiation process."

Gavin added that one strategy is to pre-frame [what does pre-frame mean?] the buyer, and be transparent. The second is to run the auction as normal and use the tension of auction day.

He added: "You need to understand your buyers to decide what strategy you're going to execute on the day."

Differences between commercial and residential auctions

Jesse sa
property.

Industrial
th more than

two dwellings you do not require registration.

“One of the most common issues we get at our auctions is a person who wants to purchase a property in a company name which is a single directorship.

“NSW Fair Trading requires the purchaser to authorise themselves to bid on the company's behalf.

“So it's really important you have the relevant authorities and that all of the directors of that company, or the company secretary, have signed the authority form.”

How to handle a question you cannot answer

Gavin said: “I like to talk to registered bidders before I start the auction and check if there is anything I can help them with. This also gives me a sense of how they'll behave at the auction, because prevention is better than the cure.

Jesse added: “It's really important to look at the situation, and how that question has been asked. If it's an honest and simple question, you don't need to snap back, but look across to your agent and ask for confirmation.

“However we are not accountants, or solicitors. All we can do is provide information, but I think we need to be careful that we're not giving advice to people.”

What happens if a winning bidder refuses to sign the sale contract?

Gavin said: “I will sign on their behalf and then it's the vendor's responsibility if they don't want to complete the contract, or whether they want to pursue it.”

What do you do if the seller decides they don't want to sign the contract after the fall of the hammer?

Gavin said: “The responsibility lies with the buyer and the auctioneer has the right to sign for the vendor if they are at fault.

“It's not something you want to do, but unfortunately, part of our responsibility is that we've been appointed to transact the property, and both parties are in agreement with the correct written reserve.”

When would you cancel an auction?

Jesse: “If the sewage services diagram, section 149, and certificate of title are not in the contract, we can't offer it, because they've got to be in the contract. We will lose our licence if we offer that property.

Gavin added: “If the vendor can't give you a written reserve price, you can't proceed with the auction because it's part of the terms and conditions.”