

Queensland Property Auctions: CHECKLIST FOR BUYERS.

Heading to a property auction on the Gold Coast, or somewhere else in Queensland? Put yourself in the best position to win the auction at the right price with a strong auction strategy. We've developed this checklist to help you do just that.

A property that goes to auction generally has a larger pool of potential buyers so competition at the auction can be pretty hot! It's important to understand the process of an auction because if you're the successful bidder you'll be the new owner of the property the minute the auctioneer yells SOLD! Even if the house doesn't pass subsequent building & pest inspections, you decide can't afford it, or you simply change your mind. There's no cooling off period and no 'subject to finance' clause.

The successful bidder on auction day will be required to sign the Contract of Sale and pay the required deposit on the spot. The majority of auction-based sales will then have a 30 to 60 day settlement period, which will be detailed as part of the Contract of Sale (so make sure you're familiar with that before you bid!).

Don't ever purchase at auction without you or someone you trust inspecting the property first to make sure it meets your brief. You also need to make sure you've conducted your own building and pest inspection and engaged your solicitor to review the Contract of Sale. If you're going to need assistance with financing, engage with your finance/lending partner to understand your borrowing capacity and get your finance pre-approval in place. This way you know for certain what your top price/maximum bid can be, and that there will be no delays or stress with getting your finance in place if you're successful.

In Queensland, as per legislation governed by the 2014 Property Occupations Act, for sales via public auction, real estate agents cannot disclose any price guide or the reserve price for a property they are taking to auction. As a buyer, it's therefore essential that you've conducted your own comprehensive due diligence and market research of comparable properties to assess the price estimate of the property prior to bidding. Once you have a price estimate and financing in place, set a maximum price (bid) for yourself to make sure that you don't overpay for the property.

Note that most finance lenders will engage a valuer to conduct a valuation on the property as part of their lending process, so it's critical the price you pay is comparable to other sold properties in the area. If you pay too much you might not get the lending you need to cover the price you've committed to at auction.



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1. Understand the Auction Process

- Recognise that buying at auction is an unconditional sale with no cooling-off period or conditional terms.
- Familiarise yourself with the auction terms and legislative requirements.

2. Inspect the Property

- Conduct thorough inspections to ensure the property meets your needs.
- Engage a building and pest inspector to check for any potential issues. Even if the seller has conducted their own building and pest inspection and has a report available for potential buyers, we still recommend that you get your own.

3. Review the Contract of Sale

- Get a copy of the Contract of Sale from the Real Estate Agent. Have your solicitor review the contract for any terms or conditions that need your attention.
- Determine how much deposit will be required on the auction day and how this needs to be paid.
- Ensure you're aware of all terms and conditions related to the sale.

4. Secure Your Finances

- Engage with your finance/lending partner to understand your borrowing capacity.
- Obtain finance pre-approval and know your maximum bid limit.

5. Conduct Market Research

- Research comparable properties that have recently sold in the area.
- Establish an estimated value for the property to inform your bidding strategy. This is critical - if you pay too much you might not get the lending you need once your bank conducts their valuation.

6. Set a Budget

- Determine the maximum price you're willing to pay for the property and set this as your maximum bid.
- Stick to your budget to avoid overpaying.

7. Register to Bid

- Register as a bidder prior to the auction and provide the necessary identification.
- Obtain your bidder number. You will need to display this when making a bid.

8. Prepare your Bidding Strategy

- Plan your bidding strategy in advance so you can remain calm during the auction. Be prepared to pay attention on the day to all stakeholders involved in the auction including the Real Estate Agent, Auctioneer and other bidders.
- Remember, you do not have to bid just because you've registered.

9. Arrive Early on Auction Day

- Review the terms and conditions of the auction one last time.
- Check for any last-minute changes to the Contract of Sale.

10. Bidding

- Stick to your bidding strategy. Take someone else with you who knows what your strategy is and can give you a gentle nudge if you're not sticking to it.
- Keep a poker face. Try to avoid getting too emotionally invested and getting caught in a 'just one more bid' price war with another buyer that you might regret later when you've gone well over your budget - this is easy to do when the adrenaline is pumping!

11. Post-Auction Steps

- If you're the successful bidder, be prepared to sign the Contract of Sale and pay the deposit immediately.
- Understand the settlement period and any further steps needed to complete the purchase.
- Organise insurance on the property as it is buyer's risk from 5pm the next business day.

By following this checklist and understanding the auction process you can confidently navigate buying at auction in Queensland and increase your chances of securing your desired property.

If you'd like assistance with your auction strategy, contact Matt Koch at Hemko Buyer's Agency on 0437 302 276 or hello@hemko.com.au