



INFORMATION SHEET: PRE AUCTION OFFERS

If an intending purchaser wishes to make an offer prior to the auction, the following procedure is to be followed.

PROCEDURE

1. The auctioneer must be informed before any pre auction offer is written up.
2. The 2 PRE-AUCTION CLAUSES attached, are to be inserted on the Further Terms of Sale page in the Auction Contract Of Sale. The implications of these clauses must be explained to the purchaser by the auctioneer or manager.
3. The purchaser signs three contracts, and one copy is left with the purchaser.
4. The offer is presented to the vendor.
5. If the offer is not acceptable, no counter offer is made. It is merely communicated to the intending purchaser that at this stage the offer is not at a level that would bring the auction forward.
6. If the offer is acceptable, the vendor signs the Auction Contract Of Sale. This is now a complete and binding contract, and so should be dated.
7. All other interested parties are then contacted and told that an unconditional offer has been received, and will be accepted by the vendor unless a better offer is received.
8. If other purchasers wish to make an offer, the auction will be brought forward, usually 2 to 3 working days from the date of the accepted offer.
9. If an early auction is conducted, the pre-auction offer will be the opening bid.
This effectively becomes the “reserve price,” and the property will immediately be “on the market,” and any party may bid in accordance with the standard Conditions of Sale.

NOTES

- ❖ All pre-auction offers must be unconditional.
- ❖ The intending purchaser must sign the attached Pre Auction Offer Execution form before signing the offer.
- ❖ The offer is prepared on the Auction Contract of Sale prepared for the property.
- ❖ This should all be done within a 4 day time frame, which should include at least 2 working days.
- ❖ Time records are to be kept of the procedure followed, and contacts made.
- ❖ The amount of any written offer received will not be disclosed to any party other than the Vendor.

PRE AUCTION OFFER – EXECUTION

(This page is NOT part of the contract between buyer and seller. It is to be kept with the Property File)

Austar Realty Licensed Agent 2008, undertakes to execute this offer subject to the following terms:

1. The offer will be supervised by a manager or auctioneer.
2. The offer will not be disclosed to any party other than the vendor.
3. The following two clauses will be inserted as special conditions into the Auction Contract Of Sale.

The offer contained in this agreement is acknowledged by the vendor and purchaser to be made on the basis that is unconditional in all respects. The purchaser hereby agrees that this offer is irrevocable and will not under any circumstances be withdrawn or revoked at any time up to and including the time and date of the auction, nor during the conduct of said auction.

The purchaser acknowledges that the purchase price agreed in this agreement will be presented at the auction to be conducted prior to 7.30pm on third working day after the date of this agreement, and will remain an active bid at that auction for the amount now contained in this agreement, up to and including the conclusion of said auction, being the fall of the hammer. Should there be a subsequent (higher) bid during the auction, this agreement will be at an end. The purchaser acknowledges that they have received specific advice on this particular clause, the nature and effect of this clause, and that they have been specifically recommended to obtain legal advice as to the nature and effect of this clause.

4. The offer is presented to the Vendor for consideration.
5. If the offer is not acceptable, no counter offer is made, it is merely communicated to the purchaser that at this stage the offer is not at a level that would bring the auction forward.

If accepted by the vendor/s

6. This offer is acceptable to us as vendor/s, and we instruct Austar Realty to hold the auction on our behalf prior to 7.30pm on third working day after the date of this offer.
This offer will be placed by the auctioneer as the opening bid, and effectively become our Reserve Price. We agree to sell to the highest bidder at that auction, assuming standard 10% deposit and settlement date as stated on the offer, or any other variations as agreed by us prior to the auction.
7. We understand that Austar Realty will inform all interested parties of the revised auction time and place.

Acceptance and acknowledgements

I/We as Vendor/s hereby accept the above and further acknowledge that at the time we entered into this Auction Contract Of Sale, we did so freely and voluntarily without any undue influence or duress, and we were then recommended to obtain legal advice and offered the right of other technical \ specialist advice before entering into the same.

I/We as Purchaser/s hereby accept the above and further acknowledge that at the time we entered into this Auction Contract Of Sale, we did so freely and voluntarily without any undue influence or duress, and we were then recommended to obtain legal advice and offered the right of other technical \ specialist advice before entering into the same.

Subject Property Address: _____

SIGNED

Vendor/s: _____ **Date:** / /20 at am/pm

Purchaser/s: _____ **Date:** / /20 at am/pm

Agent: _____ **Date:** / /20 at am/pm

Auctioneer: _____ **Date:** / /20 at am/pm

The offer contained in this agreement is acknowledged by the vendor and purchaser to be made on the basis that is unconditional in all respects. The purchaser hereby agrees that this offer is irrevocable and will not under any circumstances be withdrawn or revoked at any time up to and including the time and date of the auction, nor during the conduct of said auction.

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