

## **FREQUENTLY ASKED QUESTIONS**

### **1. Will all the bids be genuine?**

At Tremains auctions you can be assured that all bids are entirely genuine and that our auctions are conducted with total transparency in compliance with the Real Estate Institute of New Zealand's Code of Practice. A code of practice is available from the Tremains marketing representative and a copy will be displayed at the auction.

### **2. What is vendor bidding?**

The auctioneer has the discretionary right to place bids on behalf of the vendor. This will only occur if you and other bidders choose not to bid, and will only take place at a level clearly under a figure that Tremains believe is fair market value or which the vendor is willing to accept – the “reserve” figure. The auctioneer is the only person able to bid on behalf of the vendor and will declare any such bid made on the vendor's behalf. All Tremains' vendors have given a written undertaking that they will not bid or have another party bid on their behalf at the auction. So you can bid with total confidence.

### **3. What is the advantage of buying at auction?**

If you're in a position to purchase on an unconditional basis, auction is the only buying environment where you're only competing with other unconditional purchasers – a “level playing field”. Before and during an auction and right up until a property is “passed in” or “set aside”, you are not competing against conditional purchasers. The other great advantage of an auction is that you can see exactly what other parties are offering for the property. This is not possible with other methods of sale.

### **4. How does the auction work?**

You need to bid in order to buy. It is advisable for you to bid during the auction to indicate your interest in the property. Once a property has been declared “on the market” by the auctioneer it will be sold to the highest bidder unless someone else places a higher bid before the auctioneer calls “Sold”.

If however, the bidding does not reach the vendor's reserve price, the property will then be “passed in” or “set aside”. In this case, the open competition of the auction is lost and the highest bidder will have the first option to negotiate following the auction, to the exclusion of all other interested parties. This is done through Tremains, for a fair and reasonable period determined by the auctioneer following the auction. You must be the highest bidder to retain this superior position.

### **5. How can I feel comfortable about bidding?**

If the bidding is increasing in larger denominations that you feel comfortable with, consider offering a lower denomination as your bid. Bear in mind, however, that the Auctioneer does have the discretionary right to refuse the request. Alternatively, don't be afraid to try and increase the bidding with a “knock out” bid if your completion is showing signs of slowing down. This can often through doubt into the mind of the other bidders and may stop them from bidding even though they have not yet got to their limit.