



Vicky Gray shows how a little monetary know-how will help you to secure the winning bid at an Aussie auction...



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You will find many homes on the auction market in Australia. Although this doesn't mean that the property has to go to auction – if the right offer is made, owners are often happy to forgo the entire auction circus.

However, owners may well insist on selling under auction terms. This means no cooling off period, as there is no cooling off period at an Australian auction!

To purchase at auction you must have all your finances in place, plus you must have 10 per cent of the purchase price ready for immediate deposit. Just as in the UK, money lenders in Australia like to see that you are credit worthy, and that financially you are a good risk, but as you will have little or no credit history in Australia, it would be a great idea to take evidence of any mortgage arrangements you had in the UK.

If you are a first-home buyer, you may be entitled to a homebuyers grant. Some conditions do apply, but these conditions are not means tested and not restricted to the price of the property. The grant is an on-going scheme with no end date specified.

If you are successful at the fall of the hammer you have an insurable interest in the property. This means that if the house burns down the sale still goes ahead because what

Under the hammer!

you purchase is 'the whole of the land', so it is in your best interest to insure the bricks and mortar.

In Australia, auctions are a popular way of selling luxury homes or homes that are unique and difficult to price accurately. Often a real estate agent, or even an owner, will want to sell by auction to establish the true market price of the home.

Often, deceased estates, or bank repossessions are sold in this manner as it is a transparent way to gain the true market price for a property. Auctions do not mean, as sometimes in Britain, that a broken down property is being offered for sale – far from it. Auctions are also favoured because the sale will happen within a structured time frame. They are sometimes held on site (at the property) or, as is becoming popular in some areas, in an Auction Room.

If you want to bid at auction, talk to the real estate agent involved, as they have seen it all before and will give you expert advice. The main thing is to stick to your budget. The agent will be able to give you a ball park figure as to the expected final selling price, but it is only a 'guesstimate'. The owner will have

Above If you've found your dream home, speak to the real estate agent for expert advice!

placed a reserve price on property. This has to be done because otherwise, in theory, the property could be knocked down to a very low bid. This reserve price is a secret between the owner and the auctioneer. If the bidding is slow, the auctioneer may pause the auction and go into a discussion with the owner. This is not sinister; it is a realistic discussion to possibly adjust the reserve price. The property may not be sold below the reserve.

When you have signed your contract, it is best that you don't do the British thing and still keep on looking at other houses. If you find something even dreamier than your dream house, you can't do anything about it! Both you and your seller have a contract to rely on. Don't think you can escape having to pay tax on your purchase price. Stamp duty varies, not only on the house price, but each state levies it at differing rates.

There is some good news. If you are a first-time buyer, in some states, there is no stamp duty to pay providing the purchase price is under A\$500,000 (£244,791).

So go on, make 'em an offer they can't refuse! 🇺🇸