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Guide to Buying  
on Auction

 **AUCTION  
ALLIANCE**<sup>®</sup>

Ahead of the Game



It's Easier Than You Think

## Auctions are a centuries-old, proven and efficient method of public sale.

Internationally and locally, they are becoming the first-choice option. In South Africa, for example, organisations such as banks, executors, and local authorities have used auctions for years.

These are often thrilling and entertaining events. And, for buyers, there's always a chance of picking up a bargain. Multiple assets can be sold in a single day, and it's often the unusual properties that go under the hammer.

Get as much information about the sale as you can, keep your wits about you, and enjoy the process. Whether it's commercial or residential, our auctions are a simple and speedy way to buy property.

### Auctions in Action

## Before the Auction

#### Get the Facts

Information on all current and future auctions can be found at [www.auction.co.za](http://www.auction.co.za). There, you will also have access to a property brochure about two to three weeks before the sale. And, if you register online, you will receive regular Auction Alliance event reminders and alerts. You can also obtain a printed brochure by calling 0861 alliance or by visiting any of our offices nationwide.

#### Do Your Homework

Be sure to review the information provided for each property, as details may vary from sale to sale. The same is true of terms and conditions.

#### Register Your Interest

Please let us have your contact details should you be interested in a property. That way, we can contact you if further information becomes available.

#### Documentation

It's critical that you familiarise yourself with the conditions of sale for the property you're interested in. You will find these in a Bidder's Pack, which is available from our offices two to three weeks before the auction date. This pack also contains other important documents, such as site diagrams and plans, title deeds, zoning certificates, lease agreements and rental schedules (if any).

#### Viewings

If you are interested in bidding on a specific property, it's best to have a good look at it before the auction. A viewing day is usually scheduled, and advertised. Remember, all properties are sold 'voetstoots' - without warranties.

#### Pre-Register

At the property viewing, you can also register as a bidder before the auction day. You will be asked to pay a refundable registration fee by means of cheque (made payable to Auction Alliance (Pty) Ltd Trust Account), credit card or EFT. If you are buying on behalf of another person, or on behalf of another entity, you will need to show proof of your authority to do so.

#### Non-Suspensive Rules Apply

Each property is sold under non-suspensive conditions, so it's important that you arrange financing before the auction date. Again, make sure you've read all the terms and conditions!



Ahead of the Game



## Auctions in Action

### At the Auction

#### The Setting

Auction Alliance holds all its auctions either on site or at leading city hotels. Bring your ID book with you, as well as your bidder's deposit and credit card.

#### Registration

If you haven't pre-registered, you will need to register as a bidder on the day. This means filling in a Buyer's Registration Card, and acknowledging the conditions of sale. You will also need to pay a refundable fee, usually ranging from R10 000 to R500 000. At larger auctions, credit cards may be accepted, but a cheque is always your safest bet.

#### Buyer's Card

This holds your unique bidder's number. It's important that you keep this safe at all times - your bid is a legal, verbally binding contract with the seller and the auctioneer.

#### Proxy Bids

It's always best to attend the auction in person. You can, however, submit a proxy bid. In this case, you'll need to send a Power of Attorney to our offices, together with a certified copy of your ID and payment of 15% of your proposed bid, as a security precaution. This is fully refundable if your bid is unsuccessful. You can also ask someone to bid on your behalf. They will need to nominate you or another entity as purchaser, and you will need to sign personal surety for the sale.

#### Amendments to the Conditions of Sale

The auctioneer will announce any amendments to the terms of the sale.

#### Bidding

Please make sure that you know which property (lot number) you are bidding on. The sale moves at a relatively fast pace, so be prepared! Raise your hand or card to bid - and make sure the auctioneer acknowledges it. Call out your bid, if necessary. Say 'no' or shake your head if the auctioneer looks your way and you're unwilling to go any higher. Stick to your ceiling price! If you have any questions, ask the on-floor assistants.

#### Signing

If you successfully win a bid, congratulations! You will be shown to the signing desk, where you will be asked to sign the conditions of sale. If you'd like to bid on other properties, or want to see the rest of the auction, you are most welcome.

#### Auctioneer's Commission

Once a property has been 'knocked down' to you, you will need to pay the auctioneer's commission (plus VAT), as well as the deposit on the purchase price. These amounts are payable by cheque - unfortunately cash can't be accepted by virtue of FICA laws. (Remember the auctioneer's commission when you are bidding: it's not included in the purchase price.)

#### VAT

As a prospective buyer, it's up to you to check whether or not VAT is payable on the purchase price at the auction.

### After the Auction

#### Transfer

Once the contract is signed and your payment is made, you are free to leave the venue. You will be contacted by the seller's attorney to arrange transfer.



## 10 Reasons Why Auctions Work for Buyers

### Ease & Efficiency

When the hammer falls, the deal is done: no protracted negotiations, suspensive clauses, or intermediaries.

### It's Quick

It takes between three and four weeks to register the transfer of an auctioned property or asset.

### View the Stock

You have the chance to thoroughly inspect the property you're interested in before the auction.

### No Deals Behind Closed Doors

Every transaction takes place transparently and in the open, with any terms and conditions available for public scrutiny.

### Serious Sellers Only

There are many reasons for a property to end up on the auction block, but the aim for all of them is the same. To sell.

### There's a Buzz

Auctions can be thrilling events. It's not unusual for up to 600 people to attend the larger auctions.

### You're in Control

As a buyer, you know your limit and can walk away if the bidding gets too high.

### It's Done on the Day

There's an immediacy to auctions that other methods of sale simply can't match.

### It's Simple

A refundable deposit secures your position as a potential buyer.

### A Good Deal

The competitive auction environment invariably secures a realistic market price. But there's always the chance of a bargain...

## 10 Reasons Why You Win with Alliance

### We Put Our Clients First

Auctions last a few minutes, but relationships last a lifetime. Over the years, we've maintained a rock-solid network of clients and suppliers.

### Market Leaders

It doesn't matter how you measure it, we're Southern Africa's largest and most successful auctioneers - by volume and value. We continue to break records and set new standards.

### People Power

We've established a world-class team of experts, across disciplines. Our people are energised, entrepreneurial and always professional.

### In Your City, Around the World

Not only is Alliance represented in every major centre in South Africa, we've also extended our reach beyond these borders. We have affiliates in the UK, as well as the USA.

### Always Innovating

Our marketing team consistently picks up international awards for their dynamic campaigns. We were also the pioneers of multiple auctions in South Africa.

### In Good Company

Our board is comprised of some of the highest-profile business people in the country, including our BEE partners.

### Our Coverage

We cover every suburb in every area, which means that we've got the widest variety and selection of assets or properties for you to choose from.

### Our Stock

We receive instructions to sell from various sources including liquidators, attorneys, banks, corporations and private sellers. So there's every chance we have a deal just for you.

### Our Confirmation Rates

Our overall success rates mean that your chances of securing and confirming a deal are highly likely. We're well practiced at making sure a deal gets done.

### Our Value Add

We have a variety of value added services that make buying on auction that much simpler and user-friendly. These include financial guarantees, proxy bidding and many, many more.



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