

# Frequently Asked Questions

## **“1. Can I submit an offer before / after the auction?”**

Yes, however the offer submitted must be on standard auction terms and conditions.

## **“2. Can I get a bond for real estate purchased on auction?”**

Yes. However, auctions are non-suspensive transactions and as such your offer at an auction sale is NOT subject to your obtaining a bond. Should you wish to obtain a bond this is acceptable, however it is worth repeating that the sale is not subject to your obtaining finance. If, for any reason you are not granted a bond, or do not qualify for the amount to which you have bid, you will still be held liable and responsible to fulfil all your obligations in terms of the agreement signed at the auction.

## **“3. When must I pay the deposit and Auctioneer’s Commission?”**

The deposit and Auctioneer’s Commission are payable immediately on the fall of the hammer, regardless of whether the sale is subject to confirmation. These monies are payable upfront and immediately, and cannot form part of any financing that you may have applied for.

## **“4. When is the balance of the purchase price due?”**

Guarantees for the balance of the bid price is due 21 days after acceptance by the seller.

## **“5. Can I bid on behalf of another person or entity?”**

It is possible to bid on behalf of another person or entity. However, the person who bids on behalf of any other entity will be required to sign personal surety on the auction day. Should the person or entity or any other nomination not be able, for whatever reason, to take transfer of the property, then the person who bids at the auction will be deemed the Purchaser and will become responsible for all the terms of the agreement of sale.

## **“6. Are there reserve prices at auctions?”**

All properties sold at FIRZT auctions are sold with an undisclosed reserve, and if the reserve price is not met the sale is subject to confirmation by the Seller within 3 days, If the reserve price is met the property is sold on the fall of the hammer. Properties at “Sales in Execution” are sold on the fall of the hammer without any confirmation period, and with no reserve. When a property is sold subject to confirmation, it is a formality to protect sellers and creditors from having secured assets being sold well below their market value.

**“7. Do I need to register in order to bid on an auction, or can I just bid?”**

Yes, you do need to register in order to bid. You will be required to fill in a Registration Form and you will be allocated an exclusive Bidder’s number. The auctioneer will not accept a bid from you unless you produce your Bid Card number.

**“8. Do I need to pay a deposit in order to register to bid?”**

Yes, sometimes you may be required to pay a refundable deposit in order to register at an auction. The deposit amount (if any) required for registration will appear in the auction advertisements. The registration deposit is always refundable to you.

**“9. What happens if I default on the sale?”**

The seller will reserve his/her right to take the necessary legal action against you should you be in breach of contract or fail to fulfil any of your obligations in terms of the Conditions of Sale. They can exercise their various options, which will be stipulated in the Conditions of Sale. Ultimately you will be held liable and responsible to fulfil your obligations. Should you still remain in breach of contract, all monies already paid by you to the auctioneer and/or seller will be forfeited as “roukoop” (pre-estimated damages). It is very serious to go into breach after an auction and legal action will be taken. If you harbour any uncertainty, it is preferable ***not to bid***.

**“10. What happens if an item is sold to me “STC” (Subject to Confirmation)?”**

Properties sold STC are usually encumbered to a secured creditor and confirmation will be obtained within the time frame specified at the auction (usually 3 days) During this period you are held bound by your offer and will be advised by an auction staff member as to whether the offer is accepted or not. Payment of the deposit i.e. 15% of the bid price is required immediately after the auction sale nonetheless. Should the sale for any reason not be confirmed you will be immediately refunded.

**“11. When do the movable assets or real estate become my risk?”**

The assets become your risk from the date of possession as stipulated in the Conditions of Sale. If possession is given on confirmation or the fall of the hammer then you will be responsible for the assets and be required to arrange suitable insurance and storage from that date usually possession of immovable property is given on registration of transfer.

**“12. What recourse do I have if my purchase is not to my satisfaction after the auction?”**

Purchasers bidding on items at an auction acknowledge that they have familiarized themselves with the property for which they are bidding. All properties are sold “voetstoots” and the bids are made in public. Therefore, there is no recourse if you have made a mistake and bid for the wrong property or discover later that you are not happy with your purchase. Once you have bid, you are bound and you will subsequently be required to pay in full for the asset that you have purchased.

**“13. How much do you think the auction will bring? What if I don’t get offered what I want, do I have to sell ?”**

The best answer is “Fair Market Value.” We don’t know what the property will bring until the sale is over. Through our marketing campaign, we ensure your property is showcased to all potential buyers in the marketplace on the day of your sale. You, as the seller, reserve the right to reject the final offer on condition that the reserve price is **not** met.

**“14. Why sell my house at an auction rather than list it? Isn’t that a desperate measure?”**

Why peg a price on your property and limit its value? Why put your life on hold while waiting for someone to make an offer? Why inconvenience yourself for showings? Why wait for loan approval or a qualified buyer? Why wait for a home inspection? Why wait for the purchaser to sell their property? Why wait?

*The auction method is one of the ways to realize the full value of your home or property and gives you the ability to get on with your life. You take control of the sales process. You set the date and time that your property will sell, as well as the terms and conditions.*

#### **TIP OF THE DAY!**

Remember - once that hammer goes down, the deal is sealed. The trick is to **stick to your budget** once you’ve settled on a number (take into account your buyer’s premium plus VAT). It’s easy to get swept up in the excitement of the auction. Establish your budget! **Stick** to it.