

Pre-auction offer procedure.

PROPERTY

VENDOR

PURCHASER

- 1.1 The seller reserves the right to accept pre-auction offers, which will be conducted in accordance with this Pre-Auction Offer Procedure.
- 1.2 All pre-auction offers must be prepared on the ADLS/REINZ Particulars and Conditions of Sale of Real Estate by Auction and must be unconditional.
- 1.3 The seller retains the right to withdraw the property from auction entirely before a pre-auction offer is signed. This means that the seller can cancel an already scheduled auction in order to sell the property to a specific purchaser. However, once a pre-auction offer is signed by the seller, then this pre-auction offer procedure will be binding on the vendor.
- 1.4 If the pre-auction offer is not acceptable to the vendor, no counter-offer will be made. The prospective purchaser will be advised that the pre-auction offer was not accepted.
- 1.5 If the pre-auction offer is at an acceptable level, and the seller chooses to follow the pre-auction offer procedure by signing the pre-auction offer, then the accepted price will become the reserve price for the brought forward auction. A reserve form must be completed and signed by the vendor at this time.
- 1.6 The purchaser accepts that other prospective purchasers may have already expressed their interest in the property, such that the licensee will have a duty to contact all interested parties in the event that an acceptable pre-auction offer is made to allow them an opportunity to bid at the brought forward auction.
- 1.7 The brought forward auction shall be held no later than 5.00pm on the third working after the pre-auction offer is accepted by the vendor.
- 1.8 The following clause is inserted into the Further Terms of Sale prior to the offer is signed by the purchaser:

Pre-auction offer

This agreement is conditional upon the vendor not selling the property at a higher price (than the purchaser price in this agreement) at the conclusion of the brought forward auction.

By signing this Pre-Auction Offer Procedure, the parties acknowledge that:

- 2.1 The licensee has thoroughly explained and discussed the meaning and implications of the Pre-Auction Offer Procedure to the parties; and
- 2.2 The seller and purchaser understand their rights and obligations under the Pre-Auction Offer Procedure; and
- 2.3 The parties agree to be bound by the terms contained in the Pre-Auction Offer Procedure; and
- 2.4 The licensee has recommended that the parties seek independent legal, technical, or other advice (as they may require) on the Pre-Auction Offer Procedure and any other aspects of the transaction prior to signing any contractual documents, and that the parties have either taken such advice or have waived their right to do so; and
- 2.5 The purchaser confirms the following:
 - The Pre-Auction Offer includes a purchase price; and
 - The Pre-Auction Offer condition is inserted into the Further Terms of Sale; and
 - The deposit (equivalent to 10% of the purchase price unless otherwise agreed) will be paid immediately to the New Zealand Real Estate Trust Account upon conclusion of the auction.
- 2.6 Once the Pre-Auction Offer is signed by the seller:
 - The Pre-Auction Offer remains conditional upon the outcome of the brought-forward auction; and
 - The seller is bound to sell their property to the purchaser if a higher price is not received at the brought forward auction; and
 - The seller cannot withdraw the property from auction; and
 - The purchaser cannot withdraw its pre-auction offer; and
 - The seller cannot change the reserve price (which must be equivalent to the purchase price in the Pre-Auction Offer); and
 - The purchase price in the Pre-Auction Offer is not a bid and will not be treated as a bid at the auction; and
 - The purchaser may attend the auction and bid above the price in the Pre-Auction Offer.

Date and time of brought-forward auction

Vendor

Date

Date

Purchaser

Date

Date