Pre-auction offer procedure

OVERVIEW

The seller reserves the right to consider and accept pre-auction offers. Upon receiving such an offer, the seller may elect to proceed via one of two options:

- **Option A** – Withdraw the property from auction and sell the property to the pre-auction offeror
- **Option B** – Brought-Forward Auction

This procedure outlines the requirements, obligations, and processes that apply under both options.

PRE-AUCTION OFFERS

All pre-auction offers must:

- Be **unconditional;** and
- Be submitted using the standard **ADLS/REINZ Particulars and Conditions of Sale of Real Estate by Auction** form.

The seller is under no obligation to accept or counter any pre-auction offer.

SELLER ELECTION

Option A – Withdraw the property from auction and sell the property to the pre-auction offeror

Prior to signing a pre-auction offer under Option B, the seller may choose to cancel the auction entirely and proceed with an immediate, binding sale to the offering purchaser.

- The agreement becomes binding once both parties have signed.
- **The auction will be cancelled**, and all previously interested parties must be notified.
- This option is used when the seller considers the offer **sufficiently compelling to proceed without further market testing.**
- The purchaser must pay the **deposit (equivalent to 10% of the purchase price unless otherwise agreed) as soon as payment details have been provided by Ownly's Accounts Team.**

Note: This option must be exercised prior to signing the pre-auction offer under Option B.
Once Option B is selected, the property cannot be withdrawn from auction.

Pre-auction offer procedure

SELLER ELECTION

Option B – Brought-Forward Auction

If the seller proceeds with a brought-forward auction:

- The seller signs the pre-auction offer.
- The offer price becomes the **reserve price** for the auction.
- A **reserve form** must be completed and signed by the vendor.
- All interested purchasers must be contacted and invited to participate in the brought-forward auction.

The following clause will be inserted into the Further Terms of Sale prior to the purchaser signing:

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

The brought-forward auction must be held **no later than 5.00 pm on the third working day** following the vendor's acceptance of the offer.

BINDING CONDITIONS ONCE OPTION B IS ELECTED

Once the seller signs a pre-auction offer under **Option B:**

- The property **must proceed to auction;**
- The seller **cannot withdraw** the property from auction;
- The purchaser **cannot withdraw** their pre-auction offer;
- The **reserve price is fixed** at the accepted offer price;
- The purchaser's offer **does not constitute a bid** at auction;
- The purchaser may attend the auction and **bid above** their offer price.

Pre-auction offer procedure

ACKNOWLEDGMENTS

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

- The licensee has **fully explained this procedure and its implications;**
- The seller and purchaser **understand their rights and obligations** under this procedure;
- Both parties **agree to be bound by its terms;**
- The licensee has **recommended that both parties seek independent legal, technical, or other professional advice** as required;
- The purchaser confirms:
  - The pre-auction offer **includes a purchase price;**
  - The required **condition for Option B is included in the Further Terms of Sale;**
  - The **deposit** (10% of the purchase price, unless otherwise agreed) **will be paid** to the New Zealand Real Estate Trust Account **as soon as payment instructions have been provided by Ownly's Accounts Team.**

Property address	
Date and time of brought-forward auction (if applicable)	

Purchaser/s

Full name	Signature	Date

Full name	Signature	Date

Vendor/s

Full name	Signature	Date

Full name	Signature	Date