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PRE-AUCTION OFFER PROCEDURE

OVERVIEW

The vendor reserves the right to consider and accept pre-auction offers. On receiving a pre-auction offer, the vendor may choose to proceed under one of two options:

- **Option A – Sell Before Auction:** withdraw the property from auction and sell it to the pre-auction offeror.
- **Option B – Brought-Forward Auction:** accept the offer as the reserve price and hold the auction early.

The vendor must choose between Option A and Option B **before** signing the pre-auction offer. This procedure sets out the requirements, obligations and processes that apply under each option.

PRE-AUCTION OFFERS

All pre-auction offers must:

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

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

OPTION A – SELL BEFORE AUCTION

The vendor cancels the auction and proceeds 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 vendor considers the offer sufficiently compelling to proceed without further market testing.
- The purchaser must pay the **deposit** (10% of the purchase price, unless otherwise agreed) as soon as payment instructions have been provided by Ownly's Accounts Team.

> **Please note:** Option A is only available before the vendor signs a pre-auction offer under Option B. Once Option B is selected, the property cannot be withdrawn from auction.

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OPTION B – BROUGHT-FORWARD AUCTION

If the vendor proceeds with a brought-forward auction:

- The vendor 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 take part in 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.

The following clause will be inserted into the Further Terms of Sale before the purchaser signs:

> *"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."*

BINDING CONDITIONS ONCE OPTION B IS ELECTED

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

- the property must **proceed to auction**;
- the vendor **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 count as a bid** at auction; and
- the purchaser may attend the auction and **bid above** their offer price.

AT A GLANCE

	OPTION A – SELL BEFORE AUCTION	OPTION B – BROUGHT-FORWARD AUCTION
The auction	Cancelled	Held early – by 5.00 pm on the third working day after acceptance
The pre-auction offer	Becomes a binding sale once both parties sign	Becomes the reserve price and cannot be withdrawn
Other interested buyers	Notified that the auction is cancelled	Invited to bid at the brought-forward auction
Can the offeror bid?	Not applicable	Yes – above their offer price

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ACKNOWLEDGEMENTS

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

- the licensee has fully explained this procedure and its implications;
- the vendor 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; and
- the purchaser confirms that:
  - the pre-auction offer includes a purchase price;
  - the required condition for Option B is included in the Further Terms of Sale; and
  - 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: _____

Purchase price ($): _____

Date and time of brought-forward auction (if applicable): _____

PURCHASER/S

Full name: _____ **Date:** _____

Signature: _____

Full name: _____ **Date:** _____

Signature: _____

VENDOR/S

Full name: _____ **Date:** _____

Signature: _____

Full name: _____ **Date:** _____

Signature: _____

LICENSEE – CAMERON MCRAE

Signature: _____ **Date:** _____



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