



Schools Auction Idol Competition



Student's Workbook

In association with the Society of Auctioneers
& Appraisers (SA) Incorporated

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Performance Criteria

1. Prepare for Auction Sale

Element 1.	1.1 Auction marketing procedures, which may include prepayment of promotion, advertising costs and related administrative expenses, location and auction day procedures are agreed in advance with vendor.
Undertake	<ol style="list-style-type: none">1. Locate a property advertised for sale by auction<ol style="list-style-type: none">i) Cut out or print the advertisement and paste it into your work book.ii) Alongside the advertisement note the advertised price (If any) and 3 features about the home which you believe are the major selling points.iii) Search the internet for the advertised property and print off an internet brochure and place in your work book.iv) Attend at the open inspection and collect a brochure from the consultant.v) Introduce yourself and ask the consultant how much is the advertising budget for the home either as a figure or a % of the expected sale price.vi) Ask the consultant where the property is being advertised and why?vii) Maintain collecting advertisements on this property up to the day of auction.
Undertake:	<ol style="list-style-type: none">2. Attend at least 3 open inspections of homes listed for Sale by auction.

Tasks at Open – For each open inspection you attend:

- i) Ask sales consultant price expectation and rationale.
- ii) Ascertain who the auctioneer is and what information will be provided to them.
- iii) Find out what information they will be providing the auctioneer and what expectation the consultant has of the auctioneer prior to, at and after the auction
- iv) Contact the auctioneer and ask them what they expect of the consultant in regard to information on the home etc prior to the auction
- v) Ascertain what the auctioneer expects on the day of the auction.

Undertake: 3. Attend at least 2 on-site auctions of the homes visited at open inspections.

Tasks at Auction

- i) Observe the movement of people who attend the auction
- ii) Observe the way the consultant speaks to people who attend.
- iii) Watch the auctioneer and the way the auction is conducted.
- iv) Note the auctioneer's style of introducing, legal comments, asking for questions, opening the bidding, controlling the bidding, engaging the crowd, negotiation, selling the home.
- v) What was the sale price or pass in price compared to the advertised price?

Performance Criteria

1. Prepare for Auction Sale

Element 1. 1.2 Auction documentation which is consistent with vendor's instructions and marketing plan is used to manage the auction program

Undertake:

- 1. At an open inspection ask the consultant if you can have a look at the contract, title, and legal documentation in regard to the home
- 2. On the day of the auction look at the legal documentation on display including the contract, title and other legal documentation

Element 1. 1.3 Appropriate and reliable descriptions of the subject property are provided before and during the auction

Performance Criteria

2. Conduct Auction

Element 2	2.1 Questions asked by interested parties are answered or referred to informed sources
Undertake:	Gain a broad understanding that the auctioneer is required to have a mixture of broad and specific industry knowledge and if unsure of the answer to a specific question, understand where the answer may be found.
Tasks:	<p>Establish answers to the following 6 questions/circumstances which may arise or be asked at an auction.</p> <p>i) What is a caveat and what does it mean on a title.</p> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <p>ii) What happens with a tenancy which is in place in a property up for auction?</p> <hr/> <hr/> <hr/> <hr/> <hr/>

Performance Criteria

2. Conduct Auction

iii) Who is responsible for fences not being on correct boundaries?

iv) What needs to be said if a property may have subdivision potential?

v) What issues may have to be declared in regard to contamination?

vi) How is a vendor bid declared and when should it be used?

Performance Criteria

2. Conduct Auction

Element 2	2.2	The auction is professionally conducted to establish the optimum price possible from the buyers in attendance, consistent with the auction strategy
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Tasks: **Attend an auction and:**

- i) Observe the movement of people who attend the auction
- vi) Observe the way the consultant speaks to people who attend.
- vii) Watch the auctioneer and the way the auction is conducted.
- viii) Note the auctioneer's style of introducing, legal comments, asking for questions, opening the bidding, controlling the bidding, engaging the crowd, negotiation, selling the home.
- ix) What was the sale price or pass in price compared to the advertised price?

Note any observed techniques the different auctioneers used to establish the optimum price possible from the buyers in attendance

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.

Performance Criteria

2. Conduct Auction

Element 2

2.3 The auction is conducted in a manner consistent with the agency marketing strategy and property sales legislation.

Tasks:

Combine the information you have gleaned from marketing material, attending open inspections and auctions and compare the marketing strategies adopted by different real estate companies or auctioneers?

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Performance Criteria

3. Complete Auction Sale

Element 3	3.1 Accurate sales data is compiled which reflects auction outcomes and can be used in follow-up procedures
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Tasks: Record, with the assistance of your nominated mentor, the auction marketing campaign outcome by recording the following:

- | | | |
|----|--------------------------------|---------|
| 1. | Appraisal Price | \$..... |
| 2. | Vendors Original Expectation | \$..... |
| 3. | Marketing Price | \$..... |
| 4. | Feedback from persons at opens | \$..... |
| 5. | Recommended Reserve | \$..... |
| 6. | Actual Reserve | \$..... |
| 7. | Sale Price | \$..... |
| 8. | If Not Sold – Passed in Price | \$..... |
| 9. | Final Sale Price | \$..... |

Element 3

3.2

Appropriate records of attendance or interest are compiled to expand agency contact lists of potential clients identified through the auction process

Tasks:

Liaise with the Agent to be shown and discuss the procedures for maintaining an effective database of those who attended this particular campaign and how they may be kept in contact with.
