



THE SOCIETY OF AUCTIONEERS  
& APPRAISERS (SA) INC.

**Messenger**  
communitynews



## School's Auction Idol Competition

# Conduct Property Sale by Auction Workbook Assessment Activities

Student Name \_\_\_\_\_

School \_\_\_\_\_

*Supporting excellence in vocational and technical education in schools*



Representing

**Auctioneers & Appraisers**  
in South Australia

Major Sponsors  
**Messenger**  
communitynews



[www.auctioneers.com.au](http://www.auctioneers.com.au)

# 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**

1. In the Messenger locate a property advertised for sale by auction
  - i) Cut out the advertisement and paste it into your work book.
  - ii) Alongside the advertisement note the advertised price 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:**

2. Attend at least 3 open inspections of homes listed for Sale by auction.  
For each open inspection you attend:

### 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.

## Performance Criteria

### 1. Prepare for Auction Sale

**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?

**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, Form 1's 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, Form 1's and other legal documentation

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

**Undertake:**

- i) In the Messenger locate a property advertised for sale by auction
- ii) Cut out the advertisement and paste it into your work book.
- iii) Alongside the advertisement note the advertised price and 3 features about the home which you believe are the major selling points
- iv) Search the internet for the advertised property and print off an internet brochure and place in your work book.
- v) Attend the open inspection and collect a brochure from the consultant
- vi) Maintain collecting advertisements on this property up to the day of auction.
- vii) When the property is sold, note the sale price alongside the advertised price

# 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:** Establish answers to the following 6 questions/circumstances which may arise or be asked at an auction.

i) What is a caveat and what does it mean on a title?

---

---

---

---

---

---

---

ii) What happens with a tenancy which is in place in a property up for auction?

---

---

---

---

---

---

---

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

---

---

---

---

---

---

---

## Performance Criteria

### 2. Conduct Auction

- 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**

## Tasks:

## Attend an auction and:

- 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?

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

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper has a slight shadow on the right side, suggesting it's resting on a surface.

## Performance Criteria

## 2. Conduct Auction

[illegible]

## 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?

[illegible]



## 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

##### 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      \$ \_\_\_\_\_

## Performance Criteria

### 3. Complete Auction Sale

### 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.

[illegible]

# School's Auction Idol Competition

## Structure and Format

### Immediate Impressions: (1 minute)

1. Welcome and Introduction of yourself and your Company
2. Thank the Vendors for their Instructions to sell their property
3. Market summary and reinforcing the benefits of owning real estate

### Documentation: (2 minutes)

1. Refer to the Terms and Conditions of Sale that have been on display for the past 3 working days and on-site for 30 minutes prior to the Auction
  - a. Announce that the Conditions of sale are the standard conditions of sale as provided by the Society of Auctioneers & Appraisers (SA) Inc.
2. Refer to the following Conditions:
  - a. The Property is being offered subject to a reserve price (If applicable).
  - b. The highest bidder shall, upon the fall of the hammer, be the Purchaser only where the highest bid is at or above the reserve price.
  - c. The Purchaser will be required to come forward, execute a Contract and pay a deposit of 10%, with the balance of the purchase price to be paid at settlement.
  - d. Any variations to either the deposit or the settlement must have the Vendor's approval.
  - e. The date on which settlement is to take place.
  - f. That the Auctioneer may bid on the Vendor's behalf up to but not at or exceeding the reserve price and such bids shall be declared as "Vendor Bids".
  - g. Bids are on a cash unconditional basis and there are no "cooling off" rights for anyone who bids and purchases at Auction.
  - h. Upon the fall of the hammer, the property is at the risk of the Purchaser. Accordingly, the Purchaser needs to immediately arrange insurance on the property to protect their legal equitable interest.
  - i. Any person bidding shall be personally bound by their bids made during the Auction of the property.
  - j. That if bidding for a third party, evidence of the authority and/or nomination will be required, otherwise you are bound as Purchaser.
  - k. The Auctioneer will determine the successful bid and this determination will shall be final and binding.
  - l. That whether or not the following will apply (optional):
    - i. That there will be no announcement that the property is "on the market" and/or
    - ii. That there will be no announcement that the Reserve Price has been reached and/or
    - iii. That there will or won't be a Vendor conference during the Auction and/or
    - iv. The Vendor has instructed in the event that the property is passed in or held over, the highest bidder shall have the first right to negotiate immediately with the Agent/Auctioneer.

### **Description of the Property: (3 minutes)**

Choose 3 or 4 major selling features and emphasise them – do not spend time on minor points:

1. Style of Home
2. Size of the Allotment
3. Lifestyle & Security benefits
4. Location and proximity to Services
5. Strong selling points

### **Questions: (1 minute)**

1. Thank the person for the question and repeat the question so everyone can hear.
2. Answer precisely and clearly and do not dwell
3. It will be one of the 6 questions in the Workbook

### **Bidding: (3.5 minutes)**

1. Ask for an opening bid and suggest a suitable starting price, (A bidder will bid at this time)
2. The Auctioneer must nominate the bidding increments
3. There will be no Vendor Bids
4. If the bidding stalls or stops under the reserve price, the Auctioneer should reiterate the selling features of the home or highlight location etc in an attempt to get the bidding restarted
5. The property can only be knocked down and sold if the reserve price is reached, if not it must be passed in or held over.
6. If sold the property must be called 3 times and the hammer dropped at the end of the third call.
7. You will be given the reserve price at the commencement of the Auction.

### **Completion of Bidding: (1 minute)**

1. This will be your last chance to promote yourself and your Company and to deliver a conclusion to give a lasting impression.
2. Congratulate the Buyer/s
3. Thank the Bidders
4. Offer your services to anyone there who may be thinking of buying or selling in the future.

## Score Sheet

<b>Immediate Impressions</b> 1. Standard of dress and appearance 2. Initiation of proceedings 3. Bearing command and presence	20 ..... 20 ..... 20 .....	60
<b>Documentation</b> 1. Terms and conditions of sale 2. Contract details/Statutory information 3. Clarity and manner of delivery	20 ..... 20 ..... 20 .....	60
<b>Description of Property</b> 1. Setting the scene 2. Degree of creativity 3. Knowledge of property	30 ..... 30 ..... 30 .....	90
<b>Questions</b> 1. First question 2. Second question 3. Third question	20 ..... 20 ..... 20 .....	60
<b>Bidding</b> 1. Commencement/nomination of opening bid 2. Nomination of bidding rises 3. Identification of bidders 4. Use of the Vendor Bid 5. Encouragement/rapport with bidders 6. Overall handling of bidding	10 ..... 10 ..... 10 ..... 20 ..... 20 ..... 60 .....	130
<b>Completion of Bidding</b> 1. Use of calls (once/twice) 2. Knockdown/pass in/holdover 3. Final close	20 ..... 20 ..... 20 .....	60
<b>Overall Performance</b> 1. Voice control/diction 2. Style/personality 3. Movement/body language	20 ..... 50 ..... 20 .....	90
<b>GRAND TOTAL</b>		550