



# AUCTION

## TIPS AND TRICKS

*Here are our top auction tips and tricks*

House hunting is an exciting part of the home buying journey. However, it can quickly turn into a tedious task if you don't have all the information and knowledge that you need, but that's where we might be able to help.

Before finding out how to win an auction, you first need to know how house auctions work. Here are our top auction tips for first home buyers in NZ:



### 01. Get there early

Auctions are stressful enough without being late. Try to make sure you have some time to relax before the auction and arrive well before the start time to get your bearings.

### 02. Know your budget

Before you get to the auction, decide on your limit and stick to it. This way, you won't go overboard and have buyer's remorse. Remember, auctions are unconditional and you can't back out if you are the winning bidder above reserve.



### 03. Don't bid in round numbers

Having a hard limit set at a round number such as \$750,000 can mean you miss out if it goes a smidge over. Set your limit to an uneven number. This will give you a better chance at winning and can be unnerving for other bidders in the room.

### 04. Choose a good spot

Use your placement in the auction room to your advantage. Try to get a spot at the back or on the sides of the room, so you have a good view of the other bidders. This way you can see who is bidding and gauge their facial expressions.



### 05. Be confident

Auctions can be scary but start bidding confidently and don't lose your nerve. This shows buyers that you mean business and can even deter others from bidding.

### 06. Have an auction strategy

Some people like to start bidding straight away, as it can help you feel in control by setting the pace. Others like to wait until the tail end of the bidding process, hoping to catch others off guard. There is no one perfect auction strategy, but it does help to have a game plan in mind so you don't get rattled by what other bidders are doing.

### 07. Put the pressure on

Putting the pressure on other bidders can give you an advantage. Using a rapid-fire bidding strategy while you are well within your budget is one way to do this. Another strategy is to bid in large increments and get the price up to a significant amount quickly, though this carries the risk you end up winning the auction for a higher price than was necessary.



### 08. Watch out for mind games

At the end of the day, you are going into an auction to offer the most you can afford on the house you want. If the price goes past your limit, don't get pulled into the auctioneer's games or the momentum of the room. You might have been unlucky this time, but you can use what you've learned to better prepare yourself for the next auction.



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## FIND OUT MORE ABOUT WHAT TO LOOK FOR WHEN BUYING A HOUSE IN NZ

The home buying journey is difficult, but equipped with the right information, it can be made that much easier. We've put together a complete guide for first home buyers, from saving for a deposit to finding out what happens on settlement day. For personal home loan advice, get in touch with The Co-operative Bank today.



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