

Subject to finance auctions

Auctions don't necessarily have to require unconditional cash and a sizeable deposit. Recently, we auctioned a property in Aubin Grove, an area that's ideal for first home buyers. If we'd auctioned this property under these usual terms, none of the first home buyers would've been able to bid.

Instead, we held a 'subject to finance auction', which required buyers to have finance pre-approval before they could bid. On auction day, three parties bid and the seller achieved a price they were happy with.

The auction contract was subject to finance with a two working day cash clause. If a cash buyer arrived while the bidder was organising the finance, the bidder would have two working days to go unconditional (offer cash) or step away from the deal.

This 'subject to finance' arrangement gave the seller the best of both worlds: he had competition for the property and the possibility that he might get a cash offer too.

