



29 June 2008

--THE COST OF ASSUMPTION

"Never assume the obvious is true" - William Safire, American writer and Grammarian b 1924

G'day there,

That auctioneering is a wonderful career will get no argument from me for it has been my life since I was 17 and over the years, it has taken me to very nearly every part of Australia and overseas to Indonesia, New Zealand, Papua New Guinea, and the United States.

In that time I have seen some wonderful sights, seen many a tragedy that has played out its final scenes in the auction room and met some truly wonderful people of many tongues and colours.

That is the credit side of the ledger.

The debit side is that every time we stand up to conduct an auction we are walking across a veritable legal minefield - if we are not aware it in the first place!

One of the biggest mistakes we can make in selling real estate, and especially from the Auctioneers point of view, is to assume that all is as it seems.

This has been brought home to me very much over the last two days when I have been conducting, through our RTO, the UWSCollege (a division of the University of Western Sydney) NSW Auctioneer Accreditation Course for NSW real estate and stock and station agents.

Over the two days we have dissected all aspects of the real estate industry to do with auctions and in that process, highlighted what a minefield auctioneering can be. If your belief is that of assuming "other parties" have done the right and/or correct thing, it can also be an expensive belief.

It is a foolish auctioneer who believes:-

- that the Solicitor always has prepared the Contract properly

- if they did, why is that every now and again you get a contract to read on auction day with the wrong agency, wrong vendor details and/or sometimes the wrong address?

- that the Agent and Agency have in fact checked it for any errors when it first arrives in their office and that the one you use on auction day is (1) the same as the counter copy and (2) is correct.

- see above. Many is the time I have been given a Contract to read at the auction and have noted it is obviously from a previous agency as the one I am working for is not mentioned. It should be standard procedure in every office to have someone check the details with the relevant sakes person to ensure it is correct. Auction day/night is not the time to find out that the Contract is still in the name of the deceased parents and not the beneficiaries!!

- that the agency has all the correct signs and notices for display on auction day and that they know the legislative requirements for the Bidder Record keeping and bidding process.

- whilst the prudent auctioneer carries these with them, always be cognisant of the fact that should a legal dispute arrive, the first name on the subpoena is nearly always the Auctioneer. Even if you are just an innocent party, it still costs money with a legal person to be out of the case! As far as the Department of Fair Trading are concerned, you, as Auctioneer, are the one running the day so the "please explain" will be coming to you.

- a Reserve letter or Bidding Authority has always been completed properly__

- ALWAYS check that the names on the Contract as vendors agree with who has, or has to, signed the Reserve Letter. If one or a number of names/signatures are missing, it's an easy decision - NO AUCTION

- if the Agent has been dealing with someone who is not the actual title holder (eg relative of a sick parent) then for that person to be able to (1) give a decision on sell/no sell and (2) sign the Contract, there must be a Power of Authority from that parent allowing the to do so. If this is not there, easy decision- NO AUCTION!

Without a shadow of a doubt, the above actions will cause a ruckus with certainly the agent and maybe even the vendor (or one of them) but as it is your "neck on the block", stand your ground.

If you are unsure on many of these things, I suggest you attend one of our [Auctioneering Skills Courses](#) where we spent some time discussing about surviving the minefield of auctions.

In closing, the support for our new Academy Discussion Forum page has been excellent with agents from many franchises and independent agencies from across Australia, New Zealand and the United States joining.

From now until the end of September, membership is free. If you would like to join (it is by invitation only-mainly to reduce the risk of spam), simply click on your "reply" button and in the subject line type "Ning".

On receiving this, I will email you with an invitation to join. On its arrival, simply click on the hyperlink, add your password (it's your choice) and follow the instructions.

Carpe diem

Tony

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