



Understanding the methods of sale

There are several methods of selling property in New Zealand. It is important that you understand the process for the property you are selling.

Summary of important things to know

- ✓ Advertised price, deadline sale and by negotiation are the most common methods of selling property in New Zealand. Offers for these sale methods will be written on the standard sale and purchase agreement.
- ✓ Your agent may also talk to you about selling by auction or tender. There are special sale and purchase agreements for selling by auction or tender.
- ✓ In all methods, apart from during an auction, buyers can make either conditional or unconditional offers on a sale and purchase agreement. You and the buyer can then negotiate through the agent.
- ✓ In an auction, the buyer who places the highest bid above your reserve price wins the auction and must complete the sale.
- ✓ If you receive more than one offer in a sale by advertised price, deadline, negotiation or tender, you will have a multi-offer situation, and there is a process for this.



Selling by negotiation and deadline

Most property sales in New Zealand are by advertised price, deadline sale or negotiation:

- A buyer can make a conditional or unconditional offer at any time when a property is being sold at an advertised price with no time limit.
- In a deadline sale, a property is marketed for a set period with an advertised end date.
- Price by negotiation may be used when it is hard to estimate the price a property is likely to sell for. Prospective buyers make offers based on their perception of the market value of the property and the seller will negotiate with them on price

Receiving offers

Your agent will present any offers to you on a standard sale and purchase agreement.

Read more about the sale and purchase agreement [here \(/selling-a-home/dealing-with-offers/understanding-the-sale-and-purchase-agreement-when-selling/\)](#).

If there is more than one offer, the sale may turn into a multi-offer process.

You don't need to accept the highest offer. You can accept any or none of the offers, and you can negotiate, through your agent, with anyone who submits an offer.

Selling by auction

A property auction is a fast-paced, public sale. The property is sold to the buyer with the highest bid after the seller's reserve price is reached.

If you are selling a property by auction, you will need a sole agency agreement with an agent, and you must set a reserve price before the auction. The reserve price is the lowest price you are willing to accept for the property. The reserve price is confidential.

Buyers will receive an auction pack if they register their interest with your agent, and this will include a copy of the sale and purchase agreement and information about the property.

Understanding the pre-auction offer process

A pre-auction offer is an offer that is made for the property before the day of the auction. The offer will be written on the auction sale and purchase agreement and will be unconditional. If you are willing to accept the offer, the auction may be brought forward from the advertised date, or it may be cancelled if a sale and purchase agreement is signed.

If the auction is held earlier than advertised, the pre-auction offer becomes the first bid at auction. The property can sell any time after that first bid.

Auction sales and purchases are unconditional

A buyer cannot attach conditions to an auction purchase, but they can approach you to change the settlement date. Once the bid is accepted and the auctioneer's hammer has fallen, the sale will be unconditional and must go ahead.

Vendor bids

Auctioneers sometimes use vendor bidding to start the auction or to move bidding towards the reserve price. A vendor bid can be made by the auctioneer or a person working on behalf of the seller, such as the real estate agent.

Vendor bids are only allowed when:

- the property has a reserve price
- the reserve price hasn't been reached
- the bid is clearly identified by the auctioneer as a vendor bid.



Selling by tender

When a property is being sold by tender, buyers make confidential written offers to the agent before a deadline. Buyers' offers may be conditional, and you can also attach conditions to the sale, for example, stating the settlement date or listing the details of the chattels that come with the house.

Receiving offers

Buyers can make an offer at any time before the tender deadline, and you can accept an offer at any time. You don't have to wait for the end date. Your agent will present offers on a tender document, which is a type of sale and purchase agreement.

You have up to 5 working days to decide which offer, if any, you will accept. If you accept an offer, you'll sign the tender document.

You can negotiate with the buyer to change the price and/or conditions in the tender. If this happens, the agent will ask you and the buyer to initial any changes to show you both agree with them. Read any changes first, and make sure you understand and agree before initialling. Your lawyer or conveyancer can advise you during this process and should check the final agreement before you sign it.

Read more about the sale and purchase agreement [here \(/selling-a-home/dealing-with-offers/understanding-the-sale-and-purchase-agreement-when-selling/\)](#) .

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Understanding the multi-offer process

This process is designed to give all potential buyers an equal opportunity. It is not like an auction where an agreement is automatically formed with the successful bidder. The seller is not obliged or required to accept any offer. You may accept one offer, reject all offers, or choose to negotiate further with one party.

Multi-offer processes can differ from agency to agency, but they can only be described as multi-offer when there is more than one offer in writing.

A multi-offer process can also be used if a property has failed to sell at auction or in a tender or deadline sale process if a buyer has made an early offer. In these cases, an agent may initiate a multi-offer process where all interested parties are invited to submit their best offer.

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