

You've won the auction – what happens next?

Congratulations! You've just bought a property at auction. Before you can move in, there are some things you need to do. Remember, it's always recommended to seek legal advice when purchasing a property.

Sale contract and deposit

There's no cooling-off period when you buy at auction, so you can't change your mind after you put in the winning bid.

The next steps are governed by state and territory legislation, but are largely the same nationwide – however please ensure you are aware of the requirements in your state or territory . In NSW, for example, [Fair Trading NSW](#) states you'll need to immediately sign the contract and pay the deposit (normally 10%). The selling agent will have already set the conditions of payment, and a bank cheque is generally acceptable.

In all states and territories, the deposit is held in trust until settlement. In Victoria, for example, [Consumer Affairs Victoria](#) explains that the deposit must be held by the seller's estate agent, conveyancer or legal practitioner in a trust account until the settlement date. If the vendor doesn't have an agent they must either give the deposit to their solicitor or conveyancer, or put it in a special-purpose bank account in both of your names.

Legal checks

Your solicitor or conveyancer will need to conduct legal checks on the property. After this, they'll confirm the settlement date with the seller's lawyer. When this date comes around, you'll need to pay the balance of the purchase price.

Finance approval

If you have mortgage pre-approval, you'll need to get formal approval. This process can take three to five days. Your lender will value the property before approving your loan, so make sure you don't bid above market value.

Mortgage contract

When your mortgage application is approved, your lender will send you a letter of offer and mortgage contract to sign. The National Consumer Credit Protection Act states that lenders must outline any fees and charges in a pre-contractual statement. They must also send an information statement explaining your rights and obligations.

This legislation applies nationwide, but numerous state and territory resources offer easy-to-understand explanations of the rules. For example, the South Australian government's [property and land website](#) explains that all credit contracts must contain various details, including:

- the amount you're borrowing
- annual percentage interest rates
- how interest will be calculated and when it will be changed
- credit fees and other charges, and commissions (if applicable)
- how you'll be told of any contractual changes
- how often you'll receive

Your conveyancer should read the paperwork before you sign. Don't delay, as all mortgage contracts have a lapse date.

Settlement

The final inspection will often be on settlement day, or during the week before settlement. This gives you the chance to make sure everything's as described in the sale contract.

Your conveyancer should conduct final checks, such as ensuring that any existing mortgage on the property is paid off and that any caveats are removed. They will also need to get the transfer of land document from your state or territory's titles office and prepare it for settlement. On settlement day, the document is signed by the buyer and seller, and witnessed.

At the agreed settlement date and time, your lender and conveyancer will hand over the relevant documents and final payment to the selling agent. You and the seller don't need to be there. Your conveyancer will then ensure the transfer of land and mortgage are registered with the title office.

Your conveyancer will let you know when the settlement has successfully been registered. You're then free to pick up the keys from the real estate agent.

For more information about buying a property at auction, contact your mortgage broker.