



Buyer's guide to the tender process



Ensuring greater privacy for buyers throughout the offer process, submitting an offer by tender will see prospective purchasers present their bid on the best terms at the best price.

Choosing to make an offer on a property for sale by tender will see you as the prospective purchaser prepare and submit a confidential written offer to the salesperson within a period set by the seller. It is important to note that the seller is not required to negotiate with any party, and submitting your best terms and price upfront can work to your advantage.



Buying by tender

While offering greater privacy to prospective purchasers, this method of sale is not an open forum, and interested parties will not know what other potential bidders are doing or thinking. Interested parties should enquire with the listing salesperson early in the process to facilitate communication.



What should I consider when submitting an offer?

Buying through the tender process requires the same care and research as buying by any other sale method. Prospective purchasers should ensure they have read the Particulars and Conditions of Sale by Tender provided to you by the salesperson, while taking advice from your solicitor before finalising an offer.

When submitting an offer, you will be required to include a deposit of a specified amount. With the introduction of new anti-money laundering regulations, should you be the successful tenderer, you will be required to electronically transfer the required deposit amount within 24 hours of receiving notification that your offer has been accepted.



Will other buyers know what I have offered?

No. Unlike the auction process which is public and completely transparent, tenders protect the privacy of both prospective purchasers and the seller. You will submit your confidential offer to the seller's salesperson who is required to hold it securely until the tender closing date. The only people that will see your offer are the seller and the salesperson and/or their manager once the tender has reached its closing date and time.



What documentation do I need to submit a tender offer?

If you have decided to make an offer the salesperson will provide the tender documents which are usually an Agreement for Sale and Purchase by Tender. Prior to the tender close date you should have received the tender documents, a copy of the Certificate of Title and any other relevant property information.



Do I have to talk to my solicitor?

Yes. Bayleys recommends discussing the terms of tender with your solicitor, and seeking any other independent advice you may deem necessary prior to submitting an offer. You will want to discuss with them the full particulars of the agreement as the purchaser, this includes; the amount tendered, possession date, and any conditions you may want to include.



How much do I need to offer to buy the property?

Generally, the sale price range can be established by what comparable properties have sold recently in the area, and what's currently listed in the neighbourhood. By researching your locale thoroughly you'll get a good grasp on market value. It is however recommended that you submit your very best price as the seller may not offer you the opportunity to negotiate.

\$≡ What are the terms of sale?

The Agreement for Sale and Purchase by Tender should be completed in duplicate, signed and forwarded with an acknowledgement that a deposit, usually 10 percent of the tendered purchase price, will be payable upon acceptance of your offer.



I still have to arrange finance; can I make an offer?

Yes, you can organise finance through your bank or mortgage broker for approval up to the price you're prepared to pay. The tender may be subject to the bank's approval and your solicitor will insert a clause into the contract that stipulates your tender is subject to finance approval, and/or any other conditions you require. The vendor will be seeking an unconditional offer, therefore, the fewer conditions you have in your tender, the more favourably it will appear to the seller.



What do I do with my completed tender documents?

Once complete, your tender should be placed in a sealed envelope with the address of the property written on it. You'll deliver this to a nominated location where it will be held in a locked box until tender close. Please ensure you have registered your interest with the listing salesperson and provided them with your full contact details to ensure you receive the results of the tender process.



What happens next?

Once the closing date and time of the tender has been reached the seller will consider all offers. In a tender process, as opposed to an auction, tenders may be conditional on certain criteria such as finance or the sale of another property, this sometimes sees unconditional offers favoured by the seller. The salesperson will contact you regarding your offer once the seller has made a decision. If your offer is declined the salesperson will make arrangements to have documentation returned to you.



Can I withdraw my offer?

No, there is usually a five-day period immediately following the close date that restricts buyers from withdrawing an offer. The withdrawal of an offer can only be done after the nominated period has elapsed.



