Buyer's Guide & Tips

PUBLIC AUCTION

Is a sale of property where a group of buyers come together to bid and make a purchase through the highest bidder. This is conducted by a licensed auctioneer appointed by Courts, Land Offices or Banks.

An Auction happens when a borrower can no longer make repayments for the loan he has taken from the bank to purchase a property or no longer wishes to own the property anymore.

What Happens On The Date Of Auction:

- Present your particulars such as photocopies of your I.C. and the letter of authorisation (if you are representing a relative or a friend) to the auctioneer before the auction time mentioned in the Proclamation of Sale.
- The auctioneer will then read the information of the property and explain the rules for bidding e.g. the starting bid price, depending on the Reserve Price, which will be set by the auctioneer.
- You will then bid for the property. The bidding will stop when the highest price is called out three times by the auctioneer when no further bids are made. The auctioneer will hit the hammer to confirm the property has been sold. This is called the Final Price.
- If you are successful, you will have to pay 5% or 10% (as stated in the Proclamation of Sale) of the Final Price (the difference of the Bidding Deposit) to the auctioneer by cash, bank draft, banker's cheque or cashier's order immediately.
- Upon paying, you will sign the contract of sale in the Proclamation of Sale.

Things To Do Before Attending An Auction:

- Make photocopies of your identity card (I.C.) for registration, recording and verification purposes of the auctioneer.
- Bring along 5% or 10% (as stated in the Proclamation of Sale) of the Reserve Price as bidding deposit in the form of a bank draft, banker's cheque or cashier's order made in favour of the name as stated in the Proclamation of Sale.
- Bring along additional funds (in case you are the successful bidder).

What Happens After A Successful Bid:

- You will be given either 90 or 120 days, from the date of auction as stated in the Proclamation of Sale to settle the balance of the purchase price.
- The officers at CIMB Bank Berhad will assist you on the procedures to secure the loan, if required.
- The lawyers attending the auction will act on behalf of CIMB Bank Berhad. You will need to appoint your own lawyer to act on your behalf to execute the transfer of property ownership.

Hotline
1300 88 0811
• propertymart@cimb.com
• www.cimbbank.com.my/propertymart

Upon successful transfer of the property ownership, you are now the proud OWNER of your dream home. Congratulations!

CIMB meGA AUCTION

Frequently Asked Questions (FAQs):

1. Q: Why are properties being auctioned?
   A: Properties are being auctioned when the borrower can no longer make repayments to his/ her housing loan.

2. Q: How can I know details of an upcoming auction?
   A: You can obtain the details through:
   - Hotline 1300 88 0811
   - E mail propertymart@cimb.com
   - Website www.cimbbank.com.my/propertymart
   - Address Ground Floor, Block B, No. 45, Medan Setia 1, Plaza Damansara, Bukit Damansara, 50490, Kuala Lumpur.

   It will be our pleasure to provide you with the following:-
   I) Details of the auction property
   II) Date, time and venue of the auction
   III) Copy of Proclamation of Sale (POS) and Condition of Sale (COS)
   IV) Reserve Price and Current Market Value

3. Q: What is the Reserve Price?
   A: The Reserve Price is the lowest price at which the property can be sold. The auctioneer will start the bidding process with a price not less than the Reserve Price in the event that there is more than one bidder registered bidder for the same property. If there is only one registered bidder for the property, the property will be sold at the Reserve Price.

4. Q: What is Current Market Value (CMV)?
   A: The Current Market Value is also known as Open Market Value (OMV). It is the property value quoted by a licensed valuer and it is usually based on comparison method with the recent transaction price of a similar property in the surrounding area of the said property.

5. Q: Who will bear all the quit rent, assessment, maintenance outstanding and utilities bills?
   A: The outstanding quit rent & assessment will be borne by the bank up to the date of auction. However, the payment of the outstanding maintenance and utilities charges will be subject to the terms and conditions stated in COS. Interested bidders are advised to read the relevant clauses of the COS.

6. Q: What are the benefits of buying auction properties?
   A: a) It is a smarter investment choice as auction properties are sold at a fair market value without having to go through any long drawn negotiation.
   b) The risk of abandoned housing development can be avoided.
   c) Buying auction properties can shorten the time to purchase a property.
   d) At our mega auctions, there is a wide range of properties sold at one place and you have the benefit of making comparison of the various properties in a single location.

7. Q: If I cannot attend the auction, what should I do?
   A: If you cannot attend the auction, you can authorize anyone that is 18 years old and above to bid on behalf of you. (Reminder: The bidder must bring along the original authorization letter together with your photocopy IC and bank draft to the auction)

8. Q: What if the Successful Bidding price is higher than the Reserve Price?
   A: Be prepared to top-up the difference on the deposit sum between the Final Successful Bidding Price and the Reserve Price by cash immediately after the auction. Please ensure that the final price or the purchase price is within your budget. If you have a limited budget, you can always find out from any CIMB loan officer whether you are eligible for a financing of the balance of the purchase price prior to the auction.

9. Q: Do I need to appoint my own lawyer to handle the transfer of property ownership?
   A: Yes, you need to appoint your own lawyer to act on your behalf to execute the transfer of the property ownership. The lawyer attending the auction will act on behalf of CIMB Bank Berhad only.

10. Q: What is the length of time given to complete the Contract of Sale?
   A: The duration is either 90 days or 120 days from the auction date, depanding on the Conditions of Sale. Thus should you wish to obtain financing, it is advisable to apply the same as soon as possible after the auction.

The above is merely a guide and cannot be used as a substitute for proper advice by appropriate professionals. You are advised to consult the appropriate professionals before you decide on a purchase. Whilst, every effort has been taken to ensure the accuracy of the information contained in this guide, no representation or warranty of its accuracy is given or intended to be given and no liability whatsoever will be assumed by CIMB Bank Berhad for any inaccuracy or ommision.

CIMB meGA AUCTION

10 Simple Steps To Buy an Auction Property

1. Identify your desired property according to your preferred location and budget.
Take note of all relevant information of the property.

2. Conduct an external inspection of the property to ascertain the condition of the property.

3. Conduct an official search with the relevant land office and make general enquiries with the developer or management office.

4. Get a copy of Proclamation of Sale (POS) and Condition of Sale (COS). Contact us for further enquiries. Interested bidders are required to register their details with CIMB Property Mart prior to the auction.

5. Take note of the auction time, date and venue. Prepare a bank draft or cashier's order for the deposit amount equivalent to either 5% or 10% to the Reserve Price before the auction date.

6. On the auction day, please ensure that you reach the auction venue earlier and register at the auctioneer registration counter.

7. The auctioneer will announce the commencement of the auction, and then provide a briefing on the bidding process, read out the important clauses in COS and the property information.

8. The bidder is to raise his/ her bidding card to indicate the bidding price. The bidding process will stop when the highest price is called out 3 times by the auctioneer and no further bids are made. At the fall of the hammer, property is sold.

9. The successful bidder is required to sign Contract of Sale and pay the difference 5% or 10% equivalent to the successful bidding price in the deposit if there is an increment in bidding price. The balance of the purchase price must be paid within the time frame given

10. If you are not the successful bidder, you may redeem your bank draft or cashier's order at the registration counter right after the auction.

Necessary Documents for Bidding :

For Individual Bidder:

- A photocopy of NRIC
- Bank draft/ cashier's order payable to the assignee/ plaintiff / lender

For Company:

- A photocopy of director(s)' NRIC
- Board of Director's Resolution
- Form 24 and 49
- A certified true copy of the company's Memorandum and Articles of Association

AUCTION TIPS:

1. Draw a comparison of prices involving comparable properties in the vicinity of which the subject property is located and other comparable areas. Potential bidder/s is encouraged to instruct their own valuer to conduct a formal valuation on the subject property and **not** to rely on any indication of market value as stated in the auction flyers.

2. Plan your budget wisely, set price range for property/ies that is within your budget. Endure your financial standing is favorable should you decide to apply for financing with financial institutions.

3. Financing facilities will be provided for eligible successful bidder/s. Successful bidder/s are encouraged to apply for financing from the auctioning bank, as documentation process will be smoother and faster.

4. Take into account the possible cost of repairs that need to be carried out on the subject property; as well as outstanding utilities / other outgoings payable (including but not limited to legal fees water, electricity, sewerage, etc).

5. Investor/s on the one hand, would be on the lookout for ROI (Return on Investment), i.e. Rental per annum divided by purchase prices, multiplied by 100%.

6. You can view the auction property externally, but remember NOT to trespass into the subject property.

7. Be ready for up-bidding situation where you may not be able to buy at the Reserve Price. In such a situation the amount of deposit required would necessarily increase, hence should you become the successful bidder you ought to top up the difference between the Reserve Price and the amount so increased, equivalent to five per centum or ten per centum, as the case may be.

8. Successful bidder/s may call up the Bank for enquiry of general procedure/s for matters after auction.

9. Obtain your own legal advice to better protect your interest.

10. Last but no least, create your own tangible asset portfolio and passive income by buying more auction properties.

For more information, please contact us at:

1300 88 0811 • propertymart@cimb.com • www.cimbbank.com.my/propertymart