

**AUCTION CODE OF CONDUCT – revised July 2005**

1. Members shall not advertise a property as being for sale by public auction unless –
  - (a) the vendor has signed an auction authority; and
  - (b) a date has been fixed for the auction; and
  - (c) an adequate sum of money has been agreed for advertising to ensure the property is marketed in a professional manner; and
  - (d) there is a continuing intention to conduct a genuine public auction in accordance with the requirements of the Sale of Land Act 1962 and Regulations made under that Act and otherwise in accordance with good estate agency practice.
2. An auctioneer must represent the best interests of the vendor at all times. An auctioneer must also advise the vendor about the lawful use of a vendor bid and, if applicable, a co-owner bid, and the penalties for the misuse of a vendor bid or a co-owner bid.
3. An auctioneer must advise the public, in accordance with the requirements of the Sale of Land Act 1962 and the Sale of Land Regulations 2005, about the correct use of a vendor bid and/or a co-owner bid at a public auction.
4. Members must clearly service the needs of the vendor and the general public by –
  - (a) if a property is owned by co-owners, obtaining instructions about the co-owners intentions regarding co-owner bidding and record those Instructions in the auction authority at the time the authority is signed. If the co-owner's bidding intentions remain unclear, to use best endeavours to confirm those intentions at least 24 hours before the auction day. If a co-owner's intentions remain unclear 24 hours before the auction day, to then advise all the co-owners the auction will be conducted in accordance with the rules in the 4<sup>th</sup> schedule of the Sale of Land Regulations 2005;
  - (b) ensuring that if a co-owner is using the services of a representative to make co-owner bids, the representative is not an employee of or associated with the member conducting the auction;
  - (c) ensuring that a property to be opened for inspection and auctioned on site is open a reasonable time before the advertised time of the auction;
  - (d) ensuring all relevant documentation including (but not limited to) the statutory information about public auctions required to be displayed, a complete and legible copy of the signed and dated Sale of Land Act 1962 section 32 statement and its annexures (if any), and a complete and legible copy of the contract of sale of real estate are on prominent display for inspection by the public for not less than 30 minutes before the time of the auction;

- (e) displaying an understanding and knowledge of the features of the property to be auctioned, the correct use of a vendor bid and the correct use of a co-owner bid;
  - (f) the auctioneer audibly announcing before starting the bidding that the words he or she will use in placing a vendor bid will be "VENDOR BID";
  - (g) ensuring that all agency personnel assisting with the auction perform their duties in an ethical, courteous, and professional manner;
  - (f) endeavouring at all times to inform interested parties when a property is withdrawn or sold prior to auction;
  - (g) removing any "auction" boards from the property within 30 days after sale (unless special circumstances warrant a further extension) or within any shorter time limit lawfully imposed by the municipality in which the property is located;
  - (h) participating in on-going auction education and ensuring familiarisation with all areas of current legislation;
  - (i) ensuring that –
    - (i) "Open for inspection" sandwich boards are displayed only when a property is open for inspection and an agent or an agent's representative is in attendance;
    - (ii) auction flags and auction sandwich boards are removed immediately after the auction;
    - (iii) they comply with local laws regulating the use of signage and auction flags;
  - (j) providing to The Real Estate Institute of Victoria Ltd evidence of any breach of this Code;
5. (a) A member shall not claim in a newspaper or by any other means, to have sold a property at or before auction unless there was at all times intended to be a genuine public auction according to accepted standards;
- (b) When communicating with the media and the public, members shall avoid misleading statements, exaggeration, or misrepresentation relating to a vendor's property, and comments that are contrary to good estate agency practice;
- (c) If a property is sold at auction, the vendor's reserve price shall not be disclosed unless the vendor has given prior written consent to do so;
- (d) If a property is passed in at auction, the vendor's reserve price may be disclosed;
- (e) If a property is passed in at auction on a vendor bid, it must be stated as such.

6. Auctioneers –
- (a) when using a vendor bid, must at all times act with professional integrity and independently from any undue influence from a vendor and shall only exercise a vendor bid below the reserve price;
  - (b) when conducting an auction, shall not use deceptive or misleading words which would bring auctioneering into disrepute with the public, during the conduct of an auction;
  - (c) shall always advise a vendor of the status of bidding, when informing a vendor of the progress of an auction at referral conference;
  - (d) shall at all times act with honesty, integrity, professionalism, and in an ethical manner, when quoting a price expectation to vendors and buyers or the media;
  - (e) shall conduct all auctions in a manner so as to minimise disputed bids. In the event of a disputed bid, the auctioneer must resolve the dispute in the manner required by the regulations made under the Sale of Land Act 1962;
  - (f) shall not act in a manner which would bring auctioneering into disrepute, when attending or bidding personally, or bidding on behalf of a buyer at another agent's auction;
  - (g) shall not at any time represent herself or himself as an REIV "Accredited Auctioneer", unless he or she holds a current REIV "Accredited Auctioneer" certificate.
7. In conducting an auction for the sale of land which persons may attend only by invitation (by way of example but not limited to, a boardroom auction) the estate agent and the auctioneer must observe the requirements of Division 4 of the Sale of Land Act 1962 and any regulations made under that Division as in force from time to time.