

Auction Buying Guide

Introduction

Buying through auction provides far more transparency, speed and security for buyers. When your offer is accepted and the necessary documentation is signed and the deposit is paid then the seller is committed to the sale at the agreed price and a fixed timescale. This means no gazumping or sellers dragging the sale out for months.

The Process

1 Before you are able to bid on any properties you need to be verified. This is a simple automated process that is done from the property page you are interested in bidding on. Click 'Login / Register to bid'. This then takes you to the auction passport page where you can create your account. Follow the steps and when prompted upload an image of your driving licence / passport as well as proof of your home address dated within the last 3 months. An AML check will then be carried out. Once this is complete then you will be able to bid on any auction property for the next 3 months.

2 When step 1 is completed you will be able to place your bid. Before placing your bid it is strongly recommended that you read and understand the terms and conditions attached to this particular auction lot. It is also strongly advised that you read and understand the legal pack. If you are unclear about anything within the legal pack then you should instruct a solicitor to clarify any queries.

3 Click on the 'Bid Now' button and follow the relevant steps. All bids are proxy bids. This means that you may not necessarily need to go as high as the bid you enter. For example, if the current bid is £50,000 and you place a bid of £60,000, the bid will show as £50,250. If someone else then bids £55,000 then your bid will go to £55,250. If no more bids are placed then you would win the auction for £55,250. There is no benefit to you to leave it until the last minute to bid as the auction will not close within 10 minutes of a bid being placed.

4 At the end of the auction, if you are the highest bidder and the reserve price has been met then you are legally obliged to proceed with the property at the agreed price. A member of the auction team will contact you to explain the next steps. A buyers contract will need to be signed and the deposit as well as any fees will also need to be paid. The contract and payment must be made the same day as the auction ends.

5 At this point the seller is committed to the sale and solicitors will be instructed to complete the sale within the agreed timescales.

Transparency Compared with more traditional sales or sealed bids, each bid that is placed on an auction property is displayed on the website. This means that you aren't plucking a figure out of thin air and you can see what other interest there is. All of our auctions will also have a legal pack before the sale ends, meaning that you can ask your solicitor to make sure everything is above board from a legal point of view, meaning that you're fully informed before committing to purchasing and instructing survey's etc.

Speed Depending on which auction terms the property is being sold under, the vendor will be committed to completing within a fixed timescale. It is important that you read the terms under which the property you're interested in bidding on is being sold. Completion will either be set for 28 days or 56 days from the end of the auction. If you require further information then please contact the auction team.

Security Once the auction has ended and the sale is agreed, the vendor is committed to selling the property for the agreed price and within the timescales attached to that specific auction. Once the buyer has paid the deposit and signed the necessary paperwork, the seller cannot accept a bid from another person or change the price without financial consequences. Unlike more traditional routes where the vendor can change their mind at any point, often after the buyer has incurred significant costs on searches, surveys and solicitors costs.

Auction Buying Guide

FAQ's

What happens if the vendor pulls out of the sale?

In the unlikely event that the seller fails to complete within the specified timescale then the deposit will be returned to you and you can discuss with your solicitor about recouping any associated costs that you have incurred.

Can I view auction properties before the auction?

The viewing process is largely the same as it is with traditional marketing. We will often be arranging block viewings on auction properties and these times will be highlighted within the description. If there are no block viewings described then you are more than welcome to arrange a viewing through our auction department or branch sales staff.

What is a legal Pack?

The legal pack is produced by the sellers solicitor and includes the essential documentation that is needed for the contracts to exchange. This document is available for anyone to download. It can then be forwarded on to your solicitor for approval prior to bidding. Meaning there are no nasty surprises further down the line.

Are auction properties only for cash buyers?

Anyone can buy through auction including mortgage buyers. We recommend seeking financial advice prior to bidding and obtaining an agreement in principle or mortgage offer prior to the end of the auction. Our financial advisors can help you with this.

Options Explained



Unconditional Lots

The most common, secure and quickest option. A legal pack will be in place before the end of the auction. This contains all of the information needed for an immediate exchange of contracts. If the property is sold then the vendor is legally committed to the sale and cannot sell to another buyer and cannot renegotiate the price.



Conditional Lots

This offers slightly more flexibility as the contracts do not exchange immediately. The buyer pays a smaller deposit and any associated fees but you then have 28 days to exchange the contracts and a further 28 days to complete.

