

Buying at Auction

This guide is designed to help buyers who are new to buying a house or flat at auction and how the process works.

Before the auction

1. Find out information

Information on all properties for sale, along with dates of future auctions, can be obtained as follows:

Auctioneer's on-line catalogues

By going to the various auctioneer's web sites you will have access to the current on-line catalogues about two to three weeks prior to an auction sale. By registering with the auction house, you will also be able to receive catalogue previews and guide prices.

Printed catalogue

You may be able to obtain a printed catalogue by:

- Calling the auction house or catalogue request line
- Subscribing to their mailing list for an annual charge
- Requesting a printed copy on-line

Please note: (It is important to read the 'Auctioneer's Notices' which normally appear at the front of each printed catalogue and on the auctioneer's web site.)

2. Identify lots

Look through the catalogue and identify those lots that may be of interest. A list of properties is normally found at the front of the catalogue. Remember, some lots are offered with vacant possession, some are tenanted and some may be part vacant.

3. Check guide prices

Guide prices are normally mailed with the auction catalogue but are subject to change. Up-to-the-minute guide prices may be obtained from the auctioneer's web site or, if only one or two guide prices are required, by telephoning the relevant auction department. Alternatively, you can receive individual guide prices, by telephoning the auctioneer.

Please note: Guide prices are not necessarily figures at which a property will sell. They are only intended to be an indication of the seller's minimum expectation. They are subject to change throughout the marketing period so please check up to the minute prices on the auctioneer's website.

4. Changes to property information

Occasionally, changes need to be made to the lot information or the Special Conditions of Sale. These may be found on the auctioneer's website under "Addendum". Before you bid, it is essential that you check for any changes that may have occurred, even up to the day of the auction.

5. View the property

If there is no group viewing information provided, please either call the auctioneers or the local estate agent to make the necessary arrangements to view the property. For group viewings, which are at pre-arranged times, there is no need to make an appointment. Group viewings will be organised at certain times from the issue of the catalogue and continue until the day before the auction (including Bank Holidays). Where properties are tenanted, interested parties are normally advised to contact the tenants directly, either by writing or leaving a business card, to arrange a convenient time for viewing.

6. Register your interest

If you find a property which is of interest please let the auctioneers know so they are able to contact you if the property is to be withdrawn or sold prior to the auction (see 10. Making an offer prior to the auction).

7. Obtain legal advice

It is important that you obtain independent legal advice before bidding.

The vendor's solicitors prepare legal packs containing (where applicable) Home Information Packs, Energy Performance Certificates, special conditions of sale, title deeds, leases, office copy Land Registry entries, searches and replies to pre-contract enquiries. These may be available to download from the auctioneer's web site. Alternatively, they will be available from the vendor's solicitors. These documents should be passed to your legal adviser. They will help you make an informed decision about the lot. If you need further legal information please contact the vendor's solicitor whose details will be on the website or printed at the end of the catalogue. Legal packs will usually be available for inspection in the auction room. Remember that you buy subject to all documentation and terms of contract whether or not you have read them.

8. Obtain a survey

If you decide to have a survey done, please ask your surveyor to call the auctioneer directly to make arrangements for access to the property.

9. Arrange finance

Over recent years it has become increasingly difficult to obtain finance from traditional lenders within the 20 working days required after the auction day. As a consequence bridging finance is now seen as a simpler means of obtaining finance to fund a property purchase at auction. If like Fincorp your bridging company is a Principal Lender, you can get a quick decision with funds released in a matter of days. Which means no more missed opportunities at auction, or stressful waiting for funds to complete.

10. Making an offer prior to the auction

You can make an offer (which should be in writing, by fax or by email) for a property at any time up to the date of the auction, but if your offer is accepted you will have to be in a position to exchange contracts and pay your deposit immediately (see At the auction: 7, On the fall of the gavel).

11. What if I can't attend the auction?

Proxy/Telephone/Internet Bidding

If you are unable to attend the sale, you can bid by telephone (the auctioneer will telephone you when the lot is being auctioned), by proxy in writing (you specify your maximum bid and the auctioneer bids on your behalf) or on-line. In each case, the auctioneer will need a completed registration form, photocopy identification documents and a cheque to cover your deposit and buyer's fee prior to the date of the auction. A Remote Bidding registration form is normally printed in the auction catalogue or can be downloaded from the auctioneer's website.

12. Find out whether the property is still available

We strongly advise potential purchasers either to look on the auctioneer's website or call them on the day before the auction to make sure that the lots in which they are interested are still available.

13. Understand all terms and conditions

Buying property at auction is different to buying property privately and we strongly advise potential purchasers to check that they have read and understood all the various legal documents and terms & conditions.

More information can be found in the auctioneer's catalogue or available to download.

At the auction

1. Things to bring with you:

- Your catalogue
- Cheque book with at least one cheque for each lot.
Please note that neither cash nor credit or debit cards are accepted.
- Identification – you will need to bring two separate forms of identification relating to you as bidder, including photo ID such as your passport or driving licence AND proof of your address such as a bank statement or utility bill.
- Details of the solicitors you intend to use

You do not need to register unless stated otherwise on the auctioneers website or in their catalogue for a particular lot. Simply pick up an order of sale (see below) and the latest addendum (see below) and take a seat.

2. Order of sale

This is a complete and up to date list of all the lots that will be sold on the day. It lists the order in which they will be offered. Some lots will have been withdrawn or sold prior so you should check the order of sale carefully to ensure that the lot you have come to buy is still included in the sale.

3. Addendum

Occasionally changes need to be made to the lot information or the Conditions of Sale. Before you bid it is essential that you check the printed addendum and listen for any announcements made by the auctioneer detailing any changes that may have occurred. This is important, as these will form part of the Memorandum of Sale.

4. Start of auction

The auction will start promptly at the time printed in the catalogue. The auctioneer will make a number of announcements about the auction procedure. A summary of the auctioneer's pre-sale announcements is printed in the catalogue and appears on the website.

5. Bidding

- The auctioneer will announce each lot and refer to any last minute changes.
- The current lot number is usually displayed on a screen next to the auctioneer, which will also display the last bid taken for the lot being offered.
- The auctioneer will invite bids at a particular level and you can make this bid by raising your hand or catalogue.
- The auction room is likely to be full, so please make your bids clear and ensure that you have the auctioneer's attention.
- All lots will be offered for sale subject to an undisclosed reserve price (unless stated otherwise).
- Please note that questions will not be taken by the auctioneer from the floor once the auction is in progress.

If you do have any last minute queries, you should speak to a member of the auctioneer's team. Their advice, if you have any doubts, is not to bid.

- The auctioneer will regulate the bidding increments and the property will be 'knocked down' to the highest bidder, but not until the auctioneer warns you by saying 'going once, going twice, for the third and last time... **SOLD**'. The hammer will fall at this point and, if you are the highest bidder, assuming that the reserve is met or exceeded, you have now bought the lot.

6. On the fall of the hammer

When the hammer falls, if you are the highest bidder at or above the reserve price, you will have bought the lot and a legal and binding contract will have been formed. The property is usually at your insurable risk from this point. Please ensure that you arrange your building insurance immediately after the sale.

What happens if I am the successful bidder?

When a lot is 'knocked down' to you, you will be asked to complete a Buyer's Slip, give a deposit cheque and provide identification.

Buyer's Slip

You will be asked to give your contact details, the name of the purchaser to appear on the memorandum of sale (which cannot be changed later without the agreement of the seller) and details of your solicitor. If you are bidding on behalf of somebody else, either a person or a company, we will need details of their name, address and telephone number. A copy of this form normally appears in the catalogue and is available to download.

Deposit cheque

You will be asked for a cheque for the deposit, normally 10% of the purchase price (subject to a minimum amount). Please note that cash deposits are not accepted. Personal cheques, company cheques and bankers' drafts are acceptable (subject to the Conditions of Sale).

Buyer's Fee

In addition to the deposit, you will be asked to pay a buyer's fee for each lot purchased. Details of the amount due are printed in the catalogue or available on the auctioneer's website.

Identification

The auctioneer will ask you for two forms of identification relating to you as bidder so please bring your driving licence or passport and proof of your address such as a bank statement or recent utility bill. The auctioneer will take copies on the day for retention in accordance with their internal bidder ID procedures and RICS Best Practice guidelines.

7. Exchange of Memoranda

Completion

Completion will usually take place 20 working days after exchange of Memoranda (or as varied by the Special Conditions of Sale) under the supervision of your solicitor. After completing the purchaser's slip and handing over your cheque, you will be given a lot card by way of receipt. After approximately 10-15 minutes you should approach the contracts desk in the room and hand this card to the staff there who will ask you to sign the Memorandum of Sale. You will take away the Vendor's part memorandum and give this to your solicitor. The auctioneer will send your signed memorandum to the Vendor's solicitor and completion will take place as specified on the special conditions of sale.

Please note: Please do not leave the auction room without taking your signed memorandum. Properties are not sold 'subject to contract', 'subject to finance' or 'subject to survey' when you buy at auction. They are sold unconditionally. If you are the successful bidder, you are legally obliged to complete the sale.

8. Unsold lots

In the unlikely event that the property that you wish to buy does not sell, you should register your highest bid with the auctioneer before you leave the auction room.