



MORRIS MARSHALL & POOLE



a guide to
PROPERTY AUCTIONS

The purpose of this guide is to tell you more about the auction process from both a seller and buyer's point of view, and what you can expect.

Chartered Surveyors | Auctioneers | Estate Agents | Established 1862

www.morrismarshall.co.uk

SELLING AT AUCTION

The advantages of selling at auction are:

- **Certainty** – ‘properties are not sold subject to contract’ in the same way as through a traditional private treaty sale. On the ‘fall of the hammer’ the successful bidder is obliged legally to complete.
- **Good marketing exposure** – auctioneers advertise extensively through all the usual mediums to attract as many interested parties to attend the auction.
- **Speed** – completion will usually take place within 28 days of the ‘fall of the hammer’.

Not all properties are suited to being sold by auction and it is important that you obtain advice from an auctioneer experienced in selling similar properties, to ensure your property is right for inclusion in an auction.

The auctioneer will give advice about the property’s saleability and what they would recommend as the guide and reserve prices.

If the auctioneer considers the property as being suitable for disposal by auction then, if instructed; the terms of appointment, venue, date and time of the auction sale can be agreed. The next step is preparing the property particulars. These may form part of the legal pack and must be as up to date as possible and comply with the Consumer Protection Regulations.

You need to liaise with your solicitor who will need to prepare all the necessary legal documentation in advance of the auction for viewing by potential purchasers and their solicitors.

Whilst the property is being marketed the auctioneer will be able to provide feedback as to the level of interest and, if necessary, further discuss the guide and reserve prices.

Auction Day

Whilst it is not necessary for you as the seller to be present at the auction many sellers enjoy the experience and the event of seeing their property sold in this manner. On the ‘fall of the hammer’ a binding contract is created and your solicitor or representative signs and exchanges the contracts with the buyer and collects the deposit.

Usually within 28 days of this event the sale completes and the remaining monies (subject to deduction of all fees) will be transferred to yourself.

BUYING AT AUCTION

Purchasing property at Public Auction is no longer the sole domain of dealers and developers, regular house buyers are now seeing the attraction of attending and bidding.

As a buyer, you are in control as to deciding when and how high you wish to bid. The eventual sale price being achieved competitively against other bidders in a transparent process. If yours is the successful bid on 'the fall of the hammer' then the property is yours on completion and the seller cannot withdraw.

Once you have identified a suitable property and plan to bid at the auction then you must be prepared. Look through all the provided information contained within the 'Auction Pack' provided by the sellers solicitors and if necessary instruct your own solicitor to do the same.

It is important to keep in touch with the auctioneer direct and obtain accurate and up to date information. From the auctioneer you should obtain information on:

- The guide price, which can change throughout the marketing period.
- Any addendum, which you may get before or at the auction – this informs you of any alterations to the lots and catalogue details and any withdrawals or sales prior.
- Confirm whether any additional charges are being made by the auctioneer.

Finally, you will need to arrange the necessary finance – both for the exchange deposit (usually 10% of the sale price and paid on the 'fall of the hammer'), and completion. Failure to do could prove problematic.

On the day of the sale contact the auctioneer to confirm whether your lot is still included in the auction. Arrive well in advance to register with the auctioneers (bringing your required identification with you), and check for any addendums. Also listen to the auctioneers opening remarks.

Before the 'fall of the hammer' the auctioneer will indicate the highest bidder and confirms the final amount bid. If you are the buyer then a member of the auction team will attend to you and complete the Memorandum of Sale and collect the deposit and any fees. Your elected solicitor will receive notification of your purchase in due course and arrange to complete the matter within the allocated time period.

Other Guides available from Morris Marshall & Poole:

A guide to Renting

A guide to Surveys and Valuations

A guide to Buying & Selling a Home

OUR OFFICES

Aberystwyth t: 01970 625020 aberystwyth@morrismarshall.co.uk
Llanidloes t: 01686 412567 llanidloes@morrismarshall.co.uk
Machynlleth t: 01654 702472 machynlleth@morrismarshall.co.uk
Newtown t: 01686 626160 newtown@morrismarshall.co.uk
Oswestry t: 01691 679595 oswestry@morrismarshall.co.uk
Shrewsbury t: 01743 247755 shrewsbury@morrismarshall.co.uk
Tywyn t: 01654 710388 tywyn@morrismarshall.co.uk
Welshpool t: 01938 554818 welshpool@morrismarshall.co.uk
Aberdyfi (window display)