

A BUYERS' GUIDE TO CONDITIONAL AUCTIONS

These informal auctions are a hybrid, in fact part auction, part private treaty.

As with a “ballroom” auction, properties are usually able to be viewed in the run up to the online auction.

The legal pack which follows this guide should contain everything you need (from a legal perspective) to satisfy yourself as to whether you should or should not bid. You are strongly advised to ask a solicitor or qualified conveyancer, to inspect this pack on your behalf prior to bidding.

In normal circumstances, once the bidding window has opened, no changes will be made to the legal pack. In the unlikely event that a change is made after this point, all parties who have already downloaded the pack will be informed of the changes.

In order to bid, prospective buyers must register on the online portal, creating a username and password as well as uploading documentation to comply with money laundering legislation.

Having registered and “watched” a property, prospective buyers will be contacted and asked to provide debit card details so that a pre-authorisation for the deposit can be secured in advance of them bidding.

Once the registration process has been completed and pre-authorisation of reservation fee concluded, the buyer is now able to bid.

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Although a property may be advertised for some weeks in advance of the sale, the “bidding window” is only open around 48 hours prior to the close of bidding.

When the bidding stops, (assuming the reserve has been met), the highest bidder secures the property for the "lock-in" period.

The buyer is then contractually obliged to immediately pay a reservation fee of 3% of the purchase price (subject to a minimum of £3,000), both inclusive of VAT. This reservation fee does not form part of the purchase price.

Reservation fees are paid by the auctioneers taking the money from the debit card that had been pre-authorized in advance of the sale.

Completion is usually set for 56 days after the auction but will be confirmed in the legal pack.

Following the auction, the auctioneer's will forward a memorandum of sale to all parties and their respective solicitors in preparation for any financial matters to be completed and other matters prior to exchange and completion.