

A BUYERS' GUIDE TO UNCONDITIONAL AUCTIONS

These are formal auctions and are in principle the same as traditional “ballroom” auctions.

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 asked to provide debit or credit 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 deposit 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 and contracts are exchanged at the close of the auction.

The buyer is then contractually obliged to immediately pay a deposit of 10% of the purchase price (subject to a minimum of £3,000). This deposit forms part of the purchase price.

Minimum deposits and buyers’ premium (£3,000 and £1,200) are paid to the auctioneers by taking the money from the debit card that had been pre-authorised in advance of the sale. The auctioneers will then contact the purchaser/s to make arrangements to collect the difference between the amount already taken and 10%, as well as the buyers’ premium of 1.2% (minimum £1,200).

Completion is usually set for 20 working days after the auction but will be confirmed in the legal pack. Be aware, it may be earlier.

Following the auction, the auctioneers will sign contracts on behalf of the buyer/s and seller/s and will forward the contracts on to each party’s solicitor. The respective solicitors will handle the remaining paperwork between exchange and completion.