

BUYING AT AUCTION

NOTICE TO PURCHASERS

It is important to appreciate that if you bid at auction and your bid is successful you will have entered into a legally binding contract. This will obligate you to pay 10% of the purchase price immediately with the balance of the purchase monies on the completion date.

Buying at auction is very much simpler than you may appreciate but it is important to be well prepared.

Having viewed the property which interests you and decided that you wish to pursue a purchase you need to get in place all financial arrangements and to ensure that you are satisfied with regard to any obligations being placed upon you by the sale contract. We would suggest the following course of action:-

PRIOR TO SALE DAY

Obtain a **Surveyors Report** – you should satisfy yourself as to the adequacy of the property for the purposes you require as you will be entering into a legally binding contract on the fall of the hammer. Any survey you require should be commissioned well in advance of the sale date so that you are able to bid in the full knowledge of any defects or repairs that require attention. Many properties taken to auction require renovation and prudent purchasers would satisfy themselves as regards the cost of their intended improvement works.

Arrange finance – as you will be entering into a legally binding contract it is essential that all financial arrangements are in place prior to the date of the sale. The balance of any purchase monies will be required on the completion date, this is generally not less than 28 days after the date of the auction. However completion dates may vary and are published or announced immediately prior to the sale.

Check the **Conditions of sale** – these are placed on deposit at the auctioneers and solicitors at least 7 days prior to the sale. Any purchaser will be deemed to have full knowledge of these conditions whether inspected or not. Any questions should be raised with either the auctioneers or solicitors prior to the sale as no questions will be taken once the sale has commenced. You should take the advice of your solicitor regarding any items of concern or ask your solicitor to inspect the conditions on your behalf. Legal documentation often comprise substantial quantities of paperwork and conditions are rarely copied or sent through the post. Where copies are forwarded the auctioneers may charge for postage and copy cost.

Insurance – it is the responsibility of the purchaser immediately on the fall of the hammer to ensure that the property is insured. Your solicitor/conveyancer will advise on the appropriate course of action.

Planning - properties are usually sold with the benefit of existing planning consents but where redevelopment or speculative properties are offered for sale purchasers should satisfy themselves as regards the likelihood of planning being granted for the use they envisage. In some cases the auctioneers may have copy correspondence available with planning authorities concerning alternative uses.

All properties offered for sale by Fidler Taylor are offered by public auction “unless previously sold privately”. Occasionally offers are accepted prior to auction dependent on seller’s circumstances. Purchasers are advised to check with the auctioneers a day or two prior to the sale to ensure that the property is still being offered.

Wherever possible if a property is being sold prior to auction the auctioneers endeavour to contact all interested parties, consequently if a property is of specific interest prospective purchasers are strongly advised to register their interest with the auctioneers so as to be kept informed on any relevant developments.

Occasionally there are circumstances where acceptance of an offer prior to auction is considered. However properties are not withdrawn from marketing until such time as a legally binding contract is entered into. This can often lead to an out of auction auction as other interest will most certainly have been registered. Only unconditional offers would be considered prior to auction i.e. not subject to mortgage, survey or search.

SALE DAY

Frequently properties are offered as part of a larger sale and you should arrive early so as to obtain confirmation as to the order of sale. This generally follows the order in which the sale has been advertised, but this is not necessarily always the case.

If possible introduce yourself to the auctioneer and let him know which lot you are interested in. This will assist him in recognising you as bidding progresses.

There may be some last minute alterations to contract documentation and any alterations will be announced at the beginning of the sale. These are generally posted to the website as they occur. Prospective purchasers are therefore advised to monitor the website on a regular basis up to the date of sale.

BIDDING

Indicate your bid by definite movements for instance raising your catalogue or hand. Particularly in a large and busy sale room it is difficult to identify vague movements of the eyebrow. Contrary to popular belief positive bidding is the accepted practice.

The auctioneer will clearly announce when the property is to be sold by indicating on 3 occasions his intention to sell. We would emphasise that on the fall of the hammer a legally binding contract is created.

Rarely do the auctioneers take proxy or telephone bids but if you are unable to attend the sale and wish to bid it is preferable to have an adviser, (a solicitor, an accountant or friend) to bid on your behalf even if the bidder has contact with you by mobile phone.

Purchasers are reminded that it is a requirement to pay 10% of the purchase price and any bidder on your behalf should have funds available to ensure that this payment is met in full.

If your bid is successful you will be required to sign a memorandum of sale and to pay the required deposit.

IF SUCCESSFUL

You will be approached by a member of the auctioneer's staff and asked to give details of your name and address. At the end of the sale you will be required to sign a contract – although the legally binding contract is made at the fall of the hammer. You will be required to pay 10% of the purchase price. Generally personal cheques are accepted. However with the money laundering regulations you will be required to show identification to the solicitors acting for the seller. Therefore if you are intending to bid you should bring with you a current passport or driving licence and a recent utility bill or bank/building society statement.

WITHDRAWN LOTS

If a property does not reach its reserve price and is withdrawn please speak with the auctioneer or a member of staff who will register your interest and be pleased to discuss with the seller the possibility of negotiating a sale.

We trust these notes are of some assistance and will allay any fears or concerns with regards to the auction process. However, do feel free to contact the auctioneers if you have further concerns or queries.

If you are considering selling a property by auction the auctioneers are pleased to give free pre sale advice