



GUIDE TO SELLING BY AUCTION

Why Use Auctions?

- Competition between would be buyers can create a premium price over and above the level achievable from a normal private treaty sale.
- Upon the fall of the auctioneer's gavel, the sale becomes legally binding thereby dispensing with the trauma and delays associated with lengthy chains, adverse surveys etc.
- The dates of both the auction and the completion are fixed giving an accurate timescale for the vendor.
- In the event of a substantial pre-auction bid the vendor has the opportunity to exchange contracts with a buyer prior to the auction date and withdraw the lot from sale.

What Sells Best at Auction?

- Properties of individual appeal
- Properties with planning potential
- Properties in need of repair or refurbishment and/or potential for enlargement
- Land with planning potential or with planning permission
- Other land from pony paddocks to farmland
- Investment properties with good yields

What Happens Next?

- The auctioneer will explain the auction process, the costs involved such as commission charges and expenses, and details of any charges that may become due if the property does not sell.
- The auctioneer will explain the Price Guide, which is given at the outset to interested parties. Whilst this figure must bear some resemblance to the eventual Reserve Price, it is set at a level likely to create the maximum impact and interest.
- The vendor will need to immediately instruct a solicitor so that the full contract documentation can be prepared and available well ahead of the auction date. The auctioneer will require a copy of the contract documentation in his own offices for inspection by interested parties. It is normal for the vendor's solicitors to be responsible for carrying out Pre-Contract Enquiries and Searches although the disbursements may often be recoverable from the eventual purchaser.
- A full advertising campaign will be agreed and this is normally spread over a five/six week period prior to the date of sale.
- The Reserve Price, i.e. the minimum price at which the property can be sold, will be fixed between the Auctioneer and the vendor literally a day or two prior to the sale when the full weight of interest is known
- The vendor does not need to attend the auction, but is normal for their solicitor to be available for the signing of the contract.
- Normally, a 10% deposit will be taken from the purchaser upon the fall of the hammer, the residue being payable upon completion.
- Completion is normally twenty-eight days from the date of auction, although an alternative completion date can be agreed as long as this is clearly defined in the auction contract.
- As with private treaty sales, the vendor will need to vacate the property upon completion, i.e. delivering vacant possession.

Why use John Shepherd?

- As when choosing any Estate Agent, your choice of Auctioneer is very important and it is essential that your agents are active property auctioneers. John Shepherd have built up an enviable reputation as one of the Midland's leading Auctioneers with extremely well attended sales. Their success rate of over 90% sales from lots offered speaks for itself.
- The company's Auctioneer, Michael Cutler FRICS, has over thirty years experience in the rostrum selling a huge variety of lots from cottages to manor houses, fire stations to chapels and pony paddocks to building sites.

Any finally...

- Selling property at auction is a straightforward and, in many ways, a fairly painless method, but it is essential for the buyer to take careful and detailed professional advice from both auctioneer and solicitor.