

Guide to Buying and Selling at auction



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Buying or selling property at Auction may seem an intimidating task, but with the right knowledge, this option can be one of the most exciting and rewarding approaches to deliver results quickly.

Whether you are buying or selling, this guide gives an overview of the Auction process and the steps required towards achieving a successful completion of sale.

buying at auction

...we hold regular auctions throughout the year with a wide variety of properties going under the hammer. As a buyer you should always view the property, read the Legal Pack and have your funding in place.

Buying at auction is not complicated

- Free and fair competition/competitive reserve prices
- No chain involved - the vendor cannot withdraw
- When the hammer falls, contracts are exchanged
- Completion within 20 working days

Example buyers can be:

- Private individuals, companies and partnerships
- Property investors
- Developers/builders
- Housing associations/local councils

We always recommend that you seek independent, professional advice.

However, we offer a step-by step process and our guide covers important areas you may wish to consider:

Prior to auction

- Property search
- Legal stuff
- Pre-auction preparation

On auction day

- What to bring?
- What if I can't make it?
- Bidding is easy
- When the hammer falls

After the sale

- Payment
- Exchange of contracts
- Completion of sale
- Unsold Lots

Jargon buster

- See our helpful section
at the end of the sellers' guide

Prior to auction

Property search

The catalogue

A catalogue for each sale is released 3 weeks before the event. Visit goldingsauctions.co.uk to download your FREE catalogue and gain access to important information.

The properties

Make a list of must-haves, e.g. location, type, layout and price. Each Lot entry is listed individually with price, photos, floor plans and where possible a video tour. Lots can be offered as: vacant, tenanted or part-vacant.

Guide prices and reserves

Properties may not always be sold for the guide price. A guide price is effectively an indication as to the seller's expectations. A reserve price is the seller's minimum sale figure.

Our mailing list

Visit our website to register on our FREE mailing list to get alerts on:

- Previews of forthcoming Lot entries

- Catalogue availability

- Additions/withdrawals/sales of Lots prior to auction

- Important Addenda to specific Lots

- Access to free Legal Packs

The viewings

Always view a property to fully understand exactly what it entails. Viewings take place on most properties approximately 2 weeks before the auction. A viewing schedule showing dates and times is published in the catalogue and on our website - it is very rare that any additional viewings are available.



Legal Stuff

The legal pack

A Legal Pack contains relevant documentation to facilitate a sale, e.g.

- Special conditions of sale
- Title deeds
- Leases
- Searches
- Land Registry entry copies
- Energy Performance Certificate

ALWAYS READ the Legal Pack and obtain legal advice before bidding, as this will help you make an informed decision on buying the Lot. Each property has its own legal pack which can be accessed by clicking the 'Download Legal Pack' button on individual property listings.

NB. Where possible, Legal Packs are available for your review at the saleroom.

Pre-auction Preparation

Information updates

Keep an eye out for property sale amendments – Addendum/Addenda. Check the day before to see if your favoured Lots are still available. Join our mailing list for alerts or download updates FREE from our website.

Surveys

A survey can check to see if the property is structurally sound. For mortgage purposes, you'll definitely need a survey. Keys can be released, but only to RICS registered individuals.

Finance

It is imperative that finance is in place prior to auction. If you need a mortgage, apply ASAP to allow time for a survey. Talk to your lender – remember completion is within 20 working days. We advise you to seek a formal mortgage offer and NOT an 'agreement in principal'.



On auction day

What to Bring?

Payment

On auction day you will be required to pay a 10% deposit and our Administration Fee of £900 inclusive of VAT. We accept cheques, bankers drafts, debit cards and BACS payments. Please note we can NOT accept cash or Credit card payments. Successful remote buyers will be required to make full payment of the deposit and admin fee within 24 hours of the auction.

Solicitor details

We will need your solicitor details as soon as the hammer falls. If you need help, we can recommend one prior to the auction start.

Identification

Goldings Auctions operates a best practice operation and we strictly comply with the Money Laundering Regulations 2007.

When bidding in person, please supply two forms of identification:

Photo ID

Passport

Driving Licence

Proof of residency

Bank statement

Utility or Council Tax bill

NB. If you are bidding as a third party for a private individual or company, download “A Guide to Third Party Bidding” from the Resources section on our website.



What if I can't make it?

Register for Remote Bidding

Buyers unable to attend an auction can register to bid by completing our online registration form or by downloading and completing our Remote Bidding form.

Online bidding

Having completed the registration process, buyers will be able to bid on the click of the mouse.

Telephone bidding

Registered bidders can opt to bid 'live' over the phone.

Proxy bidding

If you are unable to access a computer or telephone you can submit your best bid on any of the Lots. Our Auctioneer will then bid on your behalf at the auction.

Third party bidding

Another person can bid on your behalf. This requires authorisation from the actual buyer and formal proof of ID. A guide can be found in the Resources section of our website.

Bidding is easy

Please get to the venue early – our auctions start promptly. If you attend in person there is no need to register to bid for a Lot unless we advise via our website. If you are bidding online, please check your connection on the morning of the sale.

Bidding

Our Auctioneer will introduce each Lot and refer to any changes. Bids are invited and will rise in increments set by the Auctioneer. Make your bid by clearly raising your hand or clicking your mouse if bidding remotely.

Pre-auction bids

Pre-auction bids must be made via Goldings Auctions NOT the Vendors' Solicitors. These are likely to still be subject to competitive bidding, as where possible, buyers who have registered for Legal Packs will be given an opportunity to bid.

NB. Pre-auction bids will not be considered prior to the completion of the full marketing and/or viewing process.

Going once...going twice...SOLD

All Lots are offered for sale subject to an undisclosed reserve price. Please do your research – if you have any doubts, don't bid! Property will be 'knocked down' to the highest bidder – it's yours!

Buyer details

In readiness for preparing your contract:

Successful bidders who bid in person will be asked to fill out a buyers' information form; we just need your name, address, contact and solicitor details. We will also take your 2 forms of ID.

If you are a successful remote buyer, these details will be extracted from your registration form.



When the hammer falls

Your obligations

As the highest bidder at/above reserve price, if the hammer falls to you:

- You have bought that property unconditionally
- A legal and binding contract is created
- You are legally committed
- Contracts will immediately be exchanged

Insurance

In some instances, your new property is at your immediate insurable risk. This can be confirmed via the “Special Conditions of Sale” document contained within the Legal Pack. Where appropriate, we advise that you take out buildings insurance cover, which can be done immediately after the sale.

After the sale

Payment

Buyers attending the auction are asked to approach the admin area in Lot order. All cheques or banker's drafts are made payable to "Goldings Auctions". You will be asked to pay a 10% deposit plus our administration fee of £750 plus VAT (£900 inclusive of VAT). Successful remote bidders will be emailed a statement showing 10% deposit plus the administration fee minus any registration fee already held by Goldings Auctions. This account must be settled immediately by Bank Transfer.

Exchange of contracts

After payment, 2 copies of the Memorandum of Sale will be signed. Attendees of the auction will get the Buyers' copy of memorandum to give to their solicitor and we will send the Vendors' copy directly to the Vendors' solicitor.

Successful remote bidders memorandums will be signed and dispatched by recorded First Class mail to both the Buyers' and Vendors' solicitors.

Completion of sale

Completion takes place after the exchange of Memoranda. The completion schedule is detailed in the “Special Conditions of Sale”. The standard completion date is 20 working days after the auction. The balance of the purchase price will be payable upon completion.

Unsold Lots

It is unlikely that a property will not sell. If this happens, please register your interest with our Auctioneer. We will then start negotiations to secure a sale at the highest bid.

selling at auction

...auction can be the most effective route to selling property.

A definitive and totally transparent process plus our comprehensive marketing strategy can achieve the best possible price/results on the day.

When the hammer falls the property is SOLD unconditionally... no waiting for mortgage applications, surveys, solicitors enquiries or re-negotiations.

ADVANTAGES of selling by auction:

- No doubts on sale price and timescale.

- An immediate and binding contract is created on the fall of the gavel.

- No negotiation – neither the seller nor buyer can withdraw.

- The sale process from instruction to exchange takes only a few weeks.

Example selling situations:

- Freeing up of assets/property disposal
- Asset liquidation
- Property repossessions
- Probate settlement/estate liquidation
- Requirement for a defined timescale

Example property types can be:

- Residential and commercial property, which may require refurbishment.
- Tenanted properties.
- Land: building plots (with or without planning), amenity land, garden land, woodland and agricultural land.
- Properties under dispute, forced sales or probate sales.
- Unusual properties, difficult to value.
- Non-standard construction or with structural defaults.



We always recommend that you seek independent, professional advice.

However, we offer a step-by step process and our guide covers important areas you may wish to consider:

Lot entries

What's my property worth?

Legal stuff

The costs

Guide prices and reserves

Our marketing

On auction day

When the hammer falls

Exchange of contracts

Completion of sale

Unsold property

Our objective

Why Goldings?

Jargon buster

A few key terms to help you along the way

Lot entries

What's my property worth?

Property valuations are FREE...

All our advice is impartial and without obligation.

Talk to us:

Telephone 01473 210200 to discuss your auction needs.

Request an online valuation:

Without the need for a physical inspection we provide you with a snapshot of your properties value.

Fill out the simple form on our website and we will respond quickly with an estimated value.

Dates

Choose the 'Auctions' then 'Next Auction' from the dropdown menu on our website for the full property auction schedule.

Valuation methods

We use a number of tools to give an accurate property valuation:

- The Land Registry
- Rightmove INTEL access
- EIG database
- Historical sold prices
- Established in-house database
- Ordnance Survey and GoView mapping access
- Extensive Local Knowledge

Reporting

We will provide a realistic, honest and unbiased current valuation of your asset, an indication of the level of interest you could expect, an estimated figure that your property may achieve at auction together with proposed initial reserve and recommended published guide prices.

We will also discuss our terms, conditions, fee structure and paperwork requirements.



Legal Stuff

Sales particulars

We send draft sales particulars to you for your approval, which include a full property description, photographs and where appropriate floorplans. A bespoke video tour will also be produced for your property.

These will be your sales particulars and video that appear on the Internet and in our catalogue.

Legal documents

The Legal Pack will be available to download FREE from our website. We will instruct your solicitor to prepare a Legal Pack containing:

- Special Conditions of Sale
- Title documents
- Leases
- Searches
- Planning documents
- Land Registry entries
- Energy performance certificate

Identification

Goldings Auctions operates a best practice operation and we strictly comply with the Money Laundering Regulations 2007.

To sell a property at auction, please supply two forms of identification:

Photo ID

- Passport

- Driving licence

Proof of residency

- Bank statement

- Utility or Council Tax bill

Communication

Our aim is to keep you updated during every step of the sale process from marketing to completion.



The Costs

Commission

Our selling commission is charged on a No Sale-No Fee basis and is generally 3% inclusive of VAT of the sale price, however, each case is considered on an individual basis.

Entry/Cataloguing fee

This is a non-refundable fee of £600 inclusive of VAT payable at the point of confirming instructions to sell. In a probate environment, this fee can be deferred until after the sale.

Solicitor fees

Similar to selling property by any other method. We work with a number of specialised solicitor professionals. If you need our help, we can arrange for a competitive quote upon request.

Guide Prices and Reserves

Guide and Reserve price

Guide prices are provided as an indication of a vendor's minimum expectation and the level at which the reserve is set. Properties may not always sell within this guide and this figure may change at any time prior to the auction. The sale price will be dependent upon bidding in the auction room and on the Vendors' instructions. Each property will be sold subject to a reserve price, which will be set within, or below, the guide price range or no more than 10% above a single figure guide. This is a confidential figure set between the Vendor and the Auctioneer and is a figure below which the Auctioneer cannot sell the property. It is important that the reserve price is set at a competitive level which reflects the guide price.

A provisional reserve will be confirmed in writing from the onset of marketing. Sold results average some 15% to 20% above reserve.

TION ROOM

LEG



Our Marketing

Auction features

We operate a successful business model with a proven marketing strategy and the latest technology, techniques of which include:

Our website: goldingsauctions.co.uk

Property portals: eigroup.co.uk, rightmove.co.uk

Targeted email marketing, over 12,000 registered buyers

Contemporary, striking catalogue design

Bespoke video tour production

Multiple open viewings

PR from editorials within local publications

Proven online bidding platform

Prestigious auction venue close to A12/A14

On auction day

When the Hammer Falls

Legally binding contract

On the fall of the Auctioneer's gavel.

The buyer cannot:

- Renegotiate.

- Change any terms defined in the sale.

Buyer information

The successful bidder must provide:

- Name, address and telephone number of the buyer.

- Solicitor details.

- A cheque for 10% of the purchase price.

- 2 forms of buyer identification, which is always checked at this point.

Clearance of all deposit cheques is administered post auction.

Exchange of Contracts

Memorandum of sale

Contracts for the property sale are created in the room, known as the Memorandum of Sale.

2 x Memorandum of Sale are signed by the buyer. Where the buyer is remote, we sign the contract on their behalf.

We sign the 2 x Memorandum of Sale on behalf of the seller.

Signed memorandums are distributed to both the sellers' and buyers' solicitors.

Completion of Sale

It's sold!!!

Normally finalised 20 working days after exchange of contracts. The deposit funds are paid to your solicitor minus our fees.

Unsold Property

In the unlikely event that your property does not meet its reserve, somebody may still wish to purchase it.

You will need to:

- Consider any further offers

- Decide if a figure is acceptable to you

- Advise us accordingly and we will then action the sale

Upon your instruction, we will continue to market your property. The property sale might even happen several days or weeks after the auction. We recommend that the auction contract is utilised with any post auction sales as this ensures the same commitment from the buyer, i.e. immediate payment of deposit and signing of contracts.





Our Objective

Why Goldings?

Quite simply...

We aim to secure a sale at the best possible price by generating a competitive bidding environment on auction day.

Our effective marketing and extensive sector experience is fully maximised to give all our clients a positive result that exceeds their expectations.

jargon buster

A

Addendum... Changes or extra conditions imposed on the property that differs from the original information detailed in the catalogue.

Agreement in Principle... A lender takes basic information and performs a credit search to determine a figure that 'in principle' it would be able to lend.

Auction... A public sale in which goods or property are sold to the highest bidder.

Auctioneer... A person who conducts an auction by announcing Lots, controlling the bidding, accepting bids and declaring the sale of goods.

B

Bid... The amount that the bidder offers to pay for a property at auction.

Building/structural survey... A property inspection by a chartered surveyor, who compiles a report from a structural viewpoint; older properties may require a survey to secure a loan and a building/structural survey can be prepared at the same time as a mortgage valuation. Different levels of reports are available.

C

Completion... The property changes hands, the amount bid for the property is paid in full and the transfer signed.

Completion date... When completion is finalised, this date can be used for apportionment and calculating interest; failure to complete on this specific date can result in you losing your deposit.

Contract... A legal document binding the buyer and seller together and agreeing the terms to complete the sale.

Conveyancer... A solicitor or licenced conveyancer, who is qualified to administer the legal process of buying/selling a property.

Covenants... Rules and regulations controlling the property in its title deeds or lease/leasehold agreement.

D

Deeds... Legal title documents showing ownership of a property.

Deposit... A sum paid by the buyer on exchange of contracts during the conveyancing.

Disbursements... Charges incurred by a solicitor on behalf of their Client during a property transaction e.g. Stamp Duty, Land Registry and/or search fees etc..

Dilapidations... Necessary repairs required on a property during or at the sale of a tenancy or lease, resulting from poor condition or neglect.

E

Exchange of Contracts... For the successful bidder, the sale is binding on the fall of the hammer – contracts are signed and exchanged, legally committing the buyer and seller to the property transaction at an agreed price and terms.

G

Gavel... The Auctioneer uses this hammer to close the bidding on a Lot.

Guide Price... An indicator of the level at which the reserve may be set and the expectation of the Vendor – you cannot rely on this figure for a property valuation; the final sold price may reach above or below the guide price.

Ground rent... The annual fee imposed by the freeholder to the leaseholder of the property.

I

“In the room” ... A bid by someone present in the saleroom.

J

Joint Auctioneer ... Another property professional who works jointly with us to market and sell a Vendor’s property.

L

Land Registry fee... The amount payable to the Land Registry to register the ownership of a property.

Lease... A legal document detailing how the property freeholder or leaseholder owner lets the premises for a set time period; following this term, the ownership may change back to the freeholder or the superior leaseholder.

Leasehold... Signifies that property and/or buildings ownership is in the form of a lease agreement.

Legal Pack... The Vendor's solicitor collates copies of legal documents for you and your solicitor to make an informed decision on your property purchase.

Listed building... Listed buildings are subject to special architectural or historic interest – this means permission is needed from local government before they can be altered/demolished.

Live Streamed Auction... Where the entire auction is streamed 'as it happens' over the internet

Local search... The buyer's solicitor contacts the local council to investigate future development issues or outstanding enforcements, which may affect a property or immediate surrounding vicinity.

Lot... Each individual property entry is listed in our catalogue as a 'Lot'.

M

Maintenance charge... Also known as a 'service charge', this is a fee levied by the freeholder and charged to the leaseholder/tenant for maintaining external or internal parts of a building.

N

Negative equity... When the value of a property is less than any mortgage outstanding.

NHBC... Some new build homes offer a guarantee, which covers specific property defects over a set time period.

O

Offer... An amount of money, which a potential buyer offers for a property.

Online Bidding... Registered bidders are able to bid live, as the auction happens in real time, via their computers, laptops or telephone.

Open market value... If a property is available for sale, this figure is its realistic value.

Open viewings... Property viewings are held in advance of the auction, open to the public and attended without charge; see our website or catalogue for dates/times.

P

Peppercorn ground rent... A nominal rent, which is of low value paid annually.

Pre-auction bid... An offer submitted to the Auctioneer in writing prior to Auction Day. If accepted, the buyer must be ready to exchange contracts and pay a deposit immediately.

Private treaty... This is the most common method of sale adopted by the majority of estate agents. A price is agreed between the seller and buyer. Their solicitors draw up a contract of sale which can often take between 8-12 weeks to be concluded.

Proxy bid... If you are unable to attend the auction in person, we as the Auctioneers, can bid on your behalf after you have contacted us prior to the auction and completed an official proxy bidding form. This is then returned to us with a deposit cheque to meet the specified deadline. The form will detail your maximum bid, which we will action up to, but not beyond.

R

Remote Bidding... where a buyer is unable to attend an auction they can register to bid online by telephone or proxy.

Repossession... If mortgage payments have not been met subject to the mortgage agreement, then the lender can take possession of a property.

Reserve... This is the lowest price that the Vendor will accept for a property and is set between the Vendor and the Auctioneer. This price applies to most properties entered through auction and is confidential and undisclosed to interested parties.

S

Search ... Information on the property and location is held by the local authority or Land Registry and can be sourced via a “search”.

Solicitor... A lawyer who commonly deals with any legal matter including court proceedings.

Special Conditions of Sale... The rights and responsibilities of a buyer and seller.

Stamp Duty... The price paid for a property may reach a threshold set by the government, which means tax will be payable.

Surveyor... A qualified professional, who is commissioned to survey/report on a property.

T

Telephone bid... One of our team will telephone a Client from the saleroom to bid on certain Lots and relay back specified amounts to the Auctioneer to help secure a sale.

Tenancy... Possession of a property by a tenant on a fixed timescale and conditions.

Tenancy agreement... The rights of a tenant and landlord are protected under this agreement.

Tenant... As set out in an agreement, this is the individual who has temporary possession of a property.

Tenure... Outlines the conditions on which a property is held, e.g. term of lease.

Third party bidding... Someone who attends the auction bids on behalf of another person or company.

Title Deeds... Documents detailing the legal ownership of a property.

Transfer Deeds... The transfer of legal ownership from the seller to a purchaser, which is documented by the Land Registry.

U

Under offer... A property's status after an offer has been accepted by the seller; it normally refers to the period before signing of contracts.

V

Valuation... For mortgage purposes, this is the survey of a property to establish its value.

W

Withdrawal... A vendor may change their mind and withdraw a property prior to auction, or the Auctioneer may withdraw the property from auction through failure to meet its reserve price.