

## The Beginners Guide to buying at Auction

Buying a property at auction is different from buying a property by private treaty (the normal way of buying a house through an estate agent).

Here are the main ways in which buying at auction is different

- (1) The property is publicised for a short period of time.

When a property is offered for sale by auction it is normally only marketed for a period of 3-5 weeks before the auction date. This means that if you want to buy a property you must act swiftly.

- (2) Contracts are exchanged at the auction

If you are the successful bidder at auction exchange of contracts occurs on the fall of the hammer and you are required to pay a 10% deposit immediately. Exchange of contracts means you are legally bound to buy the property and could lose your 10% deposit if you fail to complete. In most cases completion is between 14 and 28 days following the date of the sale but is specified for each property. Completion is the point at which you pay the balance of the money (the outstanding 90%) and become the owner of the property.

- (3) Once contracts are exchanged there's no going back

If you agree to buy a property from an Estate Agent you have several weeks wholly, during which you are able to change your mind. If you buy a property at auction there's no going back as you will have exchanged contracts immediately on the day of the auction and will therefore be legally committed.

Buying at auction can be simpler and quicker than buying from an estate agent. We would however recommend the following steps to minimise the risk of something going wrong.

- Do your research – investigate the local area as much as you can. Familiarise yourself with the value of houses in the vicinity of the property you want to buy. Take professional advice and this way you are ensuring a good deal at auction.
- If you require a mortgage or finance of any kind, have this in place before you bid. If you cannot complete because your bank or building society can't act quickly enough or are not prepared to lend you the money, you may be given longer time but ultimately you could lose your 10% deposit.
- Get your solicitor to check the legal documents for the property. These would normally be available on-line 7 days prior to the date of the auction. If your solicitor has any queries it is better to make these before exchanging contracts.
- Check the auctioneers late announcement sheet on the day of the auction. If there are any amendments to the legal pack or property description at the last minute it will be on the late announcement sheet. If you check this at the earliest opportunity it will give you a chance to speak to your solicitor or surveyor if you require professional advice. If the property has been

withdrawn from the auction it would normally be stated on the late announcement sheet.

- Check the auctioneers website right up until the night before the sale, particularly if you are travelling a long way to the auction. If a property is withdrawn from the sale this will be shown on the auctioneers website. In rare cases a property can be withdrawn on the day of the sale.
- If you bid by telephone or proxy the situation is exactly the same. You will be required to pay a 10% deposit and complete 21 days later (or whatever time frame is stipulated in the terms of the contract). See our separate section on [proxy/telephone bidding](#) for further details.
- If you are attending the auction, get there early and make sure you have the correct documentation with you. You will require two forms of identification together with proof of address, and the wherewithal to pay the deposit (credit card or cash excluded).

It is possible to pick up a really good bargain at auction. Do your research, take advice, follow the guidelines above and take full advantage of the opportunities on offer.