



# Sold!

**Our guide to buying a property  
at auction**

National auctioneers, personal service

**SDL** Property  
Auctions



## Why buy an auction property?

If you think buying a house in an auction is just for serious property investors, then it's time to think again. A growing number of private buyers are finding their next home at auction.

**And despite what you may have been told, no you don't have to be a cash buyer!**

There are two main benefits of buying an auction property – and they're pretty big benefits:

- 1.** It's really quick! In most cases, you'll get the keys to your property just 20 working days after the auction.
- 2.** You won't be messed around. Nobody will gazump you and there are no lengthy property chains to throw a spanner in the works.

So what's the catch? Well, it's important to know that buying in an auction is a serious commitment. If you're the winning bidder, you are legally obliged to complete the purchase.

But if you're serious about buying, this is a great way to secure a property quickly and with no fuss.

This guide will walk you through the process but if you're not sure of anything, we are always happy to answer your questions. Just call us on 0800 046 5454, email us at [heretohelp@sdlauctions.co.uk](mailto:heretohelp@sdlauctions.co.uk) or use our online live chat service at [www.sdlauctions.co.uk](http://www.sdlauctions.co.uk)







## Find a property

You may have driven past a property displaying one of our SDL Property Auctions sale boards. Or you may have found a property on a property portal like Rightmove. You may have seen a property in the local press or on social media.

But if you want to see our full range of properties, just head to our website, [www.sdlauctions.co.uk](http://www.sdlauctions.co.uk).

Each property listing will give you the type of information you would expect for any property, including a brief description and several photos. There may be a virtual viewing of the property, too.

But if you're used to house-hunting on the open market (the traditional way, usually through an estate agent), you'll spot a few differences:

## Price

Auction properties have a guide price which gives you a realistic indication of the seller's reserve price (the minimum they are willing to accept) as the guide price must always be within 10% of the reserve; higher or lower.

Example: If the guide price is £150,000+, the reserve cannot be higher than £165,000. But it could be as low as £135,000.

## Date of auction

The listing will show you when the property is due to be sold, either in one of our Auction Events or in a Timed Auction. If it is a Timed Auction, a panel will show you when the auction is due to start or, if it has already begun, the clock will be counting down.

Unless the listing states otherwise, you may have the option to put in an early offer on a property in an Auction Event. In a Timed Auction, simply place your bid and the seller may agree to end the auction early.

## Legal pack

In a traditional property sale through an estate agent, you wouldn't expect to see the legal documents until after you have made an offer. However, because of the speed of an auction sale, the seller must provide them in advance. Therefore, every property listing will have a link to the legal pack. If this is not yet available, you can register your details and be notified when it is ready.

## Type of auction

We run conditional and unconditional auctions, so it's important you know the difference.

**Unconditional auctions:** Contracts are exchanged immediately when the auction ends, which is when the hammer falls in an Auction Event, or at the moment a Timed Auction ends. If you're the winning bidder, you're legally obliged to buy the property and must pay a deposit and the buyer's fee on the same day.

**Conditional auctions:** This is a little more flexible. Contracts aren't exchanged immediately but if you're the winning bidder, you must pay a non-refundable fee. This is not a deposit – and doesn't count toward the purchase price – but enters you into an exclusivity period of 56 days, during which the property cannot be sold to anyone else. This gives you more time to arrange a mortgage if necessary. It is still a commitment as if you don't exchange and complete the sale, you lose your reservation fee.

## Do your research

As you can see, while there are huge benefits to buying an auction property, it is not something to be entered into lightly as there are financial penalties if you don't complete the purchase.

Therefore, it is vital to thoroughly research the property before you even think about bidding.

## Viewing the property

We always recommend viewing the property if it's possible to do so. A physical viewing may not always be possible for various reasons, however we will post a virtual viewing to our website if we're able to do so.

While some auction properties are ready to move into straight away, most of them will not have been prepared for sale with neutral décor and fresh flowers. Many require at least some work, so be prepared to use your imagination. Will it be suitable once it has been refurbished or redecorated?

If you hope to extend the property, check if planning permission is already in place and, if not, make some enquiries with the local planning authority before committing yourself.

### **Read the legal pack**

You should read the legal pack very carefully as an auction purchase is legally binding. It is good practice to ask a solicitor/conveyancer who has experience of auction sales to check it over for you, too, as they will check the sale conditions and advise you. Expect to pay them between £500 and £750. We work with several trusted firms so can help you find a suitable solicitor if you wish.

## **How you can bid**

In an Auction Event, you can bid in three different ways:

### **1. Internet bidding**

You can bid from your phone, tablet or computer.

### **2. By telephone**

Bid over the phone by speaking to a member of our staff in the auction room. They will update you on progress and pass your bids to the auctioneer.

### **3. By proxy**

You authorise the auctioneer to bid on your behalf up to your maximum amount. They will only increase your bid in line with other bidding and only go up to your maximum if necessary.

In a Timed Auction, you log on at your convenience and click to bid 24/7. You can also set a maximum bid if you're not going to be around when the auction ends.

## **Register to bid**

Every bidder in an auction must register in advance.

Before you can bid, you must register your details – and if you plan to bid on more than one lot, you should do this for each one.

If you are registering to bid in a Timed Auction, you will register for your chosen property and follow the step-by-step prompts.

For an Auction Event, decide how you wish to bid – online, on the phone or by proxy – and then complete the remote bidding form on our website, choosing the one or more properties you'd like to bid on.

### **Internet bidding**

You will be asked to create an Auction Passport (unless you already have one). This is a login for Essential Information Group, the business we work with to operate internet bidding. You need this login to read and accept the bidding terms and conditions and without these, you will not be authorised to bid.



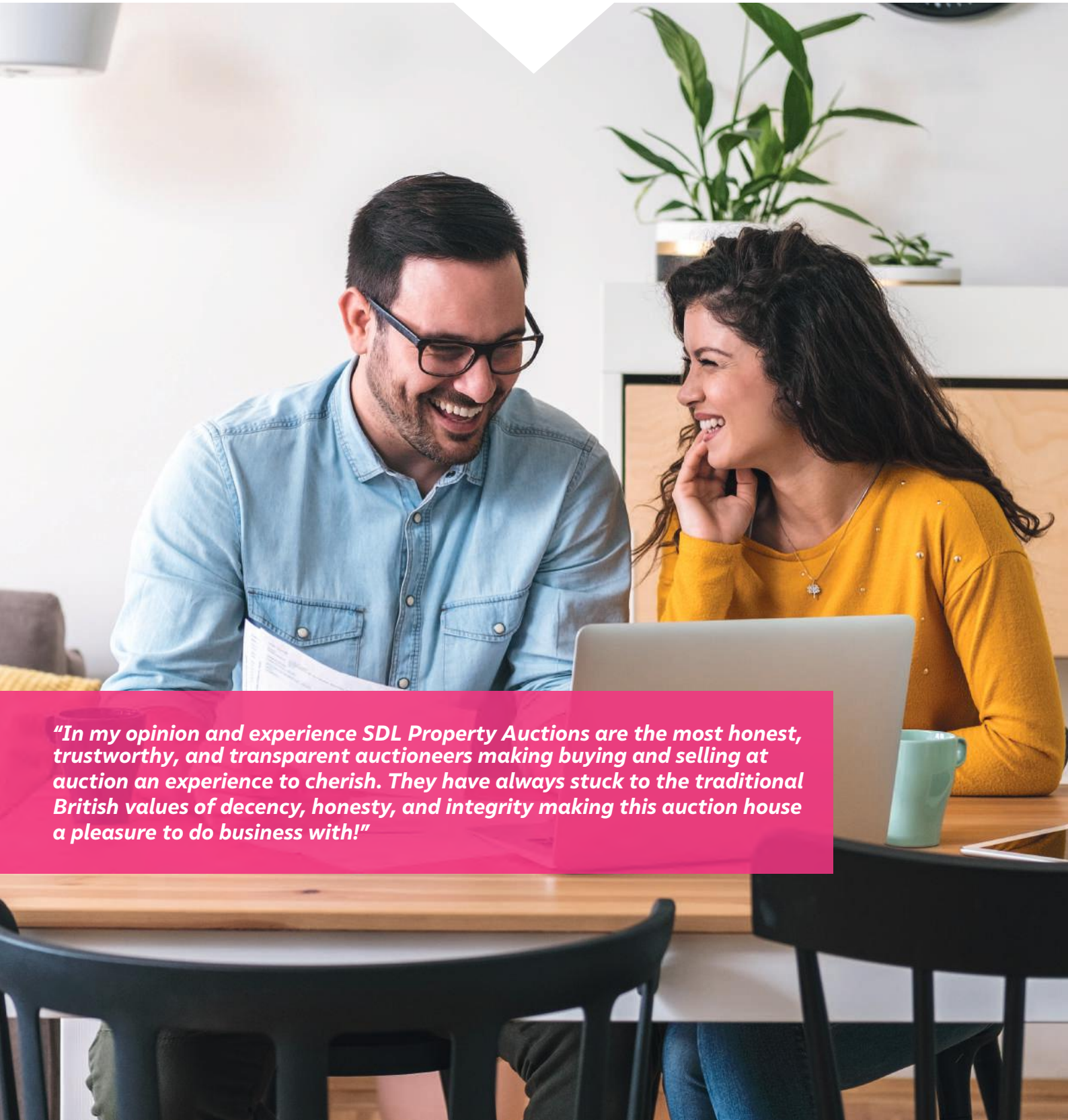
### **Telephone bidding**

It is a good idea to register early. We will contact you in good time and take your bidding instructions as the lot is offered.

### **Proxy bidding**

Make sure you state your maximum price. If you wish to change the amount of your proxy bid, please contact us on **0800 046 5454** or **remotebid@sdlauctions.co.uk** Do not submit another form to change your proxy bid amount.

**Whichever auction type you are registering for, you will need to provide ID and payment details, but payment will not be taken unless you are the successful bidder.**



*"In my opinion and experience SDL Property Auctions are the most honest, trustworthy, and transparent auctioneers making buying and selling at auction an experience to cherish. They have always stuck to the traditional British values of decency, honesty, and integrity making this auction house a pleasure to do business with!"*



## Financing your auction purchase

**You don't have to be a cash buyer but you must get your finance in place early in case you are the winning bidder.**

- In an unconditional auction, you will need to pay any fees plus a deposit (usually 5% or 10%) on the day of the auction as contracts are exchanged automatically. The rest of the purchase price is payable when you complete, usually 30 days later.
- In a conditional auction, you will need to pay a reservation fee on the day of the auction. This gives you the exclusive right to purchase the property for 56 days. This gives you time to carry out a survey of the property, instruct your solicitor and arrange a mortgage if required. Exchange and completion must take place within this period.

**You may find it easier to get a mortgage for an auction property if you use a specialist firm or broker.**

When working out your budget, remember to factor in the following costs:

Conveyancing  
Auctioneer's fees  
Any additional fees as stated in the legal pack  
Stamp duty  
Survey  
Any renovations or building work.

**And remember: the property price listed is just a guide. It's easy to get carried away in an auction so set a budget for yourself and stick to it.**





## Financing your auction purchase

### **Before the auction**

If anything changes with a lot you are registered to bid on, we will let you know. So if a lot is withdrawn or postponed, you will get an alert. In an Auction Event, always check the addendum on the day for details of any lots which have been withdrawn, postponed or sold prior.

### **Auction day**

On the day of the auction, it is natural to feel excited and nervous. Whether you are bidding in an Auction Event or a Timed Auction, you can watch the action on our website.

### **Bidding in an Auction Event**

#### **How to place an internet bid**

- Log in using the details from the email you received from Essential Information Group.
- Don't delay bidding, as there may be a short time lag and you could miss out.

#### **How to place a phone bid**

- We will call you when your lot is due to be sold and talk you through the bidding.

#### **How to place a proxy bid**

- You don't need to do anything as the auctioneer will bid for you.
- He will only bid as far as the maximum you are willing to pay.
- However, he will only bid as high as he needs to, so you may not have to pay your maximum amount.
- You can still watch the progress of the auction on our website.

### **Bidding in a Timed Auction**

Log into your account on our website and you can either set a maximum bid or bid in real time. Bids can be placed around the clock.

**Whichever way you bid, remember to stick to your budget as you will need to find the money very quickly.**

### **If you are the winning bidder**

No matter which way you placed your bid, if you are the winning bidder, we will take any relevant deposit and fees, using the payment details you supplied when you registered.

We will then send the legal pack and contract for the lot to you and your solicitor.

## What will you have to pay on auction day?

### Deposit

If you are the winning bidder in an unconditional auction, you will have to pay the deposit on auction day. This will be deducted from the purchase price.

### Fees

In all auction types, you will most likely have to pay fees. Remember, these are not part of the deposit or purchase price.

Sale type	Fees (England & Wales)	Fees (Scotland)
Unconditional with fixed fee	<ul style="list-style-type: none"><li>• Buyer's Fee of £1074 (unless specified otherwise against the lot details)</li><li>• Deposit of 10% of the purchase price with a minimum of £5,000</li></ul>	<ul style="list-style-type: none"><li>• Buyer's Fee of £1074 (unless specified otherwise against the lot details)</li><li>• Deposit of 10% of the purchase price with a minimum of £5,000</li></ul>
Unconditional with variable fee	Buyer's Fee of either: 4.8% (including VAT) of the purchase price on properties up to and including £250,000 OR 3.6% (including VAT) of the purchase price on properties over £250,000. The Buyer's Fee is subject to a minimum of £6000	Buyer's Fee of 3.6% of the purchase price of the property  The Buyer's Fee is subject to a minimum of £4,800
conditional with reservation fee	Reservation Fee of either: 4.8% (including VAT) of the purchase price on properties up to and including £250,000 OR 3.6% (including VAT) of the purchase price on properties over £250,000.  The Reservation Fee is subject to a minimum of £6000  The deposit is not payable until contracts are exchanged. You must make every effort to exchange contracts and complete the sale within the 40 business day exclusivity period.	Reservation Fee of 3.6% of the purchase price of the property  The Reservation Fee is subject to a minimum of £4,800

**These fees and deposits are taken automatically, using the payment details you provide when you register to bid, so you must ensure the funds are available.**

## What if the property doesn't sell?

If the property you were bidding on doesn't sell, this is because the reserve price hasn't been met.

**The reserve price is always within 10% (higher or lower) of the guide price.**

If you missed out on your property because you didn't bid in time, or decide you can stretch your budget a little further after the auction, please talk to our team as you may still have the chance to buy the property.

## Different auction types

These are the different auction types at a glance. This is just for your reference, you don't need to worry about this as we will explain everything when we speak to you.

Auction type	Buyer's fee	Exchange	Completion
Unconditional with fixed fee	Fee amount is fixed, not based on final purchase price of the property. Please see fee table on page 8	Automatic, on the fall of the hammer	30 days after the auction, unless otherwise stated
Unconditional with variable fee	Fee amount is calculated based on the final purchase price of the property. Fee amount will differ depending on if the lot is in located England & Wales, or Scotland. Please see fee table on page 8	Automatic, on the fall of the hammer	23 days after the auction, unless otherwise stated
conditional with reservation fee	Fee amount is calculated based on the final purchase price of the property. Please see fee table on page 8. Fee amount will differ depending on if the lot is located in England & Wales, or Scotland. Please see fee table on page 8.	You have an exclusivity period of 40-business days in which to exchange contracts and complete the purchase	You have an exclusivity period of 56 days in which to exchange contracts and complete the purchase

*"Jim helped me enormously in my attempt to buy a property at auction and since it was my first time I had very limited knowledge. Jim guided me along the way, he gave me fantastic advice and his auction knowledge is second to none."*