



Buying at Auction

Auctions

There are many advantages to buying property at auction which is why auctions are becoming an increasingly popular way to buy and sell properties. The benefits are not just limited to sellers, buyers also benefit from a straightforward, open and efficient method of purchasing properties.

A wide range of properties are sold at auctions including properties that require renovation, tenanted properties, development land, residential properties, mixed use properties, agricultural land and both residential and commercial investments. Whatever you are looking for, you are sure to find it at an auction.

However, before considering buying a property at auction it is important that you understand the process. We can help and advise you what you need to do prior to attending the auction.

Be Prepared

With an auction, as soon as the hammer falls, that's it - the property is yours and you are legally committed and cannot change your mind. It is therefore essential to know what you want to bid on.

Well in advance of the auction date, pick up a copy of the auction catalogue, which will contain finalised details of the lot that you are interested in, including a plan, room measurements and the guide price.

You should do some research on the whole auction process, in order to be in a good position when the time comes to snap up a potential bargain.

View the Property

Once you've identified any properties that you're interested in, then contact the auctioneers and arrange a viewing. It may be worth taking someone else along with you whose opinion you value, and speak to the auction representative raising any enquiries, they should be happy to help you.

It is worth noting that there are usually only around four weeks between the publication of the auction catalogue and the auction itself, so you have to act fast and arrange any viewings as soon as possible.

Research the Property

Research the property thoroughly, comparing its price and condition to similar properties in the area.

It is advisable to arrange a survey and to obtain any necessary specialist reports. You may need to obtain quotes for any works that need to be carried out. Make sure you know how much you may need to spend on the property in order that you can stick to your budget. If you are carrying out improvements to the property ask your surveyor for an estimate of the value of the property before **and after** the improvements are carried out.



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Legal Matters

There will normally be a legal pack for the property available from the auctioneers for you to read. It is essential that you read this thoroughly and have your solicitor check it out as soon as possible.

Your solicitor will inspect the searches, title deeds, planning permissions and building regulation approvals etc. and any leases or tenancies subject to which the property is sold. It is vital to have a solicitor look over the legal pack as the property may be subject to covenants or certain legalities which could have potential implications on its value. The advice you obtain could provide support and reassurance so that you are fully informed before making a decision to bid.

Your solicitor may advise you to carry out property and land searches of your own if there are any concerns. As previously stated once the hammer falls you are legally bound to purchase and it is too late to change your mind if any problems come to light after the auction. It is therefore vital to fully investigate the property.

Arrange Finances

The completion period for auction properties is usually 28 days, so it is vital that you have your financial arrangements in place beforehand, whether it's making sure you have the cash available or a mortgage agreed in principle. Speak to your bank or to a financial advisor; make sure you fully investigate your finances.

You must have a ten percent deposit with you on auction day, and you must come up with the remaining ninety percent within the twenty eight days. It's not unusual for buyers to lose their deposit because they couldn't come up with the rest of the balance in time.

The Auction

When you arrive at the auction, you will normally need to register - make sure that you take identification with you and enough funds for your ten percent deposit.

When the time comes to bid, make sure that you can be seen by the auctioneer and that he is aware of you when you are bidding. Auctions can be very busy, so it is worth arriving early to get a good seat with a clear view of the auctioneer.

The fall of the hammer signifies a binding sale of the property in question. If successful, you will pay your 10% deposit and sign a memorandum of sale. You will be asked to produce your identification. Your solicitor will then complete the legal formalities and completion will take place 28 days after the auction.

Our team at Watson Esam offer a bespoke property service to a wide range of clients. If you would like advice on the contents of an auction pack, or assistance with the legal formalities following an auction please do not hesitate to contact the property team on 0114 275 3350 or email commercial@watson-esam.co.uk.

Watson Esam can also help you with

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- Personal injury
- Claims and disputes
- Debt recovery
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- Bankruptcy
- Insolvency
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