

A GUIDE TO BUYING PROPERTY AT AUCTION

QUESTION

What are the advantages of buying at auction?

There are many advantages, three of these are:

- 1) Properties are usually offered at Auction at a competitive reserve price.
- 2) If more than one person is interested in a particular property, an auction demonstrates free and fair competition enabling the purchaser to buy the property at a price that is competitively achieved against other known bidders.
- 3) If you are the successful bidder you know that the vendor cannot withdraw and that the property is yours on completion.

QUESTION

What does the catalogue tell me?

The catalogue gives you the description of the property, details on how to view each property and the General Conditions of Sale. It is important you read these. These are prepared by the auctioneer, stating the basis on which the auction is carried out.

QUESTION

Should I inspect the property?

It may be possible to inspect a property prior to auction. However, this is not usually the case with tenanted properties. Anyone who is unsure or has doubts about a property are recommended to seek professional advice. The Auctioneers will be pleased to recommend a firm of surveyors/valuers to you.

QUESTION

Do I need a Building Society Survey?

A valuation carried out by a building society is only required should you need a mortgage. This and any other financial advice or arrangements must be organised before the auction day.

QUESTION

Is there a guide/reserve price and what is the difference?

A guide price gives you an indication of the price that the property is expected to sell for and what the vendor is hoping to achieve. A reserve price is the lowest price the vendor will accept. This is agreed between the vendor and the Auctioneer. Most properties entered into the auction have a reserve price. This is confidential and not disclosed to any interested parties.

QUESTION

What do I have to pay on the day?

It is important that you have all finances ready for the day of the auction. Should you be the successful bidder, a **10% deposit** (or a minimum of £1,500, whichever is the greater), will be required on the day. This may be paid by either cash, building society cheque, company cheque or personal cheque. Cheques for your deposit are to be made payable to Pugh & Company. Each purchaser will be required to furnish the Auctioneer's assistant with the 10% deposit cheque immediately after the property has been knocked down to him or her. A separate deposit cheque will be required for each lot purchased. The balance plus VAT (if applicable) will be due on completion.

QUESTION

Do I need a solicitor in attendance?

No. It is wise to notify your solicitor of the auction and show him the auction brochure along with any other information about the property you are interested in. Your solicitor may obtain the legal documentation on your behalf. All the necessary legal documentation may be inspected at the venue, from 12.30pm prior to the commencement of the auction.

QUESTION

Should I insure the property?

You will be responsible for insuring the property from exchange of contracts - it is wise to make arrangements in advance. However, you will not be entitled to keys or access until the sale is completed.

QUESTION

What do I need to bring with me on the auction day?

Firstly, remember to call the auctioneers office on the morning of the auction to see if the property you wish to bid on has not been withdrawn or sold prior. Your auction brochure for directions! You will need to register your personal details along with your solicitors full name, address, telephone number and contact name prior to entering the auction room. You will then be given a bidding number, you must show this clearly to the auctioneer should you be successful.

Your 10% deposit, with a minimum of £1,500.