



GUIDE TO BUYING

If you think buying a house in an auction is just for property investors and developers, think again!

A growing number of private buyers are finding their next home at auction, and despite what you may have been told, you do not have to be a cash buyer.

There are two main **benefits** of buying a property at auction because contracts are exchanged at the time of the auction:

1. It is really quick! Usually, you will get the keys to your property just 20 working days after the auction.
2. The purchase will definitely go through – no one can offer a higher price, the vendor cannot back out of the sale and there are no long chains which snap at the last moment.

Are there any **catches**? 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.

However, if you are really serious about buying, this is a great way to secure a property quickly and with no fuss.

This guide will take you through the process but if you are not sure of anything, we are always happy to answer your questions.

Just call us on 0161 6605877, email us at info@certaintyauctions.co.uk.

Why use Certainty Auctions?

You may have already seen a property you would like to buy, so let us show you why you will be in safe hands when buying through Certainty Auctions.

There are many reasons, including:

- **Online Auctions**

We only sell properties through online auctions thanks to our advanced technology saving the time and trouble of attending a live auction.

- **Our friendly and professional team**

We understand you may have never bought an auction property before so we will help you through the process without talking down to you. We will always be honest with you, too.

- **We sell a huge range of properties**

We attract a growing number of vendors and have a huge range of properties for sale. Whether you are looking for a renovation project, an investment property or a

home you can move into immediately, we can help. Our properties span the whole of the country, too.

- **Finding a property which suits you**

You may have driven past a property displaying one of our Certainty 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 social media.

But if you want to see our full range of properties, just head to our website, www.certaintyauctions.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.

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 vendor'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 (but usually lower).

Example: If the guide price is £100,000+, the reserve price cannot be higher than £110,000. But it could be as low as £90,000.

Date of auction

The listing will show you when the property is due to be sold in the online 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 before the day of the auction and the vendor may agree to accept your offer.

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 vendor 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 will be notified when it is ready.

Commitment

Contracts are exchanged immediately when the auction ends, which is at the moment an online auction ends. If you're the winning bidder, you're legally obliged to buy the property and must pay a deposit on the same day.

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

A physical viewing may not be possible. If this is the case, we will post a virtual viewing to our property details online.

If it is possible to visit the property, try to take somebody with you as a second pair of eyes because the viewings are only 15 minutes long.

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 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 £300 and £500. We work with several trusted firms so can help you find a suitable solicitor if you wish.

How you can bid

In our auctions you must bid online (internet bidding). You can bid from your phone, tablet or computer. In an online auction, you log on at your convenience and click to bid at any time day or night. 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 the 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 of your chosen properties.

Internet Bidding

You will be asked to create an Auction Passport (unless you already have one) and to read and accept the bidding terms and conditions. Without these, you will not be authorised to bid.

You will need to provide ID and payment details, but payment will not be taken unless you are the successful bidder.

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. You will need to pay any purchaser's fee plus a deposit (of 10%) on the day of the auction as contracts are exchanged automatically. The rest of the purchase price is payable when you complete, usually 20 working days later. You may find it easier to get a mortgage of an auction property if you use a specialist firm or broker.

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

Conveyancing fees

Auctioneer's fees (purchaser's fees)

Any additional fees as states the legal pack (e.g. vendors fees)

Stamp Duty

Survey fees

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 maximum bid for yourself and stick to it.

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, 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. When you are bidding in an auction, you can follow the bidding on our website.

Bidding

How to place and 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.
- 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

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 the auction, you will have to pay the deposit on auction day. This will be deducted from the purchase price.

Fees

You will have to pay the purchaser's fees. Remember, these are not part of the deposit or purchase price.

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.

- Purchaser's Fee of 3% subject to minimum of £5400 (inclusive of VAT)
- Deposit of 10% of the purchase price with a minimum of £5,000

What if the property doesn't sell?

If the property 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 still may have the chance to buy the property.