

SELLING YOUR PROPERTY AT AUCTION

NORMAN GALLOWAY

Customer Focused Delivering Results

Discover the power of auction, with faster completion timescales, reduced risk of fall throughs and committed buyers.

YOUR SELLING OPTIONS

There are a range of sales options available for selling your property, not just Private Treaty. Auction has become a more popular option for sellers needing a faster and more secure sale.

	Time to complete	Fall through rate	Buyer type	Buyer commitment	Price achieved	Cost to sell
Modern Method of Auction	56 days	5%	Cash and Mortgage	Committed buyer	£££	£
Traditional Auction	28 days	1%	Cash	Committed buyer	£	£
Private Treaty	125+ days	30%	Cash and Mortgage	No commitment	£	£

MODERN METHOD OF AUCTION

Our most popular auction method, provides speed, security and transparency, whilst the fixed 56-day timescales open interest up to mortgage and cash buyers.

Faster sales process
Complete in just 56 days from receipt of draft contracts.

Additional security
Buyers pay a nonrefundable reservation fee and sign an agreement showing their commitment to the purchase.

Secure your minimum sales price with a reserve
Your sale is secured with a pre-agreed Reserve Price, meaning you'll not sell for less than that.

No selling fee
Typically you only pay the price of the Auction Pack.[1]

Drive up your final price with competitive bidding
Transparent bidding promotes competition, helping you get the best possible price.

Larger pool of buyers than Traditional Auction
With fixed 56-day completion timescales, buyers have time to arrange finance, so, you'll open your property up to mortgage and cash buyers.

[1] Solicitors fees are separate from our costs and will still be due.

TRADITIONAL AUCTION

The quickest and most secure method of sale. However, as the timescales are just 28 days, interest is limited to cash buyers.

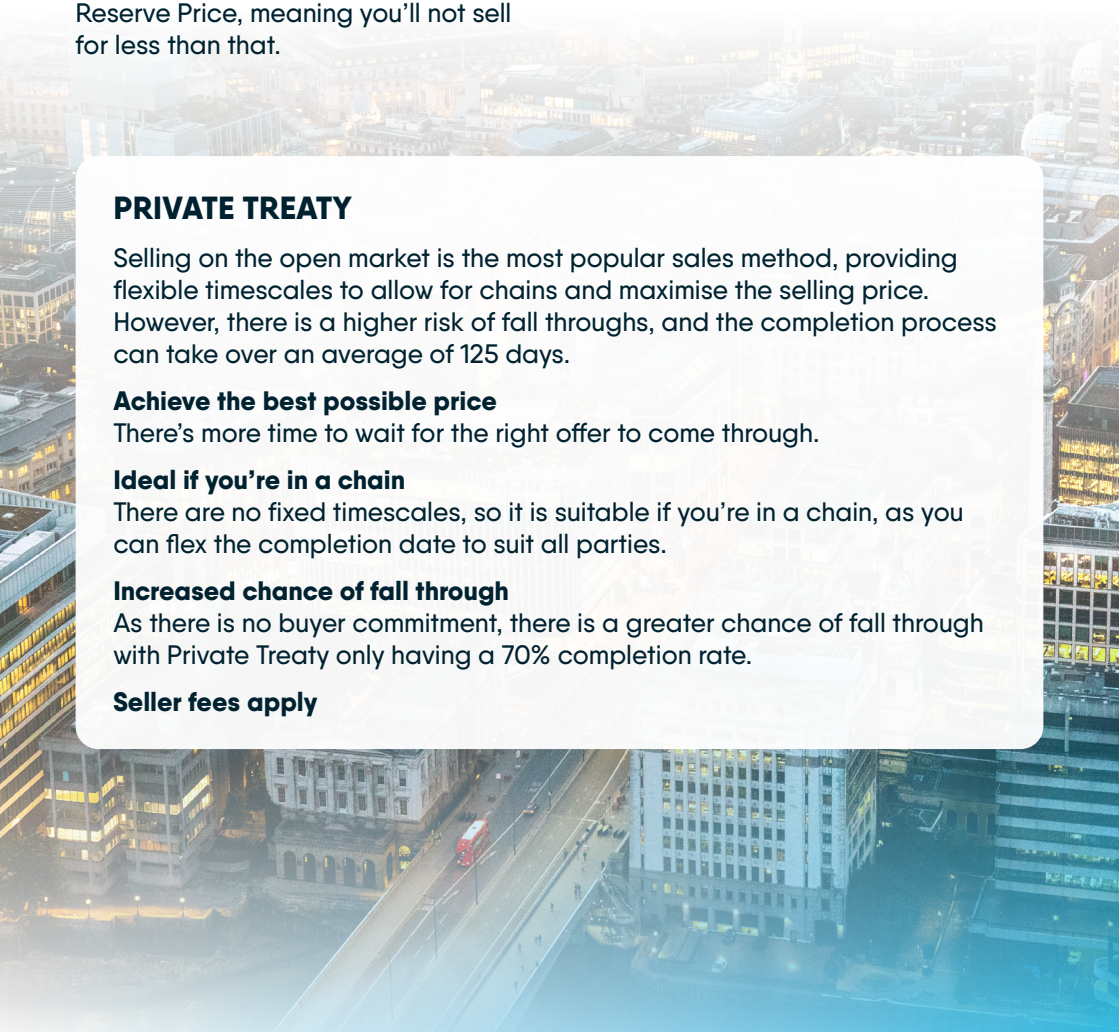
Faster sales process
Complete in just 28 days from receipt of draft contracts.

Enhanced security
Buyers pay a nonrefundable Reservation Fee and Deposit and sign the contract once the auction ends.

Secure your minimum sales price with a reserve
Your sale is secured with a pre-agreed Reserve Price, meaning you'll not sell for less than that.

No selling fee
Typically you'll only pay the price of the Auction Pack.

Drive up your final price with competitive bidding
Transparent bidding promotes competition, helping you get the best possible price.



PRIVATE TREATY

Selling on the open market is the most popular sales method, providing flexible timescales to allow for chains and maximise the selling price. However, there is a higher risk of fall throughs, and the completion process can take over an average of 125 days.

Achieve the best possible price
There's more time to wait for the right offer to come through.

Ideal if you're in a chain
There are no fixed timescales, so it is suitable if you're in a chain, as you can flex the completion date to suit all parties.

Increased chance of fall through
As there is no buyer commitment, there is a greater chance of fall through with Private Treaty only having a 70% completion rate.

Seller fees apply

WHY SELL AT AUCTION?

Selling at auction has many benefits:

Faster completions
With Private Treaty taking over 125 days to complete, auction could get you moving much quicker with fixed completion timescales of 28 or 56 days from receipt of the draft contract.[1] Giving you confidence to plan your move.

Optimised exposure
An attractive Starting Bid will drive interest, and all offers are visible, helping to drive competitive bidding which can help drive up the final selling price.

Additional security
The buyer pays a non-refundable Reservation Fee or Deposit to secure the property, and a Reservation Agreement is signed, so you can be confident that your buyer is committed to the sale.

Private Treaty	Modern Method of Auction	Traditional Auction
30% fall through rate	5% fall through rate	1% fall through rate

No Sale, No Agency Fee
Nothing to pay if your property doesn't sell. You only pay an Auction Pack Fee on completion. For pricing information please speak to your Auction Specialist or refer to your Auction Contract.

Is auction right for me?
If you want additional security and speed of sale, auction could be the perfect solution. However, due to the reduced and fixed timescales, you'd have to be able to move within 28 or 56 days, depending on the auction terms.

So, if you're in a chain auction may not suit your situation. Our Auction Specialists can help you decide which method best suits your circumstances.



SELLING AT AUCTION

Securing the sale with a Reservation Fee
With each auction method, a non-refundable Reservation Fee is payable, this is typically 4.5%, with a minimum of £6,600 inc. VAT. In most cases the buyer pays this at the point the sale is agreed, as this commits them to the purchase and secures the property exclusively to them.

This Reservation Fee is paid in addition to the purchase price. The buyer will consider this within the total amount they wish to pay for the property.

You could choose to pay the fee yourself upon completion. In this instance, the buyer makes payment of a Reservation Deposit when the sale is agreed. This forms part of the purchase price and ensures you still have their commitment to the purchase.

Referral arrangements
Your Estate Agent and the Auctioneer may recommend services of third-party suppliers to you and may receive payment for the recommendation. Whilst these services are recommended to benefit you, you are under no obligation to use any of these services, and you should always consider your options fully before services are accepted.

Where any such arrangement exists, you will be made aware of the arrangement and advised of any payment that will be received before services are taken.



THE PROCESS

1. PRICING STRATEGY

To encourage as much interest as possible, your experienced Auction Specialist will discuss a pricing strategy for your property with you. This will include a Reserve Price, the minimum price you're willing to accept for your property's sale and a Starting Price. These are designed to help drive interest and keep you in control.





2. GETTING PREPARED

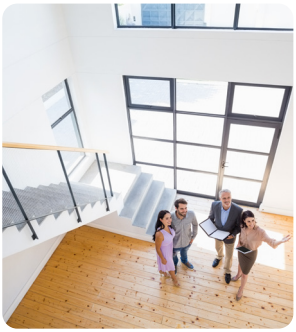
Your Estate Agent will prepare the property details (including photographs and EPC), meanwhile, the iamsold team will complete ID Checks with you, and the Auction Pack will be prepared.

- ID verification is quick and easy and is a legal requirement for selling property.
- The Auction Pack provides buyers all the details they'll need to bid on your property. Our in-house specialist Auction Conveyancing team, Medway Law, can provide this and you only pay when your property sells.
- You'll also want to consider who will undertake your Conveyancing. It's recommended that you instruct a Solicitor before the auction starts.
- For leasehold properties, you may need to provide a Management Pack. This is available from the Freeholder or management agency, and they will be able to confirm the cost.
- You'll need to complete your property information questionnaire to avoid any delays.

3. PRE-AUCTION MARKETING

We begin to advertise your property whilst the Auction Pack is being prepared, generating as much exposure, interest and as many viewings as possible.

The more activity and interest in your property, the more likely there is to be competitive bidding which can drive up your property's final selling price!



4. READY TO GO!

Once the Auction Pack is complete, your Auction Specialist will discuss the best timeframe with you and set out your property's auction start and end date, and then, bidding can begin.





5. BIDDING

Interested parties who have registered can bid on your property. Typically, the auction will end when the auction timer runs out. The sale will only be agreed if a bid is received on or above your Reserve Price after the auction has ended.

If a bidder places a bid within the last two minutes, the timer will reset to two minutes to ensure everyone has a chance to place their bid, and to encourage the best possible selling price for your property.



6. YOUR PROPERTY HAS SOLD

Depending on the method of auction you've chosen, the buyer will have either 28 or 56 days* from receipt of a draft contract to complete the purchase. In both cases, the buyer will have paid a Reservation Fee to reserve the property, so they're fully committed to the purchase.



7. NEXT STEPS

Our expert Completions Team will help to take the sale through to the final stage of the process, keeping you updated every step of the way until your completion is finalised.

**Based on standard properties. From receipt of draft contracts*

YOUR AUCTION PACK

Providing the information buyers need.

All auction properties will need an Auction Pack. They contain information a buyer needs to make an informed decision on your property before placing a bid.

This includes:

- **Title documents or Epitome of title**
- **Property Information Form**
- **Local Authority Search**
- **Water and Drainage Search**
- **Reservation Agreement**
- **General Terms and Conditions**
- **Fixtures and Fittings forms**
- **Any special conditions of sale**

You can provide the Auction Pack yourself, or use our specialist Auction Conveyancing Service, Medway Law.

Getting your auction conveyancing instructed upfront
With auction, it is highly advisable to instruct your Solicitor upfront to ensure a smooth process. This is especially true of Traditional (Unconditional) Auctions, where you must instruct a Solicitor as soon as possible to ensure that you can meet the quicker 28-day completion timescales.

You can choose Medway Law, our specialist Auction Conveyancing partner, or your own Solicitor.

Using a third-party service for Auction Packs and Conveyancing.
If you're using a third party for your Auction pack, we'd need an electronic copy of the documents before we're able to sell your property.

If you're selling through Traditional Auction terms, and you're also using a third party for your Conveyancing, they'll also need to supply a Draft Contract and their bank details when sending the pack to us. This will ensure that any exchange deposits are transferred to them as soon as possible at the end of a successful auction.

Leasehold properties

For Leasehold properties, you may also need to provide a Management Pack which can be requested from your Freeholder or Managing Agent.

MEDWAY LAW

Specialist Auction Pack and Conveyancing services.

Buying a property at auction means things need to move quickly. As the UK's only dedicated auction Conveyancing specialists, Medway Law's focus is exclusively on providing you and your customers with the guidance, expertise and knowledge needed to ensure a smooth and quick transaction from start to finish.

Expertise & Guidance
Managing thousands of Auction Packs and Auction Completions every year, we're ideally situated to give you the best quality advice and customer experience. And we're regulated by the Council for Licenced Conveyancers.

Speed
At auction, speed is of the essence, our experienced team will deliver your Auction Pack quickly, getting you ready to sell as soon as possible. Our Completions team works hand in hand with your dedicated Sales Progressor to ensure everything goes through smoothly.

No sale, no fee Auction Pack*
Our packs are provided on a no-sale, no-fee basis, and you don't pay until your property sale is complete.

Our comprehensive Auction Pack offer excellent value for money. Speak to your Auction Specialist or check your Auction Contract for the latest prices.



FAQ

Check out some of our most frequently asked questions.

How long does the auction last?
In short, the auction duration is bespoke to your situation. Once an Action Pack has been completed and signed off, your Auction Specialist will discuss potential end dates for your property with you. This depends on the level of interest created whilst the property has been in the Pre-Auction Marketing stage (PAM).

Your potential end date could be only a matter of days away if you already have several people wanting to bid. However, if there has been limited interest, your suggested end date could be set to two weeks away.

You can see how much time is left on your auction by clicking on the property details, and the time remaining is displayed in the top left-hand corner.

Do I have to accept the highest bid for my property?
No, each property has an undisclosed Reserve Price. This is the minimum amount that you agree that you are willing to accept for your property. If this is not met, then you are not obliged to sell the property.

If the Reserve Price has been met or exceeded, you would be expected to sell the property when the auction ends. Please note, should you decide not to proceed with a sale at or above your Reserve Price then you may be liable for any contracted fees.

What is a Starting Bid?
With every auction, there is a Starting Bid. This is the price published for each property and confirms the initial biding price. Starting Bids are for guidance only and are not the price that the property is being sold for. Each Starting Bid has a corresponding Reserve Price.

Can I accept bids prior to an auction ending?
Yes, you can accept a bid to sell your property before the auction has finished. We are duty-bound to put any offer for the property forward to you, so it is entirely up to you if you want to accept an offer and take the property out of the auction early. Your buyer will still be bound by the Terms and Conditions of the auction.

Your auction specialist will be able to advise your on how to achieve your desired outcome depending upon the interest in your property.

What is a Reserve Price?
This is the minimum price that you agree the property can be sold for. This figure is kept confidential and is not disclosed to interested parties. The reserve is generally no more than 10% over the Starting Bid.

The ideal scenario is to generate enough interest to exceed the agreed Reserve Price, however, you must be comfortable should this be the highest achieved.

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What if the Reserve Price is not met?
If the auction ends before the reserve is met, then your Auction Specialist will discuss how you move forward. You can accept the highest bid should you wish, but you are not bound to do so.

Are bids legally binding?
With the Modern Method of Auction, the bid binds the buyer to pay a non-refundable Reservation Fee.

It does not bind the buyer to buy the property it reserves the rights to exclusively exchange contracts on the property at an agreed price within 56-days of the draft contracts being received by the buyer's Solicitors. And if they withdraw from the sale, they will lose their Reservation Fee.

Why do you use sole selling rights agreements?
This type of agreement is typical for properties marketed under auction terms. Sole Selling Rights means that the property can only be marketed and sold through iamsold and your Estate Agent whilst it is under contract, and this ensures all parties can proceed in the instance advised above.

If the property was marketed under different terms by different agents, then this is likely to damage your marketing. It may encourage buyers to avoid the terms and commitment that you have chosen as a seller for very specific reasons.

A viewer has made me an offer privately; can I accept it?
Negotiations must be carried out by your Estate Agent and iamsold whilst you are under contract and there are several reasons for this.

As the seller, if you accept an offer privately you will become liable for the auction fees rather than the buyer, this is due to the terms of the contract.

Our sale methods are designed to provide commitment and security to both parties, and you have likely chosen this method of sale for those specific reasons. Our aim is to help you sell your property, so, we will work with any interested party if they are unsure about auction, so that we can try and agree a sale for you.

What is a Management Pack and why do I need one?
A management pack provides important information regarding a leasehold property. The pack is obtained from the Freeholder or their Managing Agent.

The pack contains information on the management of the freehold, ground rent, service charges, buildings insurance and other relevant information to ensure the buyer is aware of their responsibilities should they proceed with the transaction.

It will also contain information required by the buyer to transfer ownership.



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