

Our Top Tips for Buying an Auction



Property

Auctions are a good way of buying a property at a competitive price for a quick turnaround. However, it is essential that you go prepared so here are some tips!

1

Do a dummy run

An auction is a busy and loud environment with a lot going on at once. Go to one first, sit down and watch carefully to see what happens.

2

Know your budget

The property you bid on will depend on the budget you have. If you need mortgage funding, get advice on what mortgages are available to you and what lending can be offered before you bid. If you are a cash buyer, decide what

3

Get the Catalogue

You can request the catalogue which will detail when viewings can be made so call to arrange a viewing of the lot (or lots) that you want to see then go along and look critically at the property. Instructing a surveyor is also a good idea to ensure you are aware of any defects in the property before you bid.

4

Research

It is important that you make sure that the physical appearance of the lot reflects what is described in the catalogue. Make sure that the lot you have chosen is in line with prices in the area. Carefully consider the likely of any works that may need to be done at the property.

5

Request the Legal Pack

The longer we have before the auction, the better. We encourage any buyer to get the Legal Pack for the lot and instruct us to review the paperwork (and obtain searches if necessary) so that we can give you a legal report before you enter into a legally binding contract to buy. This will mean paying more for legal fees but, for the reasons given in the following tips, this can save you from future financial losses and making a bad investment. After all, there may be a reason the property is in the auction due to a significant legal defect that may affect its salability or mortgage ability.

6

Read the small print!

If your bid is accepted, you will have entered into a legally binding contract and will be required to pay a full 10% deposit and complete the purchase within 14 – 28 working days depending on the terms of the Contract. If there are problems with the legal title to the property or issues revealed by the searches, we have very little time to deal with those before completion. If we look at the title before you buy at the auction, we can save you from making a big mistake or, at least, you can buy knowing exactly what issues you might face.

7

Get the funding

You have very little time after your bid has been accepted – it is much better to arrange a mortgage in principle on the lot you are interested in before you go to the auction. Once your bid is accepted, you are committed to buying so you don't want to find you cannot raise the funds.

8

Hidden Extras

You will have to pay the fees of the auctioneer and the seller's legal fees and these will be outlined in the Legal Pack – prepare for these costs.

9

Leasehold or Freehold

If the property is leasehold, you must be prepared for additional costs which may be payable to the landlord and also that you have budgeted for service charges and ground rent. Even some freehold properties can attract additional charges. Be careful of arrears of service charges or major works bills on a leasehold purchase.

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Good luck at the auction and do not forget to use Marsons Solicitors!