



Selling your property at Auction

Selling your property has never been easier with
our Modern and Traditional methods of auction.



KIRKHAM

PROPERTY | LEGAL | FINANCIAL

Benefits of Auction

Selling your property has never been easier with our Modern and Traditional methods of auction.

“Private Treaty can take over 100 days to complete”



COMPLETE FASTER

On average, Private Treaty can take over 100 days to complete whereas auction provides fixed exchange and completion dates of between 28 and 56 days from receipt of draft contract. This means you can plan your move more easily.



OPTIMISED EXPOSURE

An attractive starting bid increases interest and encourages competitive bidding between prospective buyers, which can help to drive up the final selling price of your property.



NO SALE, NO 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.



ADDITIONAL SECURITY

With auction, buyers pay a non-refundable Reservation Fee or deposit to secure the property so all parties can move forward with confidence.

A Reservation Agreement is also signed by the buyer, committing them to complete the purchase. This means the risk of fall-through with auction is less than 5%, unlike Private Treaty which has an average fall-through rate of 30%.

“auction provides exchange and completion dates of between 28 and 56 days”

Our flexible auction routes

We offer multiple selling options to suit your needs.

Modern Method of Auction (MMoA)

This is our most popular auction method as it combines elements of Private Treaty and auction. It provides the speed, transparency and security of a Traditional auction but exchange and completion take place within 56 days from receipt of draft contract. This extended timescale allows more interest as it enables mortgage and first-time buyers to participate. You may have also heard this method referred to as “Conditional” method of auction.

MMoA at a glance

- This method offers quick, but more flexible timescales of 56 days from receipt of draft contract to complete.
- The more flexible timescales allow interest from first-time and mortgage buyers as well as investors.
- You have security as the buyer commits to purchase through paying a non-refundable Reservation Fee and signing a Reservation Agreement.

Traditional Method of Auction

Exchange of contracts takes place as soon as the auction ends. The buyer is required to pay a 10% deposit at the point of exchange and must complete within 28 days. This is the most secure and fastest method of sale; however, it can limit interest to cash and investment buyers. You may have also heard this method referred to as “Unconditional” method of auction.

Traditional Auction at a glance

- Usually more suited to vacant properties, or those not suitable for mortgage lending.
- This method gives complete security as exchange takes place at the end of the auction.
- Fixed timescales of 28 days to complete.





Help and guidance

All our auction methods provide speed and security. Our Auction Specialist can help talk you through which method best suits your needs and property type.

With each auction method a non-refundable Reservation Fee of 4.2% of the final agreed purchase price (subject to a minimum of £6,000 inc. VAT) is payable.

In most cases the buyer pays this at the point the sale is agreed, as this commits them to the purchase but also secures

the property exclusively to them. This reservation payment would be paid in addition to the purchase price. The buyer will consider this within the total amount they wish to pay for the property.

Sometimes the seller chooses to pay the fees themselves on 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 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 be of benefit to 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 prior to services being taken.

The Process

You've decided to sell your property at auction and chosen the method that suits your needs and property best – let's get started!

1. PRICING

We'll discuss and agree an undisclosed Reserve Price (the price your property will not sell for any less than) and a starting bid (the price that the property is marketed at to generate interest).

3. PRE-AUCTION MARKETING

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

4. READY TO GO!

Once the Auction Pack is completed, the property can go to auction and bidding can begin. Auctions can take place in-room (a set date/time) or online (with an agreed start and end date).

6. YOUR PROPERTY HAS SOLD

Depending on the method of auction you have chosen, the buyer will have between 28 and 56 days from receipt of a draft contract from the Buyers Solicitor, to complete the purchase. In both cases the buyer will have paid a fee to reserve the property, so they are committed to the purchase.

2. GETTING PREPARED

- Your Estate Agent prepares property details, including photographs and EPC if required.
- Our friendly auction team will complete identification checks with you. Don't worry this is a quick and easy process but is a legal requirement for anyone selling a property.
- The team will prepare an Auction Pack, this provides property information to potential buyers and includes legal documentation; it is required to sell a property at auction. Our experienced team at Medway Law can provide this and you only pay when your property sells.
- If your property is a Leasehold, you may also need to provide a Management Pack which you can request from your Freeholder or Managing Agent who will confirm the cost payable by you.

You will be asked to complete a property questionnaire - to avoid any delays, try and get this completed as soon as you can.

5. BIDDING

Interested parties who have had access to the Auction Pack before the auction can bid on the property. The auction will end when the auction timer runs out and a sale will be agreed if a bid is received on or above your agreed Reserve Price.

7. NEXT STEPS

Our expert Sales Progression team will help to take the sale through to completion, keeping you updated every step of the way.



Auction Pack

If you decide to sell your property at auction you will need an Auction Pack. These packs contain important information about your property that a potential buyer needs when deciding if they wish to place a bid and are a legal requirement.

These packs typically include

- Title plan and register or Epitome of title
- Property information questionnaire
- Water and drainage search
- Reservation form or contract
- General terms and conditions
- Fixture and fittings form
- Any special conditions of sale
- Local authority search

We can provide an Auction Pack for you, and our team at Medway Law offer some great benefits:



EXPERTISE

Medway Law are a legal firm specialising in Auction Packs and have worked with us for over 5 years to provide our customers with everything they need to sell at auction.



SPEED

Our experienced team deliver the pack quickly (usually within 14-21 days) getting your property ready to sell as quickly as possible.



GUIDANCE

Our experts will highlight any issues which may hold up the sales progress later and provide advice on how any issues may be resolved.

Auction Pack Fee



Legal Pack:

Our comprehensive Auction Packs offer value for money; speak to your Auction Specialist for up to date pricing information or alternatively, pricing can be found detailed in your Auction Contract.

You can provide your own Auction Pack if you prefer, we will just need to receive an electronic copy of the documents before we are able to sell your property.

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



FAQ

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How long does the auction last?

Once an Action Pack has been completed and signed off, your Auction Specialist will discuss potential end dates for your property with you. This will be dependent on the level of interest created whilst the property has been in 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 not been any reported interest at this stage then your suggested end date could be set up to 2 weeks away. In short, the auction duration is bespoke to your situation. You can tell how much time is remaining on a specific auction by looking on the search section or by clicking into the property details where the time remaining will be displayed in the top left-hand corner.

Do I have to accept the highest bid for my property?

Not at all. Each property has an undisclosed Reserve Price, this is the minimum amount that you agree that you are willing to accept for your property. Only the Start Bid and any bids received are visible as the Reserve Price remains confidential. If the Reserve Price has been met, or exceeded, then you would be expected to sell the property at an end point agreed with your Auction Specialist. 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 level at which the bidding is suggested to begin. Starting Bids are for guidance only, they are not the price that the property is being sold for. Each Starting Bid has a corresponding Reserve Price.

What is a Reserve Price?

This is the minimum price that you agree the property can be sold for. This figure is kept private and is not disclosed to interested parties, however as a guide the reserve is generally no more than 10% in excess of 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.

Can I accept bids prior to an auction ending?

Yes, if you want to accept a bid to sell your property before the auction has finished that's fine. 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 give the very best advice on how to achieve your desired outcome depending upon the interest in your property.

Are bids legally binding?

With the Modern Method of Auction; the bid binds the buyer to pay a Reservation Fee and sign a Reservation Agreement. It does not bind the buyer to buy the property but instead allows them to reserve the right to exclusively exchange contracts on the property at an agreed price within 56 days of the draft contracts being received by the buyers solicitors.

What if the reserve price is not met?

Should an auction end with the highest bid being below your reserve, then your Auction Specialist will still discuss this with you and you could, if desired, accept this bid should you wish.

Why do you use sole selling rights agreements?

This type of agreement is typical with properties to be 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 are able to 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 and 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?

It's important that negotiations are carried out by the Partner Agent and **iamsold** whilst you are under contract and there a number of reasons for this. As the seller you will become liable for the auction fees rather than the buyer due to the terms of the contract. Our sale methods are designed to provide commitment and security to both parties, and it is likely that you have 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 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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tel 0161 300 7100 visit kirkham-property.co.uk