

Our guide to:

# Buying a property at auction



**SDL**  
Property Auctions

Part of  
**Eddisons**

[sdlauctions.co.uk](https://sdlauctions.co.uk)

# Why buy an auction property?

If you think buying a house in an auction is just for serious property investors, then it's time to think again. A growing number of private buyers are finding their next home at auction. And despite what you may have been told, you don't have to be a cash buyer!

There are two main benefits of buying an auction property – and they're pretty big benefits:



## 1. It's really quick!

In most cases, you'll get the keys to your property just 30 days after the auction.



## 2. You won't be messed around.

Nobody will gazump you and there are no lengthy property chains to throw a spanner in the works.

So what's the catch? 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.

But if you're serious about buying, this is a great way to secure a property quickly and without any fuss.

We're always happy to answer your questions. Just call us on **0800 046 5454**, email us at **heretohelp@sdlauctions.co.uk** or use our online live chat service at **www.sdlauctions.co.uk**

# Why use SDL Property Auctions?

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



## We're market leaders

We're the UK's most successful live-streamed auctioneer and have been running auctions for decades.



## Our friendly and professional team

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



## We sell a huge range of properties

As a market-leading national auctioneer, we attract a growing number of sellers and have a huge range of properties for sale. Whether you're looking for a renovation project or a home you can move into immediately, we can help. Our properties span the whole of the country, too.



This was the first time we have bought at auction. From the first enquiry about the lot and the process involved, the **customer service was fantastic**. Each phone contact I had with a representative they were **friendly, helpful and informative**, showing that they really do put customer service first. It does make such a difference to know that when you will speak to someone they will do their best to answer your questions and get back to you if needed.

# Find a property

Browse our full range of properties, on our website, [www.sdlauctions.co.uk](http://www.sdlauctions.co.uk).



You may have driven past a property displaying one of our SDL Property 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 on social media.

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.

But 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 seller's reserve price (the minimum they are willing to accept) as the guide price must always be within 10% of the reserve price (higher or lower).

Example: If the guide price is £150,000+, the reserve price cannot be higher than £165,000. But it could be as low as £135,000.



## Date of auction

The listing will show you when the property is due to be sold, either in one of our Auction Events or in a Timed Auction. If it is a Timed 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 in an Auction Event. In a Timed Auction, simply place your bid and the seller may agree to end the auction early.

# Type of auction

We run conditional and unconditional auctions, so it's important you know the difference.



## Unconditional auctions

Contracts are exchanged immediately when the auction ends, which is when the hammer falls in an Auction Event, or at the moment a Timed Auction ends. If you're the winning bidder, you're legally obliged to buy the property and must pay a deposit and the buyer's fee on the same day.



## Conditional auctions

This is a little more flexible. Contracts aren't exchanged immediately but if you're the winning bidder, you must pay a non-refundable fee. This is not a deposit – and doesn't count toward the purchase price – but enters you into an exclusivity period of 60 days, during which the property cannot be sold to anyone else. This gives you more time to arrange a mortgage if necessary. It is still a commitment as if you don't exchange and complete the sale, you lose your reservation fee.



In my opinion and experience SDL Property Auctions are the most **honest, trustworthy, and transparent auctioneers** making buying and selling at auction an experience to cherish. They have always stuck to the traditional British values of decency, honesty, and integrity, making this auction house a **pleasure to do business with!**



# 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.

It's therefore vital to thoroughly research the property before you think about bidding.



## View the property

We always recommend viewing the property if it's possible to do so. A physical viewing may not always be possible for various reasons, such as if it's tenanted, however we will upload a virtual viewing to our website if we're able to do so.



## Read the legal pack

In a traditional property sale through an estate agent, you wouldn't expect to see the legal documents until after you've made an offer. However, because of the speed of an auction sale, the seller 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 be notified when it is ready.

You should read the legal pack very carefully as an auction purchase is legally binding. It is good practice to ask a solicitor/conveyancer who has experience of auction sales to check it over for you as they will check the sale conditions and advise you. We work with several trusted firms so can help you find a suitable solicitor if you wish.

# How bidding works



## Ways to bid

In an Auction Event, you can bid in three different ways:

### 1. Internet bidding

You can watch the bidding from your phone, tablet or computer and click to bid when you're ready.

### 2. By telephone

Bid over the phone by speaking to a member of our staff in the auction room. They will update you on progress and pass your bids to the auctioneer.

### 3. By proxy

You authorise the auctioneer to bid on your behalf up to your maximum amount. They will only increase your bid in line with other bidding and only go up to your maximum if necessary.

In a Timed Auction, you log on at your convenience and click to bid 24/7. You can also set a maximum bid if you're not going to be around when the auction ends.



## Registering to bid

Every bidder in an auction must register in advance.

Before you can bid, you must submit a bidder registration form detailing all the lots you would like to bid on.

If you are registering to bid in a Timed Auction, you will register for your chosen property and follow the step-by-step prompts.

For an Auction Event, decide how you wish to bid – online, on the phone or by proxy – and then complete the remote bidding form on our website, choosing the one or more properties you'd like to bid on.



### Internet bidding

You will be asked to create an Auction Passport (unless you already have one). This is a login for Essential Information Group, the business we work with to operate internet bidding. You need this login to read and accept the bidding terms and conditions and without these, you will not be authorised to bid.



### Telephone bidding

We will contact you in good time and take your bidding instructions as the lot is offered.



### Proxy bidding

Make sure you state your maximum price. If you wish to change the amount of your proxy bid, please contact us on **0800 046 5454** or **remotebid@sdlauctions.co.uk** Do not submit another form to change your proxy bid amount.

**Whichever auction type you are registering for, you will need to provide ID and payment details, but payment will not be taken unless you are the successful bidder.**



Recently bid and won a property at auction. I had been very nervous about bidding at auction having never done it before. The team was **excellent** and talked me through the whole process (several times) and was always at the other end of the phone ready to answer all my many questions in a **friendly** and **professional** manner.





# 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.



## Unconditional auctions

You will need to pay any fees plus a deposit (usually 5% or 10%) on the day of the auction as contracts are exchanged automatically. The rest of the purchase price is payable when you complete, usually 30 days later.



## Conditional auctions

You will need to pay a reservation fee on the day of the auction. This gives you the exclusive right to purchase the property for 60 days and time to carry out a survey of the property, instruct your solicitor and arrange a mortgage if required.

Exchange and completion must take place within this period.

**You may find it easier to get a mortgage for an auction property if you use a specialist firm or broker.**

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

- Conveyancing
- Auctioneer's fees
- Any additional fees as stated in the legal pack
- Stamp duty
- Survey
- 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 budget for yourself and stick to it.**

# The bidding process



## 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 Event, 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. Whether you are bidding in an Auction Event or a Timed Auction, you can watch the action on our website [www.sdlauctions.co.uk](http://www.sdlauctions.co.uk).



## Bidding in an Auction Event

### How to place an 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.

### How to place a phone bid

- We will call you when your lot is due to be sold and talk you through the bidding.

### How to place a proxy bid

- You don't need to do anything as the auctioneer will bid for you.
- They will only bid as far as the maximum you are willing to pay.
- However, they will only bid as high as he needs to, so you may not have to pay your maximum amount.
- You can still watch the progress of the auction on our website [www.sdlauctions.co.uk](http://www.sdlauctions.co.uk).



### **Bidding in a Timed Auction**

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**

No matter which way you placed your bid, 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.



SDL Property Auctions are **committed** and **caring** to the customers requirements, fulfilling every need. The communication is very clear, via different social platforms. This is a lovely team, we are **very happy with the service** received.



# Payments on auction day

## Deposit

If you are the winning bidder in an unconditional auction, you will have to pay the deposit on auction day. This will be deducted from the purchase price.

## Fees

In all auction types, you will most likely have to pay fees. Remember, these are not part of the deposit or purchase price.

| Sale type            | Deposit / Fees   | Exchange and completion  |
|----------------------|--|--|
| <b>Unconditional</b> | <p><b>Buyer's Fee:</b> This will be stated on the property description. It may be may be a set fee, or a percentage of the final sale price.</p> <p><b>Deposit:</b> This will be stated on the property description, usually either 10% or 5% subject to a minimum of £5,000. The deposit contributes towards the purchase price.</p> <p>There may be additional fees listed in the special conditions of sale within the legal pack, which the seller has chosen to charge.</p> | <p>Legally binding contracts of sale for the property exchange automatically, on the fall of the hammer.</p> <p>You will have 30 days to complete the purchase, unless stated otherwise in the legal pack.</p>   |
| <b>Conditional</b>   | <p><b>Reservation Fee:</b> This will be stated on the property description. It may be may be a set fee, or a percentage of the final sale price.</p> <p><b>Deposit:</b> The deposit is not payable until contracts are exchanged. You must make every effort to exchange contracts and complete the sale within the 60 day exclusivity period.</p>   | <p>Contracts of sale do not exchange immediately. On the fall of the hammer, both parties enter into an exclusivity period of 60 days, in which to exchange contracts and complete the purchase.</p> <p>You must make every effort to exchange contracts and complete the sale within the 60-day exclusivity period.</p> |

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.

## What if the property doesn't sell?

If the property you were bidding on 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 may still have the chance to buy the property.