



SELLERS GUIDE

This guide has been published by Phillip Arnold Auctions to give a brief guide to prospective buyers as to how the auction process works. This method of sale is becoming increasingly more popular and auctions now account for a significant number of all property sales. It is generally a faster process than the normal private treaty method of sale. If a property is sold by auction, that literally means that IT IS SOLD.

The team at Phillip Arnold Auctions is always available to answer questions that may not be covered in this guide. We can be reached at our offices by emailing info@philliparnoldauctions.co.uk or calling **020 8799 3880**.

What is auction?

The process is very similar to the normal method of private treaty. However, for an auction sale the seller and their solicitor carry out all the necessary paperwork and legal investigations prior to the auction. Subject to the property receiving an acceptable bid, the property will be 'sold' on auction day with a legally binding exchange of contracts and a fixed completion date.

SELLING AT AUCTION

Why sell by public auction?

For the vendor there is the advantage of speed and certainty. A reserve price is set prior to the sale, which is the minimum price at which the property will be sold. The gavel will fall when the highest bid is reached at or in excess of that figure. This is the point that contracts are legally exchanged and completion is normally set 28 days thereafter. Waiting for the buyer to complete the purchase process is eliminated under auction conditions - if the property sells at auction, it is legally sold. The price is set and neither party can change their mind once the gavel has fallen.

How is the price set and on what terms?

Selling at public auction can often achieve a premium with competition for the property and the excitement of the auction room all working in the seller's favour. The property is marketed with a guide price that is purely an indication of a likely figure that would attract interest and that the property may achieve. After analysing the interest through a detailed marketing programme, the 'reserve price' is set with you.

This figure needs to be competitive to ensure a sale is achieved, and can be exceeded. All legal documentation and essential information is available to the buyer prior to the auction in order that the buyer accepts the terms or will not choose to bid for the property. The terms are non negotiable within the auction process: the buyer buys what they see and on the basis of the background information provided.

What types of buyer attend the auction?

Auction sales attract only serious buyers who can perform on the day by paying a 10% deposit and exchanging contracts there and then. There are investment buyers, corporate buyers and private individuals within the room. An auction does attract tremendous interest and excitement. The aim of the auction process is to sell the property on the day and to provide assurance that if someone bids at an acceptable level, they will be serious about buying.

How is the property marketed?

Phillip Arnold Auctions have invested heavily in technology. This, added to our extensive knowledge and expertise, provides a high profile marketing programme and ensures a vast audience is targeted to ensure that every lot we offer has the best chance of being sold at the highest possible price.

Our marketing also includes:-

- Distinctive on-line auction catalogues with colour photographs, essential information and property details.
- High profile advertising in national and regional publications.
- Website advertising through our own website and also other web marketing portals such as Rightmove and Zoopla.
- Marketing through the Essential Information Group database which has thousands of regular auction buyers.
- Promotion to an extensive buyer database by phone, post and e-mail
- Our on-line catalogues distributed electronically to investors, developers, solicitors, banks, accountants, private individuals and adjoining property owners and available to download from our website.
- Unique sale boards

Phillip Arnold Auctions will also attract additional buyers through recommendation and via past clients whose details are held on a database.



What types of property are suitable for auction?

There is strong demand for all types of properties offered at auction. These may be properties requiring updating, those with short leases, development sites with or without planning permission, repossessions, forced sales, investment properties, ground rents, probates, receivership sales and local authority properties.

However, any type of property can be sold at auction and initially, the property will be inspected to discuss specific criteria and the current situation. Extensive research will be carried out and advice offered as to whether auction is the appropriate method of sale.

What is the timeframe for an auction sale and what happens next?

Regular residential auction sales are held each year. The latest date for entering property for an auction is five to six weeks prior to the auction. Once the marketing agreement has been signed, the property will be placed in the catalogue and a board erected. The marketing campaign will reach a much wider audience than through selling by private treaty.

Each seller's legal representative will be contacted to obtain a legal pack, which the seller must produce. This pack should generally include office copy entries and plans, the local search, leases (if applicable) and any other relevant documents. All properties at auction are sold under the General Conditions of Sale and, with the legal pack, also require any Special Conditions of Sale to be attached. These are matters that are relevant solely to the lot being sold.

The marketing period starts five to six weeks before a sale. The details of all the lots to be offered in the next sale, including colour photographs of each property, viewing arrangements and any other relevant information will then be published. A few days prior to the auction, the reserve price will be agreed.

What happens on the day?

Phillip Arnold Auctions' auctions will be held at a West London venue. The advertising campaign, combined with Phillip Arnold Auctions' reputation will always attract a large number of people. The lots will be offered and the bidding taken to the highest possible level and once the gavel falls, the contracts will be exchanged.

The buyer purchases the property at the price they bid - this cannot be negotiated and the stipulated terms cannot be changed. The buyer will then pay 10% of the purchase price on the day and completion occurs 28 days later. The funds are then returned to the Seller's solicitor less the fees of Phillip Arnold Auctions.

The atmosphere of an auction room can be extremely exciting and competitive and it is often the case that an interested party will bid in excess of the figure that had previously been set as their maximum. In some cases, the prices achieved at auction can be higher than those achieved by private treaty.

What happens if the property does not sell on the day?

If the property fails to reach its reserve in the room, someone may still wish to buy it after the auction. Offers will always be presented to the seller for consideration, and it is common practice for properties to be sold under auction conditions after the sale.

The contents of this brochure are the copyright of Phillip Arnold Auctions and cannot be reproduced without written permission.