Guide

Guide to Buying and Selling at Auction

By See It Here First

SEE IT HERE FIRST.co.uk

In partnership with:

Auction House
COVENTRY & WARWICKSHIRE

Contents.

Introduction.

Property auctions have become an increasingly popular way to buy and sell homes in the UK. Once mainly associated with renovation projects and investment opportunities, auctions are now used for everything from family homes and probate properties to vacant properties and buy-to-let investments.

For buyers, auctions can offer speed, transparency, and the chance to secure a property at a competitive price. For sellers, they can provide a fast, secure sale with a fixed timeline and reduced risk of a transaction falling through.

Unlike a traditional property sale, auctions work to strict deadlines. When the hammer falls, contracts are usually exchanged immediately and the transaction becomes legally binding. This creates certainty for both parties, but it also means preparation is essential.

In this guide, we'll explain how property auctions work, who they are best suited for, the benefits and considerations of buying or selling this way, and what you should know before getting started.

Buying at auction

Who Is Buying at Auction Best Suited For?

Buying at auction can suit a wide range of buyers, including:

- Property investors looking for renovation or buy-to-let opportunities
- Cash buyers who want a faster purchase
- Buyers searching for unique or unusual properties
- Developers looking for land or refurbishment projects
- Buyers comfortable making decisions quickly
- People willing to carry out thorough research before bidding

Auction properties are often sold because the seller wants speed and certainty, or because the property may be difficult to sell through a traditional estate agency route.

This can include properties requiring renovation, homes with legal complications, short leases, non-standard construction, or probate sales but they don’t need to meet these criteria.

Benefits of buying at auction

Speed and Certainty

One of the biggest advantages of buying at auction is the speed of the process. In a traditional auction, contracts are exchanged immediately once bidding ends, and completion usually takes place within 20 working days or around 28 calendar days.

This removes much of the uncertainty associated with traditional property transactions.

Transparency

The bidding process is open and transparent. Buyers can clearly see competing bids and know exactly what they are offering.

Potential Opportunities

Auction properties can sometimes sell below market value, particularly if they require work or have been difficult to finance traditionally. Competitive bidding can still push prices higher, but buyers may find opportunities not available on the open market.

Access to Unique Properties

Many unusual, vacant, unmortgageable, or refurbishment properties are sold at auction because they may not suit a standard private treaty sale.

Things Buyers Should Consider:

Buying at auction moves quickly, so preparation is critical.

The Sale Is Legally Binding

In a traditional auction, once the hammer falls, contracts are exchanged immediately. If you later pull out, you could lose your deposit and face additional legal costs.

Finance Must Be Ready

Buyers usually pay a 10% deposit on the day and must complete within the agreed timescale. Mortgage buyers should ensure finance is arranged in advance, as delays can cause serious issues. Bridging finance is sometimes used for auction purchases.

Guide Price vs Reserve Price

The guide price is used as a marketing tool and may not reflect the final selling price. The reserve price is the minimum amount the seller is willing to accept and is usually confidential. In many cases, the reserve price sits within around 10% of the guide price.

Additional Costs

Buyers should also budget for:

- Solicitor fees
- Surveys
- Stamp Duty Land Tax
- Auction administration fees or buyer premiums
- Renovation costs
- Insurance and holding costs

How Buying at Auction Works

1. Search for Suitable Properties

Auction houses release catalogues several weeks before the auction date. Properties may be sold in-room, online, or through livestream auctions.

2. Arrange Viewings and Research

It's important to inspect the property carefully and understand its condition before bidding.

3. Review the Legal Pack

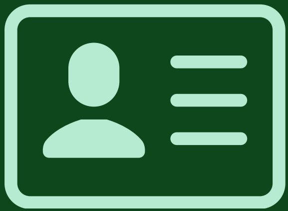
The legal pack contains important documents such as:

- **Title information**
- **Searches**
- **Special conditions of sale**
- **Lease information (if applicable)**

Many buyers ask a solicitor to review this before auction day.

4. Organise Your Finances

You should have funding agreed in principle before bidding and ensure you can complete within the required timeframe.



5. Register to Bid

Buyers usually need proof of identity, proof of funds, and registration with the auction house before bidding.

6. **Bid on the Property**

If your bid is the highest and the reserve price is met, the property is sold.

7. Exchange and Completion

In a traditional auction:

- Contracts exchange immediately
- The buyer pays the deposit
- Completion usually happens within 20 working days

Selling at auction

Who Is Selling at Auction Best Suited For?

Selling at auction is often ideal for:

- Sellers needing a quick sale
- Probate or inherited properties
- Vacant homes
- Properties needing renovation
- Unmortgageable or non-standard construction properties
- Land or development opportunities
- Sellers wanting certainty and a fixed timescale
- Landlords selling investment properties
- Sellers who’ve had a property fall through and now want to ensure thesale goes ahead

Auction can also suit sellers who want to avoid lengthy chains or reduce the risk of buyers withdrawing late in the process.

Benefits of selling at auction

Faster Completion

Auction sales typically complete much faster than traditional property transactions, often within 20 working days.

This can reduce ongoing mortgage payments, council tax, insurance, and maintenance costs.

Greater Certainty

When the hammer falls, the sale becomes legally binding immediately. This significantly reduces the risk of:

- Gazundering
- Buyer delays
- Sales falling through

Competitive Bidding

Strong buyer demand can create competition and push the sale price higher than expected.

Attracts Committed Buyers

Auction buyers are usually well-prepared and financially ready to proceed because they must complete within strict deadlines.

Things Sellers Should Consider

The Sale Timeline Is Fixed

Auction sales move quickly, which may not suit sellers who are trying to coordinate a purchase at the same time.

You Have Less Control Over the Buyer

The highest bidder wins once the reserve price has been met, so sellers have less flexibility in choosing who purchases the property.

Pricing Strategy Matters

Setting the right guide and reserve price is important. Pricing too high can reduce interest, while pricing competitively can encourage more bidders and stronger competition.

How Selling at Auction Works

1. Choose an Auction House

Your estate agent or auctioneer will assess whether auction is the right route for your property and recommend an appropriate auction house.

2. Agree a Guide and Reserve Price

The guide price is advertised publicly to attract interest, while the reserve price is the minimum figure you are willing to accept.

3. Prepare the Legal Pack

A solicitor prepares the legal documentation buyers will review before bidding.

The legal pack contains important documents such as:

- Title information
- Searches
- Special conditions of sale
- Lease information (if applicable)

4. Marketing Period

The property is marketed for several weeks leading up to the auction. Viewings take place and buyers complete their research.

5. Auction Day

Bidders compete in real time online, over the phone, or in the auction room. If bidding reaches the reserve price, the highest bidder secures the property.

6. Exchange and Completion

Contracts are exchanged immediately and the buyer pays their deposit. Completion then takes place within the agreed timeframe, typically around 20 working days.

Considering selling your property at auction?
Book an auction valuation below:

Book auction valuation

Final thoughts.

Property auctions can offer an effective alternative to a traditional property sale or purchase, especially for buyers and sellers looking for speed, certainty, or opportunities outside the standard market.

For buyers, auctions provide transparency, fast transactions, and access to a wide range of properties, from renovation projects to investment opportunities. For sellers, they can deliver committed buyers, competitive bidding, and a secure sale within a fixed timescale.

However, auctions are not suitable for every situation. Because the process moves quickly and becomes legally binding immediately, preparation and professional advice are essential for both buyers and sellers.

Whether you're considering buying your next property at auction or exploring whether auction could help you sell faster and with greater certainty, speaking to an experienced estate agent, auctioneer, or solicitor can help you decide if it's the right approach for your circumstances.

- THE SEE IT HERE FIRST TEAM

SEE IT HERE FIRST