

Guide to Selling at Auction







Welcome to Killens

Selling a property by auction can be effective in achieving a quicker sale and getting a better price.

When I first started work in the property industry, I was heavily involved in the staging of traditional property auctions held in the local pub or village hall. Auction was considered the primary means of selling certain properties, especially agricultural land and development opportunities.

Since then, we have embraced modern technology to offer a range of auction options. As established auctioneers and knowing our locality well, we can provide expert advice on whether your property is suitable to be sold by auction.

We stage traditional property auctions and allow potential purchasers to bid live online providing them with an easier and less daunting way of buying. Alongside that, we also operate the "Modern Method of Auction" whereby properties

are listed for a period of time with the highest bid at the end of the auction winning.

Within Killens, we promote enthusiasm and a genuine refreshing approach. We recognise that many require a straight-forward service and that is what we strive to deliver.

I hope that this guide goes some way to explaining what we do and how we do it as well as answering any initial questions you may have. If you would like to hear more about our services just get in touch with one of our property auctions team.

Tom Killen
Partner



We conduct traditional auctions and the modern method of auction



The Benefits of Selling by Auction

Selling by auction can be really effective. Here are some of the benefits:

Quick timescales

Exchange immediately following a sale and set timescale for completion

Closure

A payment of a 10% deposit at the end of the auction

Great marketing

Intensive high profile marketing to campaign over 4 - 6 weeks to ensure that your property is visible and available to all potential buyers

Control and guaranteed price

You set a minimum price which protects you from selling for less than you want

Transparency

You can be confident that you have achieved the best price on the day





Is my Property suitable to be sold by auction?

A wide range of properties are suitable to be sold by auction including:

- ◆ Properties In Need of Modernisation
- ◆ Unusual & Unique Properties
- ◆ Rural Homes
- ◆ Agricultural Land
- ◆ Woodland
- ◆ Equestrian Properties
- ◆ Development Land
- ◆ Building Plots
- ◆ Retail Outlets
- ◆ Leisure Properties
- ◆ Offices
- ◆ Industrial Properties
- ◆ Garages & Parking
- ◆ HMO Properties
- ◆ Ground Rents
- ◆ Beach Huts
- ◆ Mooring Rights
- ◆ Redundant Properties

Certain situations may arise where the benefits of selling by auction, particularly in respect of achieving a quick and transparent sale, make selling by auction the best option. These include:

- ◆ Where it is difficult to gauge the true value of a property

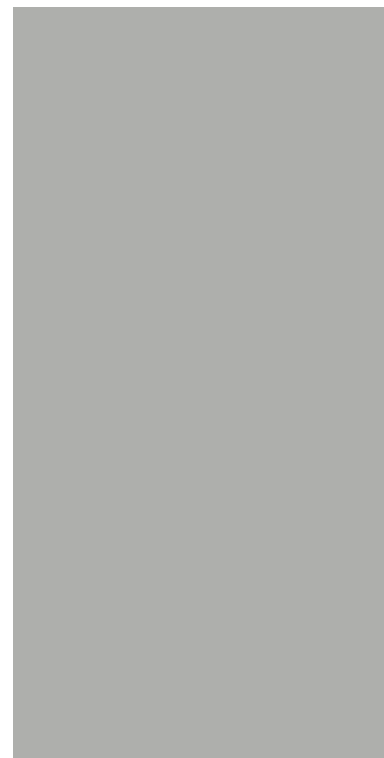
- ◆ A sale for probate or on behalf of trustees/executors
- ◆ Where a property has been marketed for some time
- ◆ A sale to satisfy divorce/separation proceedings
- ◆ Where there are financial difficulties or outstanding liabilities
- ◆ Properties with sitting or problem tenants
- ◆ Where sellers are emigrating or relocating

Sometimes the best advice may not to be offer a property by auction and to sell by private treaty or tender instead.

If you are considering selling your property, simply contact us to arrange a free appraisal. We will be delighted to advise whether your property is suitable for auction and, if so, to explain in more detail how the process works. If not then we would be equally delighted to offer the property by another method.



Simply contact us to arrange
a free appraisal



Our Auction Methods

We embrace modern technology in staging our auctions and we sell properties at auction either by traditional live auctions with online bidding or by the Modern Method of Auction.

Traditional Auction

A traditional property auction is a single event at which buyers bid for properties in real time, either in an auction room or online.

Sales begin at a starting price and are legally binding. The property is sold to the highest bidder on the day, as long as any reserve price is met. Exchange of contracts takes place immediately when the auction ends and the winning bidder has 28 days to complete the purchase. If they do not then the deposit is retained by the vendor.

The creation of the occasion and the atmosphere within the room can lead to highly competitive bidding and the best price being achieved on the day.

Modern Method of Auction

Through our partner, Bamboo Auctions, we offer properties online for a period of up to 6 weeks during which bids can be placed online. At the end of the auction, the highest bid wins.

Sellers can choose to operate on a traditional basis with buyers being required to exchange contracts at the end of the auction and pay a deposit of 10% or a conditional basis whereby the buyer pays a reservation fee at the end of the auction and is required to exchange within 20 days.

These online auctions can be effective as bids can be placed without any of the stress of participating in a live auction and prospective buyers have much longer to make a considered decision and place their bid.

Just like eBay, bids can be placed incrementally, or a maximum bid can be placed allowing the system to bid on your behalf to this figure.

Conditional online auctions are suited to certain properties and allow more time for buyers to complete a purchase. This provides time for a mortgage to be arranged if necessary and this opens up the bidding to non-cash buyers potentially significantly increasing the number of bidders.



How much does it cost to sell by auction

Some are deterred from selling by auction as they feel it will be costly but you will be surprised at how little it costs by selling at auction with Killens.

Auction Expenses

Most auctioneers charge an entry fee of up to £1000 for including your property into one of their auctions. You can enter your property into one of our auctions free of charge.

If a sale is successful, we will charge a sales commission to be agreed at the time of valuation, usually a % of the selling price. Some auctioneers charge as much as 2.5% but we are highly competitive.

Legal Pack

During the auction, potential buyers will need to view a legal pack providing full details of the property so that they are comfortable bidding and entering into a contract. Conveyancing solicitors generally charge up to £1500 and we can recommend solicitors who are experienced in handling auction properties.

Energy Performance Certificate

Your property may need to be marketed with an energy performance certificate being available for inspection. For residential properties, the cost tends to be in the region of £100 including VAT. For commercial properties, it can be higher. Once again, we can recommend companies who can prepare these and arrange for them to be obtained.





The Process - How does it Work?



The process of selling a property by auction is actually relatively straight-forward and, at Killens, we take care to guide our clients through it to ensure an enjoyable experience.

The process typically involves the following steps:

1. Appraisal

We will advise you in the normal way with a detailed inspection and carefully considered professional assessment of your property. We will advise on the best method of sale and the optimum strategy to produce the highest price sale outcome and to meet your other objectives. We will produce comprehensive marketing recommendations including proposed guide price, promotional initiatives and details of our terms of business.

2. Instructions to the auctioneer

Entering into an agency agreement protects your interests as well as ours and provides clarification on the following matters:

- detail of the property
- the auction details
- the agreed reserve price
- our charges
- how your property will be marketed
- what are your obligations as seller

3. Instruct a solicitor

It will be necessary to instruct a solicitor or licensed conveyancer to prepare the legal documents which will be made available to any potential purchaser so they can bid with confidence. These legal documents are a requirement when selling a property at auction in the UK. They cover the matters that would be addressed if you were to sell your property by private treaty in the normal way.

If you do not have a solicitor, we can put you in contact with those we recommend who have experience of handling auction properties.

4. Marketing

We will implement a campaign designed to create maximum demand for your property. As with all auctions, the generation of strong competitive interest is one of our principal goals.

5. The Buyers

We will reach out to the maximum number of potential purchasers and they can view the property and have discussions with us as your agents in the normal way. They can view property information online and their professional advisors can search through legal documentation.



6. Verification

Buyers are substantiated when they register and anti-money laundering checks are undertaken. Payment details are obtained to confirm that they are ready to bid.

7. Pre-Auction Offers

It is possible that you may receive pre-auction offers. A pre-auction offer is an offer made by a potential buyer to purchase a property before it goes to auction. Potential buyers may attempt to secure a property before it goes to auction hoping to avoid a bidding war with other interested parties.

For the seller, it offers the possibility of a quick sale and the certainty of a sale price, but each offer needs careful consideration and some form of security that the sale will proceed to a completion. We would recommend either exchange of contracts prior to the withdrawal of your property from auction or the payment of a significant deposit.

If an agreement is reached then the auction of your property will not go ahead.

We are obviously on hand to advise you and provide guidance on the scenario of a pre-auction offer.

8. The Auction

If your property is being sold by traditional auction then it will be offered on a date at our Mendip Auction Rooms. It will be possible for potential buyers to attend the auction and bid as well as follow the auction online and bid.

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A professional and
comprehensive
auction service

At the end of the auction, the property will be sold only if the reserve price is met or exceeded. At this point, contracts are exchanged and a deposit is paid. At this point, your property is officially sold. The details are provided to the solicitors acting on behalf of the seller and buyer so they can progress the sale to a completion.

If you are selling by the 'Modern Method of Auction' then your property will be offered for an agreed time period and up to the end of your chosen time period, you can watch as offers are made and recorded live. Last minute bids reset the timer back 5 minutes so that the bidding can continue to ensure the highest price is achieved.

At the end of the auction, if the auction is being held on a traditional basis then buyers are required to exchange contracts at the end of the auction and pay a deposit of 10%. If the sale is on a conditional basis, the buyer pays a reservation fee at the end of the auction and is required to exchange within 20 days.

9. Completion

Completion will be scheduled to take place within 28 days of the date of the auction in respect of traditional auctions.

Where a conditional online auction takes place, the buyer will be required to exchange contracts within 20 days and complete within 28 days thereafter.



Excellent Marketing



Global Promotion

The internet has changed property agency beyond recognition. Global marketing is now the norm. We promote our properties on the largest property websites including Rightmove, Zoopla, Primelocation, On The Market and numerous smaller ones specialist one too.



Advertising Widely

We achieve high profile advertising and outstanding levels of editorial coverage in national, regional and local publications. We advertise in many publications such as the Western Daily Press, Mid-Somerset Series and Chew Valley Gazette and are promoted on local radio stations.



Reaching London

London continues to be the engine room of the UK's property market and we are well set up for attracting London buyers through our offices in Park Lane.



Superb Literature

We take pride in the brochures and marketing literature we produce for you. Careful consideration is given by our teams to reflect the individual style of each property portraying the positive attributes. A quality brochure expertly presented and incorporating plans and excellent photographs remains one of the most effective marketing aids. We use drone photography and video tours.



Excellent Contacts

Being local agents, it is possible that we have a buyer for your property on our books already. As soon as we are instructed, we make contact with every suitable potential buyer prior to the commencement of the full marketing program. We undertake leaflet drops and also have excellent relations with local search agents.



Award Winning

Killens have been named by both the Daily Telegraph and the Sunday Times as one of the top small estate agencies in the UK.



We make contact with every suitable potential buyer

Actively Selling

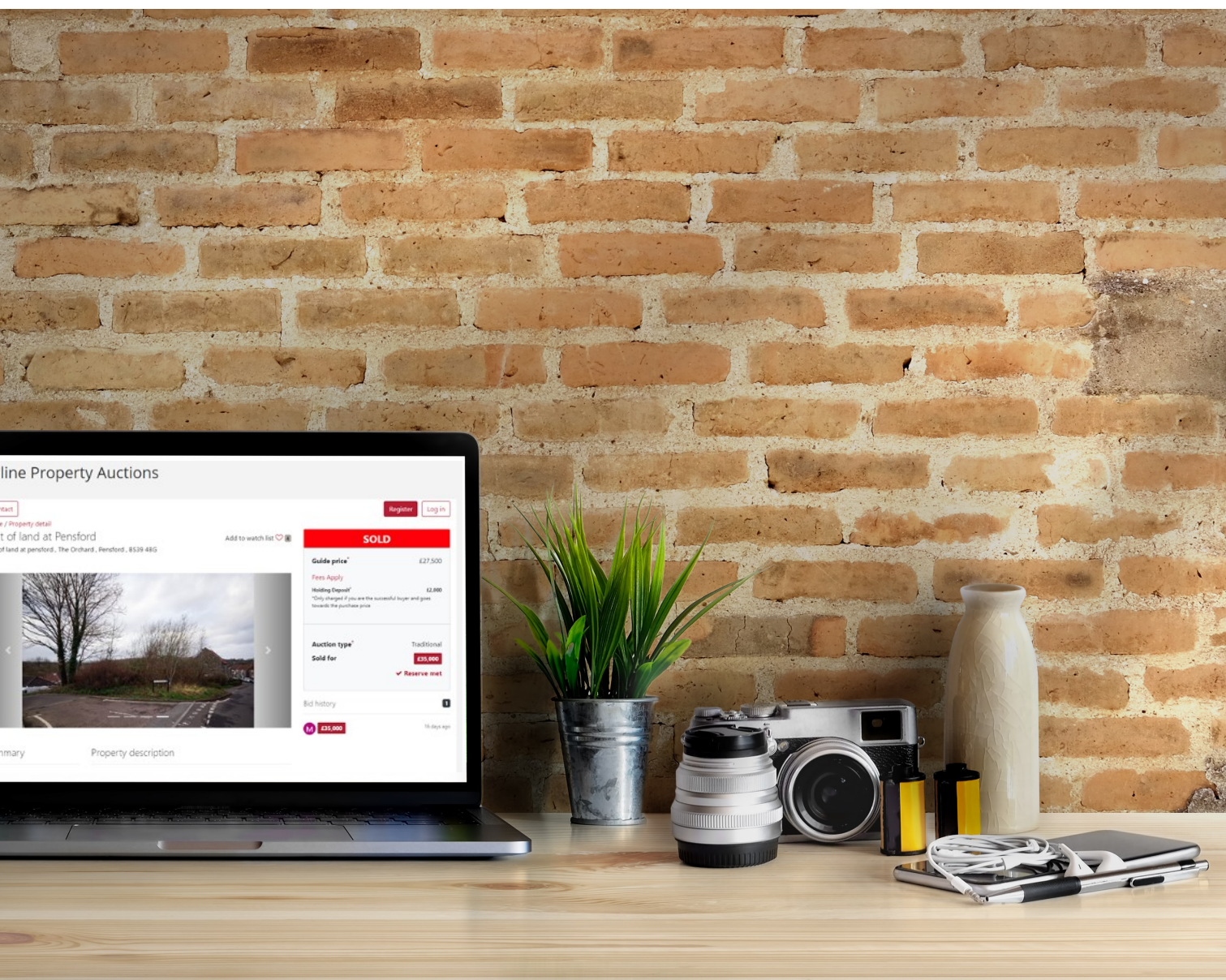
We take a proactive attitude in selling property and that makes a difference. Over the past 12 months, we have sold many properties in all sectors across the region and potential buyers recognise this and come to us to discuss their requirements.

Achieving More

Achieving a sale is great but ensuring the best price is key. We provide honest and straight-forward advice and consistently achieve more for our clients than other agents whose focus may be to simply gain an instruction and achieve a sale.



Honest and straight-forward
advice





Frequently Asked Questions

What is the difference between the guide price and the reserve price?

If a sale is to be achieved then setting realistic guide and reserve prices is key. The lower the guide price, the more interest is likely to be generated but it should provide prospective buyers with an estimated guide of the expectations of the seller and where the reserve is likely to be set. The reserve price is a confidential figure agreed between the seller and auctioneer prior to the auction below which the seller will not sell and the auctioneer can not sell.

How do I set a reserve?

We will discuss this with you when we undertake our appraisal and review the figure in the days prior to the auction.

Do I need a solicitor?

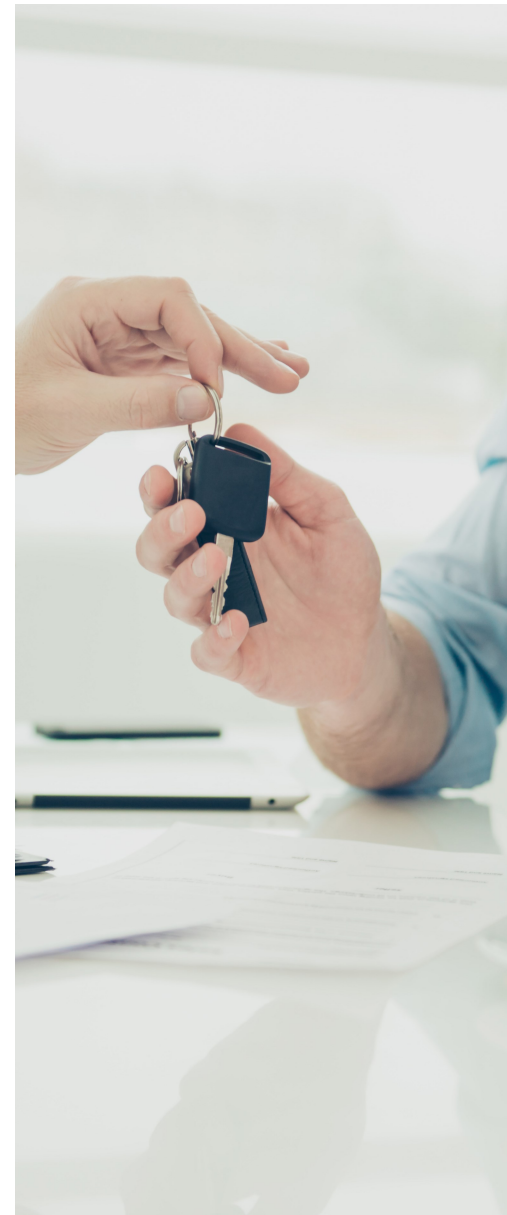
A property can not be offered for sale without a legal pack and this needs to be prepared well in advance of the auction and available to any prospective purchaser. This will contain special conditions of sale, title documents, leases, searches, planning documentation and office copy entries.

What if it doesn't sell?

If a property fails to sell at auction, we make it available to buy after the auction and offers received will be submitted to you and, should you accept, auction contracts will be exchanged immediately. If a sale is not concluded in this way then we can continue marketing your property by private treaty.

Can I withdraw my property from auction?

Yes, although you may be charged a withdrawal fee to reimburse us for any expenses incurred by us in promoting your property to that stage. We understand that you might have to withdraw your property, so we reserve the right to waive this fee in extenuating circumstances. Note however that if the auction period has ended and you receive a bid that is in excess of your reserve, you will be legally obliged to complete the sale of the property (if you select the traditional basis of auction).



Our Services



Country House Agency



Fine Art Auctions



Residential Agency



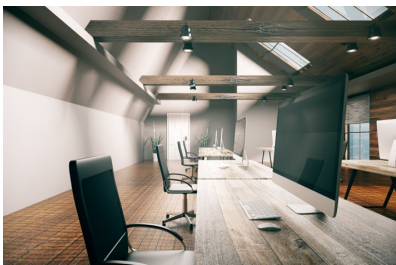
Residential Lettings



Property Auctions



Estate Management



Commercial Agency



Commercial Lettings



Valuations



Farms & Land Agency



New Homes



Equestrian Agency



Tenancy Advice



Compulsory Purchase



Planning & Development

Your Main Contacts


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The Property Professionals

