

# Going, going, gone.

Your guide to selling a  
property at auction.

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A U C T I O N



## What is a property auction?

A property auction is a process where interested buyers can bid on a property owned by a seller. The principle behind a property auction is very simple - whoever places the highest bid on the property wins!

It's not quite this straightforward, but it isn't much more complicated either. Property auctions have many advantages over traditional house sales for buyers and sellers alike.

One of the most important is the efficiency of a sale - when an auction ends, contracts are immediately signed, and the buyer has a short window in which to pay the purchase price of the property. This contrasts with sales through an estate agent, which can involve months of negotiations and delays.

## How do property auctions work?

Once an auction commences, buyers take turns increasing the highest bid incrementally. At some point, all but one of the buyers will drop out, leaving that final highest bidder as the winner. As long as the successful bid exceeds the reserve price set by the seller, they walk away with the property.

Property auctions can be electric, exciting affairs. Recently, many auction companies, such as Edward Mellor, have incorporated online auctions into their service. This allows buyers to get involved in an auction wherever they are in the world, whilst giving sellers a far greater number of potential bidders.

# Which properties are suitable for auction?

If you have a quick look through our current auction catalogue, you'll notice we sell a pretty much every type of property, in any condition, anywhere in the UK. From family homes, plots of land, refurbishment projects, shops, hotels, blocks of flats, city centre apartments and more much – you name it, we've mostly likely sold it.

There's a multitude of reasons why people choose to sell at auction, but we thought we'd list a few of the most common one's for you below.

## You need to sell quickly

There are moments in a homeowner's life when their circumstances call for a speedy sale. Perhaps you need to swiftly relocate for a new job, or you've spotted your dream home and don't want to risk losing it to another buyer. Regardless of why you need to sell quickly, we can help you secure a sale in a matter of weeks – we work to your timescales.

## You don't want to deal with hassle of a chain

If there's no upward chain and you're ready to move as soon as possible, selling at auction could be the perfect option for you. Our buyers must have their finances in place prior to bidding, meaning that they're in a position to buy your home as soon as the virtual gavel goes down. Auction sales are faff-free and ideal for anyone looking to avoid unnecessary delays associated with selling in a chain.

## You have an unusual property

If your property is a little unique, whether it be a commercial building or a flat, you can take advantage of this by letting other bidders compete for it. If just two bidders take a keen interest in your one-of-a-kind property, they can hike up the price – meaning you might sell it for a lot more than you'd hoped for.

## You've inherited a property

The loss of a loved one is always a traumatic and painful experience. During this time, dealing with practical matters might be the last thing on your mind. If you've inherited property as a result of a loss, you have the additional burden of dealing with it – which can be even more stressful if you're sharing with other beneficiaries. Selling at auction is not only straightforward but it removes the stress of a lengthy sale, so you can focus on what really matters.

At Edward Mellor Auction, we have a probate department that offers a unique service that and aims to try and take the worry of dealing with a property away from you and solve any issues you may have. We can help with all aspects of this process, from looking after it whilst you decided how you'd like to move forward, to marketing the property and agreeing a quick sale for you at a great price.

## Your property sale fell through

If your property sale has fallen through, and you're unsure of how to get back on track, we can help. Our online auctions take place every three to four weeks, so we'll be able to help you secure another sale in a quick timescale. The risk of a property falling through when selling at auction is virtually zero too. How? Because the moment the gavel goes down, the sale exchanges – meaning your buyer is contractually obliged to purchase your property.

# Selling a house at an online auction: step by step

If you've decided that a property auction is the best way to sell your asset, then you need to know what you're getting yourself in for. Just like with buying a property, there are various processes to understand and perform before you get to the auction day.

It doesn't matter if your property is going to an in-person auction or will be available for online bidding, the basic steps you'll follow are the same.

## Before Your Auction Date

For sellers, the main bulk of the work happens before bidding starts. Once you actually get to the auction room, everything else will take care of itself.

### Book a property appraisal

The first step on the road to the auction house is a property appraisal. During this procedure, your property will be professionally assessed to provide an estimate of its value. The appraisal will take a variety of factors into account, including size, condition and location.

Appraisals are important since every property is unique. This is particularly true for older or uncommon buildings, which are often sold at auction. An appraisal will also help you'd decide whether or not you want to commit to selling the property.

At Edward Mellor, we provide free appraisals for anyone looking to sell through our platform. Our expert valuers strive to make their appraisals as accurate and reliable as they possibly can.

### Agree on a price and set a reserve

Following an appraisal, the next step is to agree on a desired sales price. This price will typically be based on the appraisal value, but there is room for movement. It's important that the seller and auction house agree on the desired price so that everyone can try their best to make it happen.

The seller can then set a reserve price for some extra peace of mind. This figure is set separately to your marketing price to ensure you reach a value you are happy for the property to sell for. Choosing the minimum price you're willing to accept is somewhat of an art, and your auction house should have the experience to help you out.

### Set a time frame

As the seller, you'll also have the power to decide how soon you want your property to go to auction. If you're keen on a quick sale, then you can get your property into the first available auction. On the other hand, if speed isn't a concern, then you might wait to sell at the best possible time.

Waiting to sell your property could give it time to gather more attention and potential buyers. However, it could deter buyers who are looking to secure a property quickly. Balancing this can be a difficult task. Whatever your time frame, an auction house should always be able to accommodate you.

### Discuss the legal side

Selling a property at auction is, at its heart, a legal process. Put simply, you are handing over the ownership of an asset to another person, in exchange for an agreed sum of money.

## Your property isn't selling on the open market

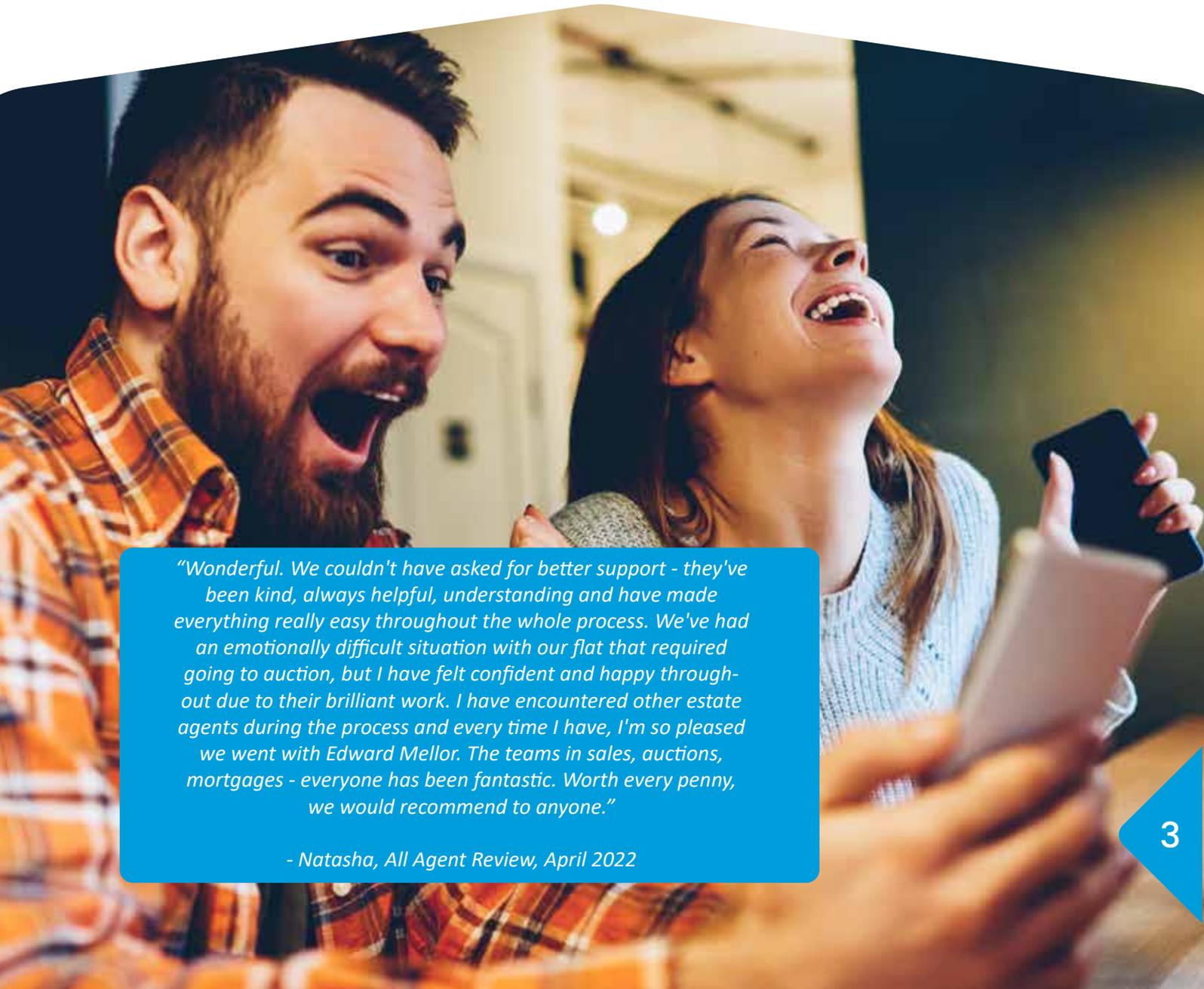
Has your home been on the open market for a while with little to no interest? Have you already tried everything from dropping the price to refreshing the listing? Before you think about switching agents or giving up hope all together, it might be time to consider selling at auction. At Edward Mellor Auction, our marketing is designed to get your property seen by millions of potential buyers and help you secure a quick sale at the best price.

## Your property needs a lot of work

If you're trying to sell something that's in need of a lot of love and attention, then you might be wondering whether you'll be able to find a buyer. Maybe you're trying to sell family home that hasn't been updated since the 80's or you want to see the back of that project you never had time to finish. Either way, there's one place buyers go to snap up properties like this – auction.

A lot of buyers are looking for properties that they can completely transform, which means you won't have the deal with the hassle of getting your home ready for sale. You'll also be able to avoid buyers trying to haggle to compensate for any additional work by selling at auction.

**Do you have similar reasons for selling? Then our online auction could be perfect for you!**

A photograph of a man and a woman laughing joyfully. The man, on the left, has a beard and is wearing a plaid shirt. The woman, on the right, is wearing a light blue sweater and holding a smartphone. They are both looking at the phone with expressions of surprise and happiness.

*"Wonderful. We couldn't have asked for better support - they've been kind, always helpful, understanding and have made everything really easy throughout the whole process. We've had an emotionally difficult situation with our flat that required going to auction, but I have felt confident and happy throughout due to their brilliant work. I have encountered other estate agents during the process and every time I have, I'm so pleased we went with Edward Mellor. The teams in sales, auctions, mortgages - everyone has been fantastic. Worth every penny, we would recommend to anyone."*

- Natasha, All Agent Review, April 2022



As a result, there are various legal proceedings to complete and contracts to draw up before a property can go to sale.

For the legal side of things, your best bet is to reach out to an experienced property solicitor. They will assist with the preparation of your property's legal pack and any other processes that need to take place before auction day. At Edward Mellor Auction, we have a highly experienced solicitor on hand who can deal with the entire process for you.

### Pay your entry fee

To get your property featured in an auction, you will have to pay an entry fee. This fee isn't always due prior to the auction though, and you may be able to negotiate with your auction house to pay the entry price after the property has sold.

The entry fee covers the cost of any advertising that the auction house undertakes on your behalf. The auction house will typically market your property on property portals and their own websites. At Edward Mellor Auction, we advertise everywhere buyers look and utilise a variety of marketing tools to help you achieve maximum market value. These include virtual tours, target emails, social media advertising, and more.

## Is selling at auction risk-free?

Yes! There are plenty of steps that have been put in place to protect you as a seller at auction.

### Security: The Reserve Price

Your reserve price is the minimum amount your prepared to accept at auction. If your property doesn't hit the reserve price on the day, it won't sell – it's that simple. By setting a reserve, you can sell with confidence knowing that your property won't sell for anything less than you want to achieve.

## Certainty: Exchange Contracts on Auction Day

There's no need to worry about your property falling through at auction – this virtually never happens because there are financial consequences for the buyer. As we've mentioned before, once the hammer goes down, the sale exchanges, meaning the successful bidder is contractually obligated to buy your property. In both unconditional and conditional sales, the buyer's reservation fee is non-refundable - so, if the sale does fall through you'll receive the deposit.

Another reason fall through rate in an unconditional auction is practically no-existent is because all buyers must have their finances in place before they start bidding. In a conditional auction, they have a little longer to get their finances in place, but all of our auctions are unconditional.

## Costs associated with selling at auction

Selling fees and entry fees are the main costs associated with selling auction, and these depend on the auctioneer you use. At Edward Mellor auction, we have a variety of different options, including no sale, no fee, which we can talk you through. We're here to tailor our approach to help you achieve the best outcome.

You'll also need to instruct a solicitor or conveyancer to handle the legal side of selling your home, so you'll need to consider these costs too.

# What happens on auction day?

The big day is finally here, and it's time to sell your property. You might be wondering what's in store, so we'll walk you through what to expect from our online auction.

## An Online Auction

At Edward Mellor auction, we host successful online sales every three to four weeks. These take place over a two-day period, meaning buyers can bid on properties on our website from the moment the auction opens at 12pm, up until the lot they're interested in closes 24 hours later. Your property listing will have a closing time featured on the online auction widget so that buyers know how long they have left to bid on it. This time could change slightly if any of the lots prior to yours run over, so it's worth keeping your eye on the closing time on auction day. If a bidder has shown interest in your property, we'll also send them a reminder via email that your lot is set to close soon so that they don't miss out.

As all of the bids take place on the auction widget on our website, you have full visibility of the bids taking place on your property. We recommend that you keep checking back on your lot the day the auction is set to close so that you can catch all of the real-time bidding – it's all very exciting.

## What happens when your property hits its reserve?

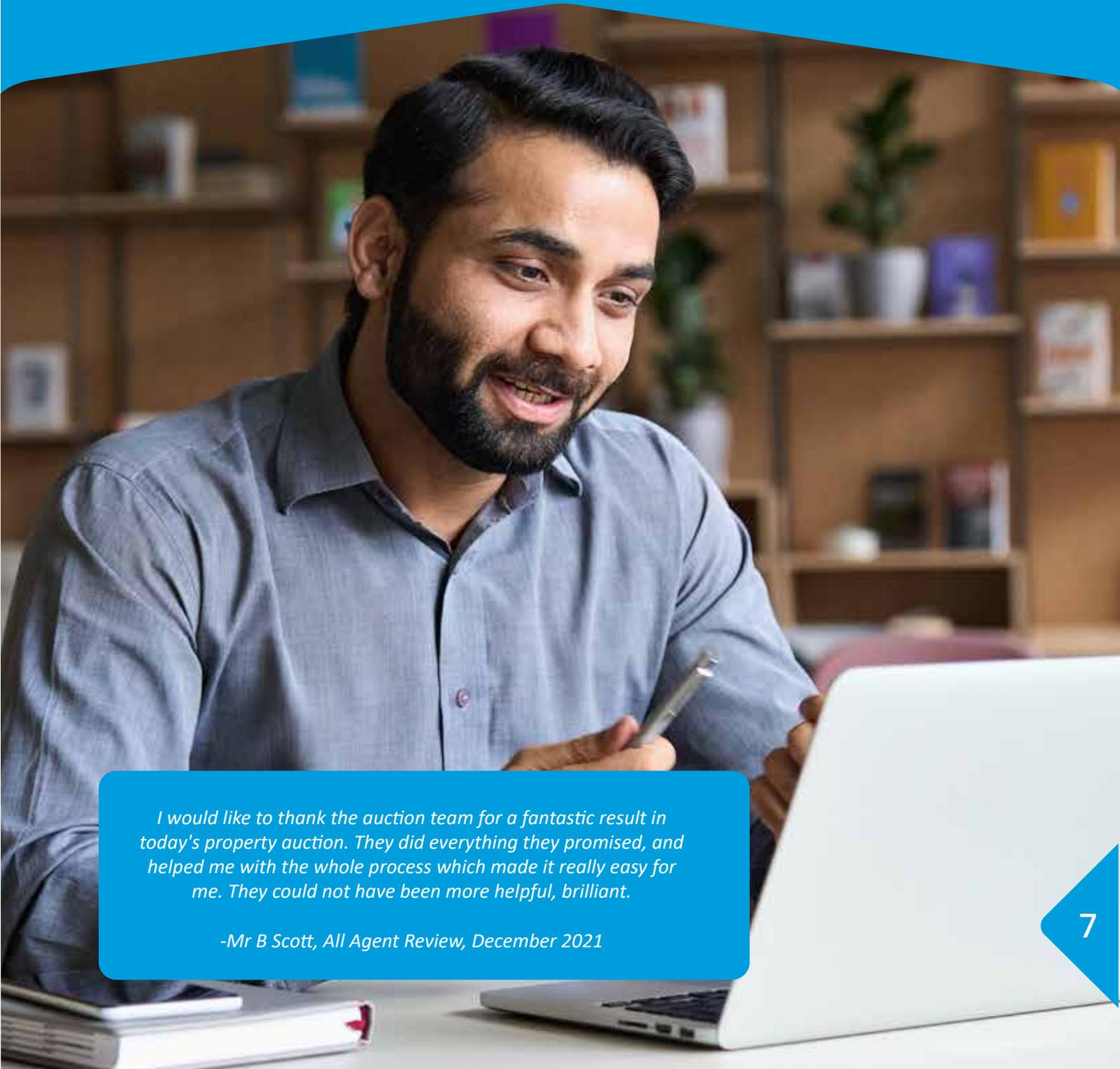
Once your reserve price has been reached, you can sit back and relax knowing that your property has now sold – and any additional bids are a bonus. If bidders are still battling it out for your property after your lot has closed, it'll add a 30 second extension to each new bid. This will continue until there is only one bidder remaining, who will have offered the highest price.

The widget will then process the final bid and display the price on the widget. From the moment, contacts are automatically exchanged, entering both you and the winning bidder into a legally binding contract. The buyer then has to pay the deposit on auction day and the sale will complete 15 days later, unless you have agreed an alternative completion date.

### What happens if your property doesn't hit its reserve?

Your property won't sell if it doesn't hit its reserve price, even if it's received multiple bids. Your reserve price is there to protect you and make sure you don't sell more any less than you want to achieve. If your property sold after the auction has ended, our team will automatically enter your property into the next auction (at no extra cost of course), unless you instruct us not to.

They'll also work hard behind the scene to secure a post auction sale for you. A lot of properties that don't sell at the auction get snapped up later that day, so there's no need to feel disheartened if it doesn't sell online.



*I would like to thank the auction team for a fantastic result in today's property auction. They did everything they promised, and helped me with the whole process which made it really easy for me. They could not have been more helpful, brilliant.*

*-Mr B Scott, All Agent Review, December 2021*



## Why do people sell at an online auction?

From wanting to take advantage of the worldwide buyer pool to achieve maximum market value to the 28-day completion time, there are plenty of reasons why people choose to sell at auction. Here's just a handful of reasons why selling at auction has become so popular:

### Larger pool of buyers

For sellers, the main benefit of an online auction is being able to access a larger pool of buyers. The more potential bidders there are, the more likely your property will sell for a high price. Online buyers can tap into an auction from anywhere in the world and you could have thousands of people participating in your auction.

Since many auction centres run online auctions parallel to in-person events, there'll also be in-person bidders to add into the equation. In summary, if you're looking for the biggest audience for your property sale, then you need to find an auction with an online element.

### Easy exchange of contracts

Traditional property auctions are already famed for their unconditional sales and simple exchange of contracts. Online auctions take this even further though by completing this process automatically. As soon as the hammer goes down, the online platform will automatically send a digital contract to the buyer.

### Quick and easy sales

Put simply, online property events take everything that's great about a traditional auction and make small but meaningful improvements. An online auction is by far the easiest and fastest way to sell a property.

# Why choose Edward Mellor Auction

With over 20 years of experience in the auction industry, we're in a great position to help you get the most out of your property. Transferring our service to the digital world has dramatically increased the buyer pool, giving your auction properties the best chance to reach their potential.

Our proven history of success has resulted in a strong community of clients that wouldn't go anywhere else to sell or buy property. With a focus on powerful advertising and no-nonsense sales, you get the perfect combination of estate agent publicity and auction simplicity.

Whether you are a buyer or seller, Edward Mellor will ensure that your auction experience is as seamless as possible. To learn more about our services, don't hesitate to get in touch today.

## Different types of auction

We've briefly mentioned the two types of auction earlier in this guide, these are unconditional and conditional - also known as the traditional and modern method.

### Unconditional auctions, the traditional method

This is the better-known route. You'll exchange contracts with the successful bidder immediately after the auction ends. The bidder must then put down a deposit on your property and pay any fees the day of the auction too. You will then complete 28 working-days after the contracts have been exchanged.

### Conditional auctions, the modern method

The modern method is the same as the traditional method in most ways but has a couple of key differences. When the auction ends, the successful bidder must pay a reservation fee to secure your property which is non-refundable. The buyer and seller are then given 28 days to exchange their contracts. After this has occurred, the buyer is then granted a further 28 days to pay the full purchase price.

The purpose of the modern method is to give buyers more time to contact mortgage lenders to finance the property they successfully bid on. Under the traditional approach, buyers have to have a finance plan set up before bidding in the auction.



Take the first step to selling your property  
for the best price in a fast timescale.

Call 0161 532 5934 and start your auction  
journey today!



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