



Our Guide to Online Property Auctions

FREE downloadable guide



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Going, going, gone! Whilst there's a good chance you'll have a vague understanding of how traditional auction room environments work - lots of hustle and bustle alongside a wildly gesticulating auctioneer - things have changed recently. And for the better!

The introduction of online property auctions means that bidding on a property that you've got your eye on, from the convenience of your own phone screen, couldn't be easier!

But how *exactly* do online property auctions work? How do you bid? What's a reserve price? A guide price?

We've put together this comprehensive guide of everything you need to know about buying a property at an online property auction...

What is an online property auction?

An online property auction is conducted over the internet and is delivered through a web-based platform, rather than at a physical location. Online auctions allow buyers to view images and videos of properties, bid on them, and buy them, all from behind their computer or phone screen.

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Absolutely Brilliant

"Fantastic service from this company. Always there from start to finish. Best of all, we got a fantastic price in the auction. Absolutely brilliant!"

Trusted customer



What are the benefits of a Pearson Ferrier online auction?

Online property auctions come with a very unique set of benefits to both buyers and sellers alike. Let's take a look at some of the top benefits of buying your next property at a Pearson Ferrier online auction...



A faster turnaround time

The process of buying and selling a property at auction is considerably quicker than the regular process. The average sale at auction is completed and finalised in just **28 days**, whereas it's **129 days** for a property sold outside of auction!



Transparency

You'll be able to see the other bids on the property you've got your eye on in real-time. Rather than having to wait anxiously to find out if your offer is accepted, you can clearly see whether someone has outbid you or not.



Fairness

There's no pressure or rush to get your offer in first, as there is with more traditional buying methods. Instead, the auction will be open for a predetermined amount of time, and the highest bidder will be accepted as soon as the auction closes - giving you plenty of time to outbid the competition and get the property you want!



Reliability

At an unconditional online auction, contracts are signed as soon as the auction closes. The vendor and the bidder enter a legally binding contract that guarantees the exchange of the property. If you're the highest bidder, this should bring you reassurance that the transaction will go ahead - and won't be pulled out of at the last minute, which happens frequently with traditional residential property sales.



Getting registered for the auction

Step 1 - Register your details

In order to bid at a Pearson Ferrier online auction, you will need to verify your identity by uploading a copy of your photo ID (e.g. driver's license or passport) as well as a recent proof of address (dated within the last three months). You'll also need to verify your email address and contact details. Once you've done this, we'll ask you to accept the terms and conditions - and then register the credit or debit card that you'll be using to make bids.

Step 2 - Auctioneer Review

Once you've registered all of your details, the team at Pearson Ferrier will review your registration to bid. Here we'll electronically verify your identity with a credit reference agency (using a soft check - which doesn't affect your credit score). If we do need any further information from you, then we'll be in touch at this stage!

Step 3 - Browse the properties you're interested in

In the weeks and days running up to the auction, you'll be able to keep an eye out for properties that you're interested in and add them to a "watch list". Here you'll be able to click through photographs and videos of the properties up for auction, as well as access the legal packs for each property.

Step 4 - Do your due diligence before bidding

For properties you are particularly interested in, we recommend, where possible, viewing the property in person and taking professional advice regarding its suitability before the auction begins. You should also thoroughly read and understand the legal pack and any other documentation provided.

Remember

You are entering into a financial commitment that you will be liable for, should you be the successful bidder on a property - so take this seriously!

Step 5 - Stress-free bidding from the comfort of your home!

Now for the fun part. Let the bidding begin!

The day of the auction - how does bidding work?

Choosing the bid amount

On the day of the auction, you will be able to place bids in line with the predetermined bid increment levels, using the bid increase (+) and (-) buttons provided. We've got precautions in place to ensure that bids aren't placed accidentally or by mistake - and you'll always be asked to confirm the details before placing a bid.

Selecting a maximum (proxy) bid

You are not restricted to placing a bid at the minimum bid amount - instead, you can increase your bid and place a maximum (proxy) bid in the system. By setting a maximum bid, the system will automatically bid on your behalf to maintain your position as the highest bidder, up to the maximum bid amount you have selected. If you are outbid, you will be notified via email so you can opt to increase your bid if you wanted to.

Reserve prices

Almost every property we will be selling is sold with a 'reserve price'. This is the minimum price that the auctioneer is authorised to sell a property for - which offers the seller financial protection and security.

What if your bid is below the reserve price?

The system will place an immediate bid at your maximum bid amount, if this is below the property's reserve price - you could still be the highest bidder, however, once the auction closes, **the transaction will not complete**. The system will notify you if you are outbid.

What if your bid is at or above the reserve price?

The system will automatically increase your bid to be at the reserve price, but will only bid again on your behalf if you are subsequently outbid by another bidder (up to your maximum bid amount).

If another bidder has already placed the same maximum bid or higher, they will be the highest bidder. The system will notify you of this via email, so that you can place another bid.

Remember

Your maximum bid is kept completely confidential and cannot be seen by the auctioneer, vendor or any other bidder.

You're the highest bidder, and you've won - what next?

If you're the highest bidder of a property - you are entered immediately into an unconditional contract. This means that there has been a legal exchange of contracts between yourself and the vendor. Therefore, both parties are legally bound to complete the transaction - usually within 20 days following the close of the auction, however, this will be confirmed in any legal documentation.

We will be in touch with you following the online auction to explain this process and discuss the next steps required from you. The system will take the security bidder amount from your registered credit or debit card - and copies of the contract will be signed on your behalf, before being sent to your solicitor and the seller's solicitor. Once this process has been completed, the property is yours!

Breaking down the jargon

The process of an online auction might seem a little daunting if you've never participated in one before, but they're quite simple really. You might have seen some words thrown around here and there and not quite be sure what they all mean. Fear not, because here's a glossary of any terms you might need to be aware of!

Vendor

The Vendor is the name given to the seller of the property. They may not necessarily own the property outright, as they may still have a mortgage with the bank - however with the bank's permission, they have the right to sell it.

Auctioneer

The Auctioneer here at Pearson Ferrier is our dedicated Property Auctions expert, Simon Harvey. As an auctioneer, his role is to manage and oversee the property auctions.

Reserve Price

The reserve price is the minimum figure that the Auctioneer is currently authorised to sell the property for - this is set by the Vendor. Please note that the Reserve Price is liable to change throughout the course of marketing. The Auctioneer reserves the right to lower the Reserve price during the auction to a level that matches the existing highest bid.

Guide Price

A guide price is an indication as to where the Reserve Price is currently set at. It is not necessarily what an auctioneer expects to sell the lot for, and should not be taken seriously as an estimate of sale price. The reserve will not exceed the Guide Price by more than 10%.

Conditional Auctions

At a conditional auction, no legal contract is formed between the highest bidder and the vendor, meaning there is no legally binding agreement that the transaction has to take place.

Unconditional Auctions

At an unconditional auction, there is a legally binding contract between the bidders and the vendors which means the highest bidder will take ownership of the lot for sale, for the price agreed upon within the framework of the auction. This is an unconditional, legal contract.

Reasons to use a Pearson Ferrier Auction to find your next property:



1. We've 25 years' worth of experience

With **over 25 years' worth of experience** in property sales and as estate agents, there's no team better equipped to conduct a fair, well-organised and quality-checked auction. You're in safe hands with us!

2. We only ever offer Unconditional Auctions

Choosing to invest in a property is a big decision, and by the time you've done your research and due diligence on the lot you've had your eye on, set your maximum (proxy) price and ensured you're the highest bidder - the frustration of a transaction not being completed because the vendor changed their mind can be difficult to deal with. **For that reason, we only ever offer Unconditional Auctions - meaning you'll always get what is fairly yours.**



3. They're the perfect solution for property investors

If you're a property investor looking to **expand your portfolio**, online property auctions are a great way to be able to do this, at a fraction of the time (and often cost) that you would find looking on the regular real estate market.



4. A great chance to find some hidden gems

Auctions are a great chance to find some hidden gems! Our online property auctions are often an excellent way to get your hands on unique properties and investment opportunities that you may not find on the normal market!



5. A fast, simple and seamless experience

Our team at Pearson Ferrier have worked hard to ensure that our online auctions are carried out as **seamlessly as possible**. From registering your interest, registering your details, browsing the properties and placing bids - we've made sure to keep things as simple as possible for you.



If you'd like some advice or guidance on how to take part in our next online property auction please give Simon a call on **0161 764 4440** or email us at **auctions@pearsonferrier.co.uk**.



Contact our experienced Auctions team for more information
0161 764 4440 or **auctions@pearsonferrier.co.uk**