



Buying at Auction

Buying property at auction can be an extremely exciting and financially shrewd way of buying property and is becoming increasingly popular. I'd like to think that over 5 years and 350 episodes of 'Homes Under the Hammer' has something to do with this!! It may also be a strategy that you might wish to employ to sell your properties, but first I'm going to look at the process of buying property at auction.

It goes without saying that I've obviously visited more auction properties than I've had hot dinners, so I've seen people do it the right way – and also get it horribly wrong.

The Case for Buying at Auction

One of the main reasons that property developers go to auctions is that you can get some great deals – and even though they are becoming harder to find, you can still potentially save a great deal of money by buying at auction. One analysis suggested that 90% of 'cheap' properties are sold at auction – so if you are looking for bargains, you should definitely be scouring the auction catalogues. Mortgage lenders often put up their repossessed properties for sale at auction, usually at deliberately reduced "reserve" prices to ensure they sell quickly. It is also usual to find probate properties and local authorities and housing associations also tend to sell their housing stock at auctions for similar reasons - they all want a quick sale. The good news about the latter, is that government departments and housing associations have a lot of flats/houses 'on their books' and probably don't value them as much as you might. They basically just want to get rid of them and recoup money as fast as possible.

The other good news is that if you are successful at bidding at an auction, you know the property is yours as soon as the hammer falls and that you won't have to wait any longer than 28 days in order to be able to complete and pick up the keys. On the fall of the hammer, you are legally committed to the purchase and in effect, that final winning bid acceptance becomes the 'exchange of contracts' and you cannot pull out of the completion. It also, of course, means you cannot be gazumped, nor can the vendor pull out at the last minute. Another benefit of buying at auction is that you can buy your property more quickly because auction properties aren't part of a slow moving chain.

In general, the kind of properties put up for auction will be those with development potential, that are difficult to sell or are very unusual. However many 'normal' properties end up in the auction rooms too, and if you can spot the gems, there are killings to be made. In my time presenting 'Homes Under the Hammer' I have covered a wide variety of properties that have been sold at auction – everything from Martello towers,

windmills, churches, barns, lock up garages and even public conveniences! So if you are looking for property to develop, auctions are likely to be good hunting ground for you.

Recent articles [Martin's Blog 10/06/2010 - Urban Reclamation](#) Jun 10, 2010 Occasionally, I get to report from disused industrial premises which have been sold at a residential property auction to buyers with dreams of converting them back into housing or community projects. Usually, these sites are located in cities or their suburbs and often benefit from good transport links and communications infrastructure.

[Forthcoming Auction Dates - September 2010](#) Jan 13, 2010 [Forthcoming Auction Dates - January 2010](#) Jan 13, 2010 [Martin's Blog 11/11/09 - Small but perfectly formed](#) Nov 12, 2009 Is this property in Salcombe possibly the smallest property in the UK? Whilst small, it wasn't exactly cheap and started me thinking about where are the pricest properties per square meter. [Martin's Blog 01/10/09 - New Build Property Bargains at Auction](#) Oct 1, 2009 Auctions are generally associated with older, individual properties or land developments and people don't think of them as a place to buy a new build property. Any why would they? Historically, developers have been very successful at selling their new developments (very often Off Plan) and didn't need to enter the auction scene looking for prospective buyers or investors. But times are a changing... [Forthcoming Auction Dates - October 2009](#) Sep 17, 2009 [The Pitfalls of Buying Property at Auction](#) Sep 17, 2009 Clearly, I am a huge fan of buying property at auction since it avoids all of the normal lengthy purchasing procedures that you usually have to endure, with the risk of everything falling through at the eleventh hour. At auction, as soon as that hammer falls, that's it - the property is yours. However, there are some pitfalls that anyone considering bidding at auction should be prepared for. [Forthcoming Auction Dates - Sept 2009](#) Sep 1, 2009 [Top 10 mistakes people make when buying a property at auction](#) Aug 19, 2009 Buying at auction is an incredibly exciting and potentially profitably way of buying property. But don't be a muppet and go in like the proverbial 'Bull in a China Shop'. Read here the 10 most common mistakes people make when buying at auction. [Martin's Blog 06/07/09 - The Risks of Buying Blind](#) Jul 6, 2009 I am continually advising people that if they are considering buying a property at auction, that they visit it first, have any necessary surveys done, get an estimate of works to be carried out and study the legal pack - yet I still come across people that buy 'Blind'! This is a very risky strategy, highlighted by a case with a property in Manchester that I visited.

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