



Online Auctions Buying Guide



Introducing the Auction Works online auctions

The Auction Works Online Auctions is a pioneering platform for buying and selling property.

It provides all the benefits synonymous with traditional auctions, including: speed and certainty of sale, transparency and zero risk of gazumping or double-selling, but with the added advantage of being able to bid pressure-free from the comfort of your own home or office via desktop, tablet or mobile phone.

Registration

A straightforward process from start to finish

In order to bid at The Auction Works Online Auctions you will first need to create an account by entering your contact details. You will be required to verify your email address, by clicking an activation link that we'll send to you via email.

Once you've created an account you can 'watch' lots that you're interested in – this ensures that you're kept updated throughout the auction cycle with notifications when it's nearly closing and an update on the result post-auction as well as gain access to the legal packs. In order to place a bid on a lot you will need to complete the bidder registration steps, as detailed below.

Accept terms

Ensure you read, understand and accept the terms and conditions

You will be asked to read and accept our Online Auction 'Terms and Conditions'. Additionally, there may be specific documentation relating to the sale of the property you're registering to bid on that will need to be read and accepted before you are able to bid.

Once accepted, you will receive a copy of the document(s) via email for your own records.

Due diligence

Recommended due diligence before bidding

In general terms, you are strongly advised to view the property and take professional advice as to its condition and suitability. You should also ensure that you thoroughly read and understand the legal pack and any other associated documentation available online, and take proper legal advice accordingly. Finally, understand the contract you are entering into and the financial commitment that you will be liable for should you be the successful purchaser.

Guides and Reserves

Understand the guide price and reserve price

What is a Guide Price?

A Guide Price is an indication as to where the Reserve is currently set. It is not necessarily what the auctioneer expects to sell the lot for, and should not be taken as a valuation or estimate of sale price. The reserve will not exceed the Guide Price by more than 10% if it is a single figure Guide price, and if a Guide Price range is quoted, the Reserve will fall within that range.

What is a Reserve Price?

The Reserve is the minimum figure that the Auctioneer is currently authorised by the vendor to sell the property for. Please note that Reserve is liable to change throughout the course of marketing. The Auctioneer reserves the right to lower the Reserve during the auction to a level that matches the existing highest bid. In the event that there were no further bids, the bidder who placed that 'highest bid' will be declared the purchaser at the end of the auction process.

Bidding

Stress-free bidding from the comfort of your own home

When the auction opens, you will be able to place bids in line with the pre-determined bid increment levels, using the bid increase (+) and decrease (-) buttons provided. Every time you submit a bid you will be clearly shown whether your bid was successful, and a full list of all bids is displayed on-screen at all times.

Maximum (Proxy) Bids

You are not restricted to placing a bid at the minimum bid amount, but can instead 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 your maximum bid amount. If you are outbid, you will be notified via email so you can opt to increase your bid if you so choose. You also have the option to decrease your proxy bid.

NB: If two or more users place identical bids, the bid that was placed first takes precedence.

Reserve Prices

Virtually every lot is sold subject to a reserve price (the minimum price that the auctioneer is authorised to sell for on the day). When you submit a maximum bid, the actual bid placed by the system will depend on whether the reserve price has been met, as defined below.

If your maximum bid is below the reserve price

- The system will place an immediate bid at your maximum bid amount.

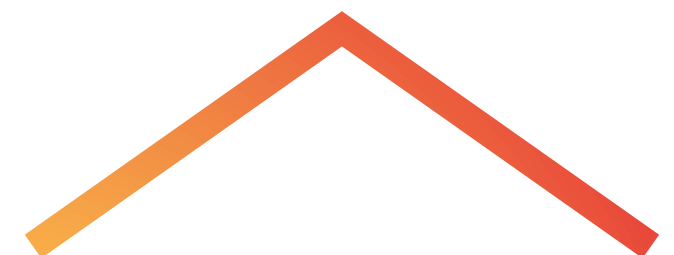
If your maximum bid is at or above the reserve price

- The system will automatically increase your bid to be at the reserve, and 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 and the system will notify you via email so you can place another bid.

NB: Your maximum bid is kept completely confidential – its presence or amount are not disclosed to the auctioneer, vendor or any other bidder.

Bidding example:

1. The current bid on a lot is £90,000. The reserve price has been set at £100,000 (not disclosed).
2. Tom wants to bid. The minimum bid amount is £91,000 but Tom decides to place a maximum bid of £97,000. This is below the reserve price, so the system places a bid for Tom at his maximum bid amount and he becomes the highest bidder at £97,000.
3. Jane logs on to bid. The minimum bid amount is £98,000 but Jane places a maximum bid of £105,000. The system automatically increases Jane's bid to meet the reserve and she is now the highest bidder at £100,000. However, Jane still has a proxy bid of £105,000 "in the system" which will automatically bid on her behalf if anyone else places a bid.
4. Tom is notified that he has been outbid. If no more bids are placed Jane would win the lot for £100,000.
5. Tom places a bid of £101,000, and Jane's proxy bid instantaneously outbids him at £102,000 as this is the lowest bid required to make her the highest bidder.
6. Tom then places a maximum bid of £105,000. The current bid jumps to £105,000 with Jane as the highest bidder as she placed a proxy bid at that amount before Tom did.
7. Tom then places a bid at £106,000 and wins the lot as there are no other bids and it is above reserve.



Bidding extension

The bidding extension window eliminates 'bid sniping'

Unlike eBay, bid sniping is impossible on our online auction platform. All auctions will close as per their advertised 'Auction End Date', however if a bid is placed within the final five minutes of the auction's scheduled end time the auction will be extended by an additional five minutes – known as the 'bidding extension window'.

If a bid is placed in the bidding extension window, the countdown clock will immediately reset to five minutes again, and the auction will only finish when an entire five minute bidding extension window passes without any further bids being placed, i.e. five minutes of 'bidding silence'. This ensures every bidder has a fair and equal opportunity to place another bid.

Do not leave your bid to the last few seconds as you risk your bid not being received by the server in time, and you could lose the property to another bidder.

Fall of the gavel

Legal position when you've won the auction

We offer property for sale by both immediate exchange of contract and conditional exchange of contract. It is imperative that bidders are aware which method is being used for the lot(s) they are interested in, and that they understand the terms to which they are bound by under each method. Both the particulars of sale and the legal pack will indicate which method is being used, and a summary of each type is shown below.

Immediate exchange of contracts means that the fall of the electronic gavel constitutes an exchange of contracts between the buyer and seller. Both parties are legally bound to complete the transaction – usually within 20 business days following the close of the auction, but this will be confirmed within the legal documentation.

Conditional exchange of contracts means that the fall of the electronic gavel secures the winning bidder with an exclusive 'right to exchange contracts' on the property within the prescribed time frame – usually 20 business days, but this will be confirmed in the terms and conditions of sale and/or legal pack. Unlike the immediate exchange of contracts, this method gives the bidder additional time to carry out surveys and secure mortgage finance **before** exchanging contracts, whilst the seller undertakes not to sell to anyone else during this period.