

a guide to selling at auction

- Allsop is the market leader for commercial and residential auctions in the UK
- Annually sells around £700 million of property at auction
- Holds six commercial and seven residential UK property auction sales each year
- Regular sales of properties in Dublin
- Offers around 100-200 properties located throughout the UK at each sale
- Around 500 potential purchasers attend each auction

This guide explains the advantages of selling commercial property at auction
– in particular an Allsop auction and how the process works.

advantages of auction

An auction is an efficient and cost effective way of selling property and, if prepared properly with intensive marketing, advertising and mailing, will result in the greatest possible exposure of the lots offered. To maximize the effectiveness of the marketing, considerable thought must be given to the guide price, which needs to be tailored to generate competitive bidding in the auction room, thus ensuring that the best price is being achieved.

Although some properties are more suitable for sale by private treaty, taking this route does present uncertainties over terms such as sale price and timing of exchange and completion.

Selling by auction however, offers a high degree of certainty that a sale will be achieved on a given day and, significantly, on the fall of the gavel an immediate binding contract is formed. As no further negotiation is permitted the entire sale process from instruction to exchange of contracts can be achieved within as little as six to eight weeks.

For vendors with a large number of properties to sell, auctions provide a highly efficient method of sale allowing for a total or phased disposal programme selling in individual lots thus maximising receipts. For those selling in a fiduciary capacity (trustees, Receivers, Administrators, Liquidators etc) there is the added advantage of the sale being entirely open and transparent.

Most types of property are suitable for auction provided that a realistic reserve price is agreed.

In the current economic climate Auction sales provide complete flexibility for a vendor with sales being achieved prior to Auction, at the Auction and if unsold after the Auction all using the Auction Contract which provides a quick easy method of sale.

Who sells at auction?

Auction is now regarded as the optimum method of sale for many sellers who range from private investors to pension funds, property companies, receivers, retailers banks and local authorities.

why allsop

Market Leaders

Allsop has been synonymous with auctions for many years and as a result has the staff, depth of experience and reputation necessary to hold well attended auction sales and ensure a successful and profitable outcome for your property disposals.

The current Commercial Auction Team has collectively a total of over 200 years' experience working together.

Impartial Advice

When advising on sales we will always consider whether a property is more suitable for sale by auction or private treaty. Allsop offers both methods. Our auction and private treaty departments effectively work as one team ensuring that our advice is impartial and carefully considered.

Unrivalled Access to Property Investors

For every property offered in our auction sale we guarantee unrivalled exposure to the market with 12,000 catalogues mailed out each auction, 280,000 registered investors on our website and extensive advertising in the national and local press.

Quick Results

The entire process, from instruction to exchange of contracts, can be achieved within as little as six to eight weeks. Our experienced team offer a streamlined service aimed at getting the best price for your property with the least amount of stress.



“ Private investors named Allsop as **the agent with the best contacts** in the private investor market... ”

Source: Property Week and Propex/Primepitch Survey

By auction, Allsop offers sellers

- Guaranteed unrivalled exposure to the market
- 12,000 catalogues mailed out each auction
- 280,000 property buyers and investors registered online (UK and abroad)
- Advertising in national, trade and local press for every property
- Offers around 100-200 properties located throughout the UK at each sale
- Average success rate of 80%, ie the strong likelihood of a sale on a given day
- The knowledge that with a realistic reserve price, the property will achieve the best possible market price
- The same care, attention and thoroughness for each lot
- Regular auction sales
- Competitive fees

N.B. Auction properties are sold unconditionally ie not sold “subject to contract”, “subject to finance” or “subject to survey”.

In other words, the successful bidder is legally obliged to complete the sale.

entering a property into an auction

If you have a property to sell please contact one of the Commercial auction Partners who will arrange a free, no obligation auction appraisal and advise whether they think your property is suitable for sale by auction or another method.



1 What information do we need?

In order to give you the best possible advice we will need the following details:

Address

Photograph

Tenure and Tenancy (if applicable) details

Site plan

Anything else you consider to be material

Once we have received this information we will provide an overview as to the likely sale price of a property at Auction. Together with a proposed reserve, we will send you a copy of our standard agency contract setting out our terms and conditions. Once the reserve price is agreed you will be asked to sign and return our standard agency contract to confirm your instructions, at which time the Entry Fee becomes payable.

2 Proof of identity

If Allsop has not sold for you before we will require proof of your identity and address before we can market your property.

3 How much does it cost?

Auction Entry Fee

Allsop charge a fee to enter a property into an auction. This fee is payable whether the property is sold or not. The fee is a contribution towards the cost of marketing and catalogue production. The fee will depend on how much space is taken in the catalogue for the property. Currently our Entry Fees amount to:

Half page £900 plus VAT (£1,080 inc VAT)

Single Page £1,350 plus VAT (£1,620 inc VAT)

Double Page £1,950 plus VAT (£2,340 inc VAT)

We will advise the most appropriate amount of space to be taken, however, half pages will normally only apply to the very smallest of properties having low capital values, with double pages being reserved for the largest. Most lots will appear on one full page within the catalogue.

4 Commission

In addition to the Entry Fee we will charge a commission upon a successful sale. The fee is normally a percentage of the sale price and is dependant upon the capital size of the lot and the number of properties and total capital value involved.

5 Inspection

Once we have been formally instructed, the property will be inspected by one of our surveyors, measurements taken, where appropriate, and the property will be photographed. Draft sales particulars are then forwarded to you and to your solicitors for approval and/or amendments.

6 Special Conditions of Sale

At the same time as the particulars of sale are being prepared, your solicitors will be instructed to prepare Special Conditions of Sale and collate title documentation ready for dispatch to interested parties.

7 Guide Price

Our auction team will recommend a guide price which you will need to approve before marketing begins. It is important to set the guide at a realistic price which is attractive to buyers. This will generate competitive bidding in the auction room and ensure that the best price is achieved.

8 Marketing your property

Marketing will commence approximately 3-4 weeks prior to the sale.

Catalogues

We currently produce around 12,000 catalogues for each auction which are sent to prospective buyers such as private investors, property companies, developers, funds and occupiers.

E-marketing

Our catalogue is available online and we send regular email alerts to the 280,000 private investors who are registered on the site. This is the single largest database of its kind in the UK.

Advertising and PR

We advertise all properties in the Estates Gazette, relevant local newspapers together with other journals where appropriate. All our PR is handled in-house and we get coverage in the trade press every auction.

Targeted Marketing

Alongside this broad marketing we target individuals who have previously bought or expressed interest in similar properties. We circulate details to all tenants and their head offices and where appropriate adjacent occupiers, all head lessees, sub-lessees where they are known and all local agents.

9 Online Documents

We have developed an innovative online document system in order to speed up the handling of requests for documents. This system allows us to gauge the levels of interest being expressed in your property. We will keep you advised as to the levels of interest during the course of the marketing.

10 Reserve Price

Two or three days before the Auction, the previously agreed reserve price may be reviewed in the light of feedback received during the marketing campaign. In consequence, the guide price or range might also need adjusting at this point.

auCTION day

All of our auctions are held at high profile venues in London and usually attract attendance of around 500-700 people. Once on the rostrum the Auctioneer will enhance the atmosphere in the room and will always squeeze the last few bids from purchasers to ensure the highest possible price is achieved.

The Fall of the Gavel

On the fall of the Auctioneer's gavel, a binding contract is effected. The successful bidder is required to provide the name, address and telephone number of the purchaser and the purchaser's solicitors. The successful bidder will also be asked to provide a cheque for 10% of the purchase price. Identification of the purchaser is always checked at this stage. Clearance of all deposit cheques is arranged immediately after the auction

Exchange of Contracts

The Memorandum of Sale (Contract) is made up in the room and given to the purchaser to sign. The exchange is overseen by our solicitor. We will forward the purchaser's signed Memorandum of Sale to your solicitor and completion will usually, in the case of freehold properties, take place 20 working days later.

Unsold lots

In the event of a lot remaining unsold, we will revert to all previously interested parties and where possible underbidders to secure best bids. It is our experience that such sales are more often concluded during the 14 days following the sale.

If you think you have a property that is suitable for auction please do not hesitate to contact us.

contacts

Useful numbers

Catalogue requests

0115 983 6770

(calls are charged at £1.50 per minute at all times)

Listen to the auction live

09067 591 401

(calls are charged at 75p per minute at all times)

Online

- Full property details
- Legal document downloads
- Addenda
- Updated guide prices
- Results
- Live link to auction
- Past auction results
- Unsold lots

www.allso.co.uk

Meet the team

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Further information

If you require further information about buying or selling at one of our auctions, please contact:

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