

Buyer's Operations Guide

Conditional (56-Day) Auction



www.propertyolvers.co.uk/property-auctions/

Property Solvers Online Auction (Conditional)

Property Solvers Online Auctions provide an innovative and 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.

As a property buyer using this service, you have 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 Property Solvers Modern Auction you will first need to create an account by providing 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 (you'll be kept up-to-date throughout the auction cycle), 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.

Please note, the first time you register to bid you will also be asked to verify your mobile number and upload copies of your photo ID (e.g. driver's licence or passport) and recent proof of address (dated within the last 3 months). This is required so we can easily keep in touch and helps us confirm your identity in the event of you purchasing a lot.

ACCEPT TERMS

Ensure You Read, Understand and Accept the Terms



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.



BIDDER SECURITY

Register Your Credit or Debit Card for The Bidder Security



In order to bid online you will be required to register a credit or debit card for the bidder security deposit. We use Stripe who provide a secure, online card registration facility, and they will attempt to place a 'hold on funds' on your account for the bidder security amount (often known as a 'payment shadow' as no money is taken at this stage). The bidder security amount will be clearly displayed when registering your card.

On the fall of the electronic gavel, the winning bidder's card will be automatically debited for the bidder security amount, whilst all the unsuccessful bidder's cards will have their shadow payments released (this can take several days depending on the card provider). For more information about this process please read the detailed explanation at the end of this document.

AUCTIONEER REVIEW

Final Step – Auctioneer Review



Once you have completed the bidder registration steps, Property Solvers Online Auction will review your registration to bid. We may contact you to obtain some additional information, so that we can electronically verify your identity with a credit reference agency – this is a quick and simple process which leaves a 'soft footprint' and doesn't affect your credit score. You will be notified by email as soon as you have been approved to bid.

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.

GUIDE + RESERVE PRICE

Understand The Guide 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.

ADDITIONAL FEES

To Be Aware of When Bidding for a Property at Auction



Non-Refundable Reservation Fee – This is a percentage additional charge on the hammer price (winning bid at auction) of the lot that must be paid by the purchaser.

Processing Fee – £125 + VAT will be payable in conjunction with the reservation fee.

Stamp Duty and Income Tax – You must pay Stamp Duty Land Tax (SDLT) if you buy a property or land over a certain price in England, Wales and Northern Ireland. We would also advise speaking to an accountant / tax advisor if you're buying a second property as there are likely to be income tax liabilities to consider.

Insurance – In most cases, you will be liable to insure the property from exchange of contracts. Further information can be found in the legal pack for the relevant Lot.

Conveyancer and Other Professional Fees – Any bidder may employ the services of another professional in order to advise them on the purchase of a property. The pur-

chaser will require a conveyancer / conveyancing solicitor and should set aside funds to pay for any of these additional costs/fees.

Value Added Tax (VAT) (where applicable) – In the UK this is currently 20% and is charged on UK goods or services if they are eligible for VAT and if provided by an entity (person or company) that is registered (or should be registered) for VAT. For information regarding this clause, please refer to the special conditions of sale and addendum (if any), in the legal pack for the relevant property.

Overage (where applicable) – This is the term normally used in the context of a property transaction to mean a sum which the vendor may be entitled to receive after completion if a specified condition is satisfied. The condition may be:

- ✓ The grant of a new planning permission; or
- ✓ The grant of planning permission for a new (perhaps more valuable) use of the land; or
- ✓ The construction of more than a specified number of houses, or a larger than specified commercial development on the land; or
- ✓ The on-sale of the land in its present state, where the vendor fears that the purchaser may take advantage of a rapidly rising market to make a quick profit from the land. This will be particularly useful in the case of a vendor who is anxious not to be embarrassed by being seen to have sold at an undervalue, such as a local authority or charity.

Further information regarding this clause (if applicable), will be found in the legal pack.

BIDDING PROCESS

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. Having set your preferred bid amount and clicking the 'Place Bid' button, you will be asked to confirm your bid at which point it will be placed.

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.

How proxy bids work with the reserve price

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 where the reserve price is in relation to your maximum bid, 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 at your maximum bid level 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 EXTENSIONS

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 60 seconds of the auction's scheduled end time the auction will be extended by an additional 60 seconds – known as the 'bidding extension window'.

If a bid is placed in the bidding extension window, the countdown clock will immediately reset to 60 seconds again, and the auction will only finish when an entire 60 second bidding extension window passes without any further bids being placed, i.e. 60 seconds 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. It gives you no advantage, you risk your bid not being received by the server in time and you could lose the lot to another bidder. Bidding is based on the server time and not your device which could be up to 2 seconds behind the server.

FALL OF THE GAVEL

Legal Position When You've Won the Auction



We offer property for sale using the 'Modern Method of Auction' (conditional exchange of contracts). This 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 traditional, 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.



POST AUCTION

We'll Guide You Through to Completion



If you are the successful purchaser, we'll be in touch following the online auction to discuss the next steps. The system will take the bidder security amount from your registered credit or debit card (all underbidders will have their hold on funds released); the contract will then be signed on your behalf with copies being sent to both your solicitor and the seller's solicitor.

FOR MORE INFORMATION CONTACT Property Solvers on 020-8226-6901

PAYMENTS EXPLAINED

How The Payment Registration Works



In order to bid online you are required to submit details of a credit or debit card. When you register your card, we will be placing a hold on funds on your credit card (or bank account if you use a debit card), to the value of the bidder security deposit. This means that the amount we're holding will affect the available amount you have to spend on your card, as the amount will be ring-fenced and you will not be able to spend it until the hold has been released.

If you are the winning bidder then the amount will be taken in full from your registered credit card or bank account **immediately following the close of the auction**. If you are not a winning bidder then the hold on funds will be released from your card, but be aware that it can take anything from a few hours up to several days for the hold to be released (dependent on the card issuer). If in doubt, contact your card issuer. Please be aware that you will not have access to the funds until the hold has been released.



PAYMENTS EXPLAINED

How The Payment Registration Works



Please see two example payment registrations below:

Scenario 1:

Tom has a credit card with an overall limit of £5,000, and a current available balance of £4,500

- ✓ Tom registers to bid on an online auction lot which has a 'buyer's premium' of £2,500 applicable;
- ✓ Tom registers his credit card – a hold on funds is placed on the card to the value of £2,500;
- ✓ The available balance to spend on the card is now £2,000;
- ✓ Tom goes out shopping and buys a new laptop for £1,500;
- ✓ The available balance on Tom's card is now only £500;
- ✓ Tom bids on the online auction but is unsuccessful and doesn't win. The auction closes and the system automatically instructs Stripe to release the hold on funds from Tom's card;
- ✓ The available balance on Tom's card will revert to £3,000 once the 'release' has taken place

Scenario 2:

Jane has a debit card for a bank account with a current balance of £2,750

- ✓ Jane registers to bid on an online auction lot which has a 'buyer's premium' of £2,500 applicable;
- ✓ Jane registers her debit card – a hold on funds is placed on Jane's bank account, to the value of £2,500;
- ✓ The available balance in Jane's bank account is now only £250;
- ✓ Jane goes shopping and buys a new mobile phone for £300, pushing her £50 into an overdraft;
- ✓ Jane bids on the online auction and wins the auction. The auction closes and £2,500 is immediately taken from her bank account;
- ✓ Jane remains £50 overdrawn.

