

## **GLOSSARY OF TERMS**

**To assist you with the terminology used around auction sales, we've put together a simple glossary of terms commonly used.**

### **TRADITIONAL AUCTION**

A traditional auction is also known as an unconditional auction: In this instance a 10% deposit is paid on the same day and contracts are exchanged immediately. Completion generally takes place 28 days later. An auction of this nature is generally best suited to investors and property professionals buying without the need of borrowing money.

### **MODERN METHOD OF AUCTION**

The modern method is also known as a conditional auction: At the close of the auction or when an offer is accepted, the purchaser places a deposit or non-refundable Buyers Premium to secure a property. Whether you are required to pay a Buyers Premium or deposit will vary depending on the vendors instructions - this will be clearly stated in the terms and conditions attached to the property. The buyer is then generally expected to exchange contracts within 28 days of their solicitor receiving the draft contracts and to complete the transaction within 56 days.

### **OPENING BID**

Every property will be advertised with an Opening Bid, this has been the level recommended at which the bidding should begin. Potential buyers must not rely upon this as a valuation, as in almost every case the reserve will be above this level. It is important to note that in general, any reserve price would be no more than 10% above the opening bid. Opening Bid values are subject to change.

### **RESERVE PRICE**

A Reserve Price is the minimum amount a seller is willing to accept for the subject property. Reserve Prices are not published as this is a private agreement between the seller and the auctioneer. The figure will generally be no more than 10% more than the Opening Bid. The Reserve Price is subject to change.

### **BUYERS PREMIUM**

Each property is sold subject to a Buyers Premium (unless stated). If you are interested in a particular lot, we recommend speaking with a member of our team before you start bidding and clearly reading the terms and conditions attached to the property. The non-refundable Buyers Premium is payable in addition to the final price agreed. If the sale falls through due to the seller breaching the terms of the agreement, any Buyers Premium or deposit will become repayable in full. Only the successful bidder will be required to pay a Buyers Premium.

## **BUYERS ADMINISTRATION FEE**

The properties sold in our online auctions are subject to a Buyers Administration Fee. Please ensure you read the terms and conditions attached to the property or speak to a member of the Auction Concierge Team. This fee is in addition to the final sale price and is non-refundable. If the sale falls through due to the seller breaching the terms of the agreement, the Buyers Administration Fee will become repayable in full.

## **RESERVATION FORM**

This is an agreement between the seller and the buyer. It lays out the conditions which need to be met by the successful bidder. Any sale will not commence, and the Notification of Proposed Sale will not be sent to the solicitors until the Reservation Form has been signed by the buyer or by the auctioneer on behalf of the buyer as per our terms and conditions.

## **PRE-AUCTION OFFERS**

Any offers made pre-auction will need to come through our Auction Concierge Team who will explain the process to you. The seller can consider offers prior to the live auction, but this is at their discretion to do so and a Buyers Premium will be required if the offer is acceptable, as per our modern method of auction conditions.

## **EXCHANGE OF CONTRACTS**

This is where the buyer will sign the sales contract and it is passed to the seller to sign. Once signed, both parties have a legal obligation to complete the transaction. The completion date is generally agreed at this point and a legal obligation is placed on the buyer to buy and the seller to sell.

## **COMPLETION**

This is when the purchase is concluded. The agreed purchase price is paid in full by the buyer's solicitor and received by the seller's solicitor. It is possible for completion to take place simultaneously with the exchange of contracts but is usually set for a week or two later. The seller must vacate the property by the agreed completion date and the property keys are released to the buyer.

**We have done our best to explain everything as clearly as possible. However, if you have any questions regarding the process or would like more detail, just contact a member of the Auction Concierge Team via telephone or email, we are here to provide sensible guidance.**

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