

Property Auctions: How a solicitor can be your key to success.

January 2024



Ben Marks, Head of Residential Property at London law firm RIAA Barker Gillette UK, explains why solicitors are invaluable at ensuring buyers and sellers can navigate the legal complexities of auctioned properties. He explores the risks associated with property auctions and discusses solicitors' indispensable role in mitigating these risks.

Auctions have become an increasingly popular and accessible method for buying and selling property. Auctions are being further encouraged by the growth of online property auction sites. It can be exhilarating and may enable a buyer to acquire a property below market value and often from the comfort of their home or office. Sellers admire the quick financial return and the instant commitment to a transaction. However, buying or selling a property at auction presents unique legal and practical issues.

You may often hear the phrase "buyer beware", and when buying a property at auction, this phrase should be at the forefront of your mind. Purchasers should instruct a solicitor who can put them in the best possible position before the gavel strikes.

Similarly, sellers must proactively present and market their property to achieve the best possible sale price at auction. An astute seller will instruct a solicitor who can prepare a comprehensive and informative legal pack, making their property appealing to potential buyers.

Why buy or sell at auction?

For buyers and sellers, the speed of a property auction is desirable. Buyers have the additional bonus of picking up a potential bargain. However, property auctions are not

for the fainthearted, and you should be aware of the potential pitfalls.

Solicitors as the gatekeeper

Property auctions occupy a unique space in the market. However, there are inherent risks associated with them. Solicitors can provide a layer of protection and mitigate the legal risks associated with property auctions. One of the most apparent risks is the limited time for due diligence as the auction process operates at a lightning pace.

A solicitor's expertise is essential in navigating the due diligence process. Solicitors can thoroughly examine title documents relevant planning consents, identify and potentially solve legal issues before they arise, and ensure that buyers and sellers are well-informed before entering the auction.

The documents

The documentation provided before the auction is known as the "legal pack" and is prepared by the seller's solicitor. The legal pack is not standardised and can contain different degrees of disclosure. Most should include the necessary land registry documents, local searches and any special conditions relevant to the lot in question. However, not all do, and in certain circumstances, the pack may contain minimal information or be uploaded very late in the day. Therefore, sellers must instruct solicitors to assemble a complete yet accessible legal pack. Buyers must instruct solicitors to scrutinise the legal pack as soon as possible, particularly given the deadlines and expedited timeframes.

RIAA Barker Gillette acts for both buyers and sellers of auctioned property. Our auction legal packs are always

comprehensive, giving sellers the best opportunity to achieve a sale. Buyers benefit from tailored legal advice and careful examination of the legal pack, empowering them to make informed strategic decisions.

Physical inspection

Unlike traditional property transactions, where buyers have more time to inspect and assess the property, buyers may not have sufficient time to conduct thorough physical inspections. Therefore, gathering as many supporting documents as possible is imperative to decide whether to proceed with the transaction.

Financial commitment

There is always an element of financial uncertainty when entering a property auction - particularly the purchase price. Property auctions will require bidders to commit financially by putting down a deposit on the day of the auction.

A solicitor will assist in navigating the fast-paced and high-pressure environment, avoiding potential post-purchase legal battles or financial losses.

Once committed, successful buyers will often be required to complete very quickly. The buyer must, therefore, establish a relationship with their solicitor in advance so that all legal compliance steps are completed in good time, preventing potential delays when the transaction is due to be completed.

Best practice

Buying or selling at auction can be thrilling and provides an expedited transaction, which is often appealing. However, buyers and sellers should take into account the potential risks involved. We recommend instructing a solicitor to position yourself for success as early as possible. An experienced property solicitor will put your aims and protection first – giving detailed consideration to all possible due diligence and legal complexities to ensure your sale or purchase at auction can proceed smoothly and securely.

Contact residential property solicitor [Ben Marks](#) today.

Ben Marks
020 3927 1121
ben.marks@riaabg.com
www.riaabarkergillette.com



Note: This article is not legal advice; it provides information of general interest about current legal issues.

