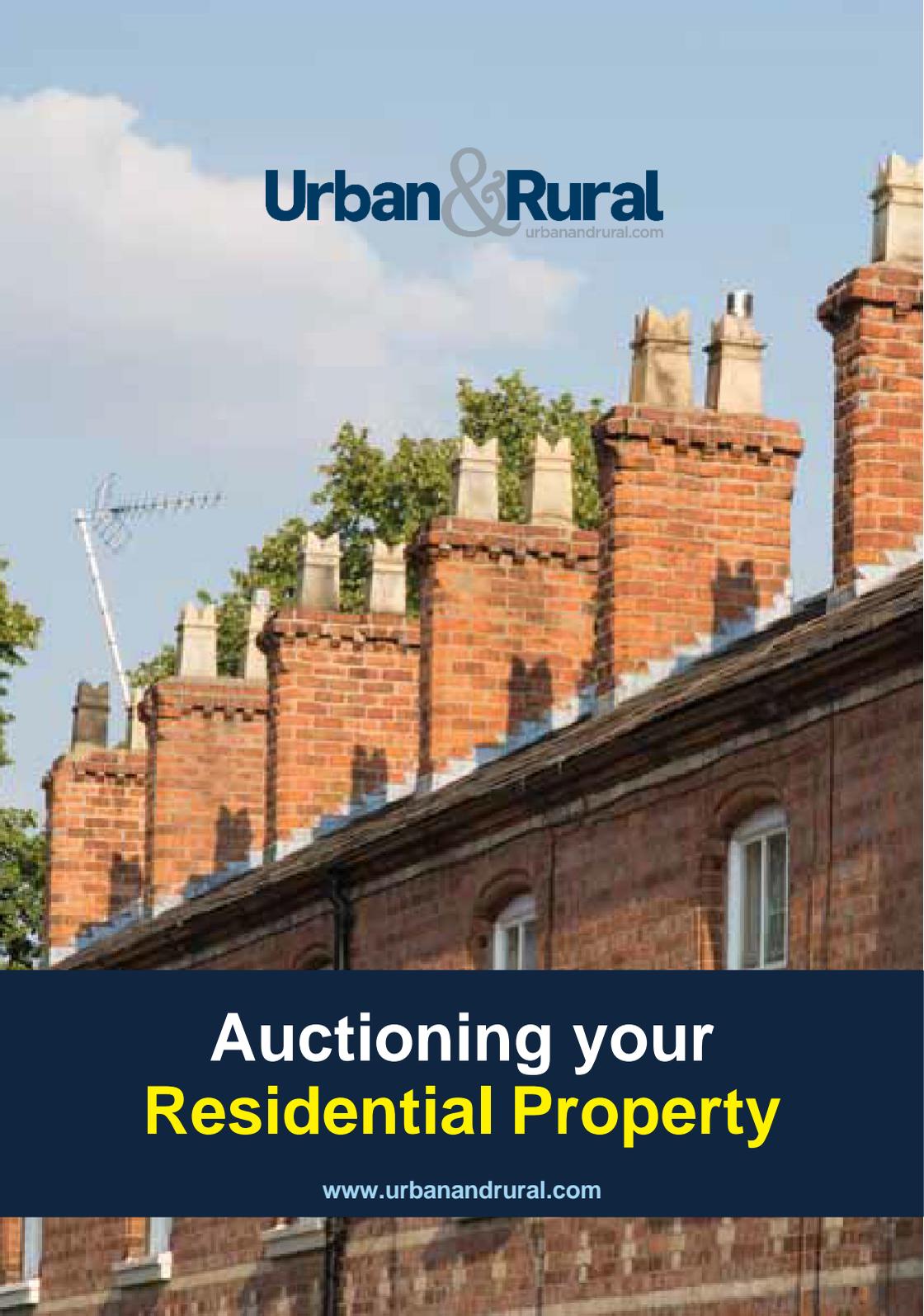




Urban & Rural
urbanandrural.com



**Auctioning your
Residential Property**

www.urbanandrural.com

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Introduction

Auction Department

Urban & Rural have teamed up with a long-established professional firm of Chartered Surveyors, Land Agents, and Auctioneers, covering the whole of Beds & Bucks. They act for landowners spanning from Ipswich to the Cotswold's and as a member of the Royal Institution of Chartered Surveyors (RICS), applying an exceptional level of professionalism and service, beyond that of their unregulated competitors.

Not only have they been established for a long time but so too have key members of staff, with the three principal members involved with auctions having over 50 years' service between them. This is important because when a property is sold by auction, it really is sold. The auctioneers will exchange contracts forming a legally binding contract that cannot be undone. Therefore, as a client, it is crucial to feel that everything is being done as it needs to be and not to start having doubts after having signed up with an unregulated agent in a binding agreement.

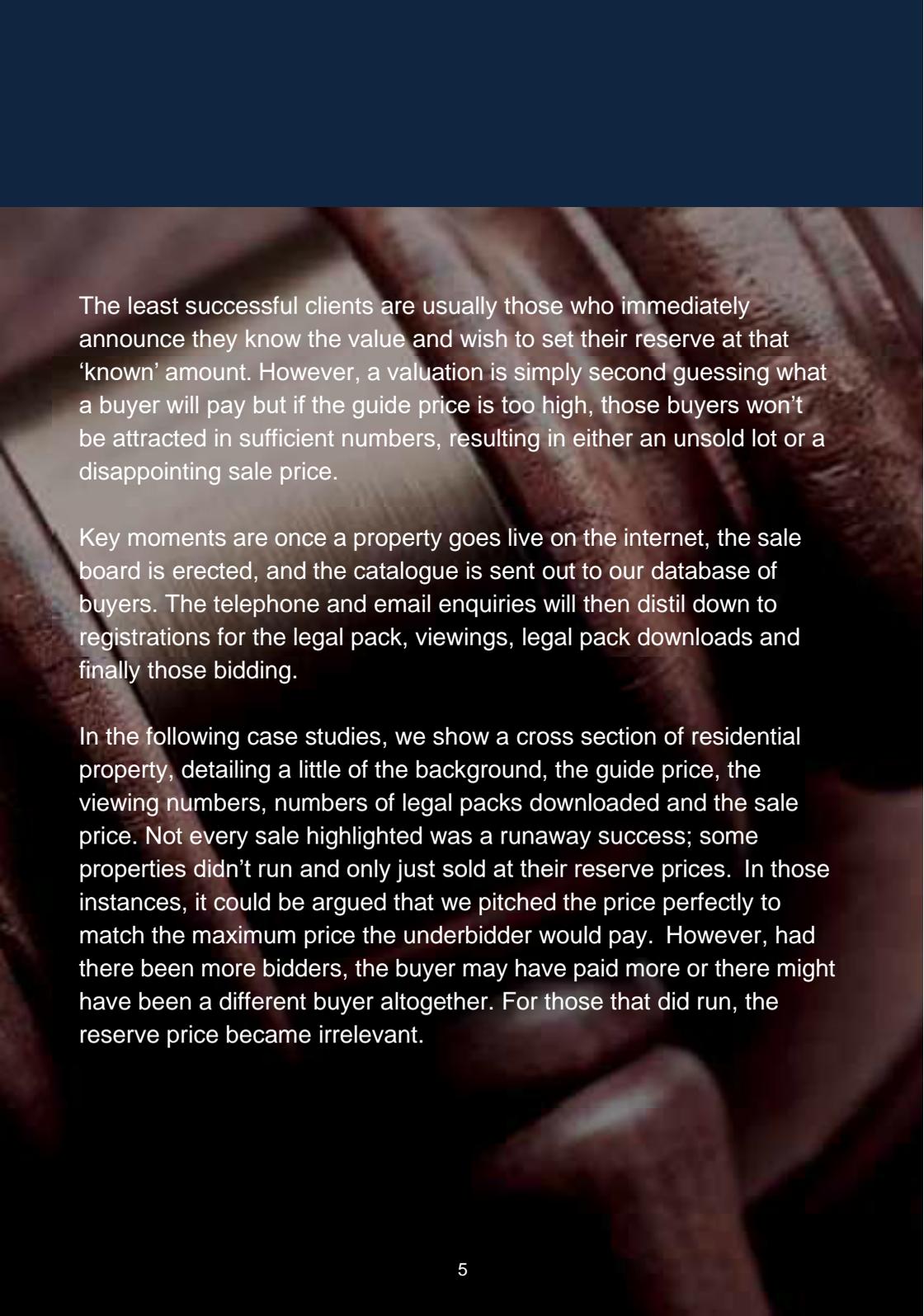
Auction Fundamentals

Our interest is in attracting able buyers, not people who first need to sell another property. Invariably those who first need to sell something fall away as the realities of selling quickly, and for their expected amount, start to bite. We aim to offer our clients a quick and certain sale, with contracts exchanged, and believe that by bringing all interested parties together at the same time, in a transparent environment, it will ensure the best price is achieved.

However, the key is to create competition, as competition pushes buyers to ask what their absolute maximum is as opposed to how much they might discount from an asking price. Whereas a sale through an estate agent is invariably a descending process, auction is an ascending process with the promise of achieving a better sale price.

Therefore, for auction to work effectively we require more than just one buyer. A queue of interested parties sends a very powerful message, endorsing the property as desirable and improving its perceived value. Crudely speaking, the more buyers equal more competition, and the more competition, the higher the sale price.

Having said that, we want the queue to be manageable, and an exceptionally low guide price can generate such strong interest that it becomes difficult to deal with every enquiry and we do not want to lose any of the best bidders. Our aim then is to calculate what the 'sweet spot' is and to have a manageable queue with sufficient competition and this is not always as easy as it may appear.



The least successful clients are usually those who immediately announce they know the value and wish to set their reserve at that 'known' amount. However, a valuation is simply second guessing what a buyer will pay but if the guide price is too high, those buyers won't be attracted in sufficient numbers, resulting in either an unsold lot or a disappointing sale price.

Key moments are once a property goes live on the internet, the sale board is erected, and the catalogue is sent out to our database of buyers. The telephone and email enquiries will then distil down to registrations for the legal pack, viewings, legal pack downloads and finally those bidding.

In the following case studies, we show a cross section of residential property, detailing a little of the background, the guide price, the viewing numbers, numbers of legal packs downloaded and the sale price. Not every sale highlighted was a runaway success; some properties didn't run and only just sold at their reserve prices. In those instances, it could be argued that we pitched the price perfectly to match the maximum price the underbidder would pay. However, had there been more bidders, the buyer may have paid more or there might have been a different buyer altogether. For those that did run, the reserve price became irrelevant.

Case Studies

We would like to share the following examples of our Auctioneers success with you.

Please note, where it states that we sold the property after several days or weeks, we really mean sold, i.e., contracts were exchanged in that timescale, not merely agreed a sale. Generally, what an estate agent means when they say they have "sold" a property, is merely that they have agreed a sale in principle.

For ease of reference a colour code indicates the primary issues associated with each sale:

- Funding and care home fees
- Urgent need for quick sale
- Structural defect
- Executor/attorney sale
- Family or neighbour dispute
- Non-standard construction Very poor condition
- Short lease
- Listed

11 Moor Lane, Bedford, Bedfordshire MK42 9UR



Guide Price:

£140,000

Number of Viewers:

57

Legal Packs Downloaded:

123

First occupying this property in 1951, the original council tenants, and now owners, needed to sell their much-loved family home to help with the cost of their own care home fees.

In search of a quick sale, their children (with power of attorney), instructed us to sell the property hoping for 'fair market value'.

Two similar yet more modern neighbouring properties sold for £210,000 and £215,000. Allowing for the cost of refurbishment, we expected the property to sell for under £200,000. So you can imagine our delight when the hammer fell at £251,000!

Silver Birches, Deepdale, Potton, Bedfordshire SG19 2NH



Guide Price:

£500,000

Number of Viewers:

30

Legal Packs Downloaded:

49

Our client, the daughter of the elderly owner, was acutely aware her mother needed to move somewhere more suitable, rather than remain in a property on a remote 2-acre plot.

Our planning experts assessed the property and found little scope for development, although the plot carried similar characteristics to properties where planning gain was viable.

The fear for the seller was that on first sight, someone would offer and later pull out after they had a better understanding of the planning policies that would be applied.

The certainty of sale was paramount and in a timely manner to reduce the stress for the mother. The property was marketed and only 33 days later we exchanged contracts, and we did so at 35% over the guide price!

18 Fynamore Wood Camp, Frieth Road, Marlow, Buckinghamshire SL7 2HU



Guide Price:

£190,000

Number of Viewers:

10

Legal Packs Downloaded:

44

A contentious legal matter and eventual court order brought this property to market. The court decreed the property should be marketed with an estate agent for 6 months at £295,000. Eventually a sale was agreed but the buyer later pulled out.

An exasperated executor then instructed us. Contracts exchanged 6 weeks later and for £10,000 more than the previously agreed sale price!

39 Melrose Avenue, Bletchley, Buckinghamshire MK3 6PB



1960s and 1970s fats above shops are out of favour with lenders, making them hard to sell, especially in poor condition. Better presented fats in this block had recently sold for £90,000 and £122,000 respectively so our seller, a seasoned investor, was especially pleased to achieve. £140,000 after stating he'd have been happy to achieve £120,000!



Guide Price:

£80,000

Number of Viewers:

19

Legal Packs Downloaded:

27

101 Ledgers Road, Slough, Berkshire SL1 2RQ



Guide Price:

£195,000

Number of Viewers:

11

Legal Packs Downloaded:

28

The seller re-visited this property for the first time in 10 years after letting it to family members and was shocked to discover the condition the property was in. A similar nearby property sold for £340,000 in good condition. Accounting for work required on the property, the seller hoped for at least £260,000 and really wanted a quick sale.

Instructed on 21 September, we sold the property pre-auction, a day after receiving the legal pack, on 8 October, achieving £305,000.

7 Jersey Road, Wolverton, Buckinghamshire MK12 5BN



Guide Price:

£165,000

Number of Viewers:

39

Legal Packs Downloaded:

78

Due to a family dispute, our client needed to move quickly. However, the condition of their property was relatively poor so not only did they fear a long, drawn-out sale, the sellers feared first time buyers pulling out after reading their survey.

Based on estate agents' valuations, they were hoping to achieve £200,000, yet we sold this property just 4 weeks after being instructed for £235,000.

18 & 21 Woburn Court, Vincent Road, Luton, Bedfordshire LU4 9BB



18 Woburn Court

Guide Price:

£110,000

Number of Viewers:

1

Legal Packs Downloaded:

6

21 Woburn Court

Guide Price:

£70,000

Number of Viewers:

8

Legal Packs Downloaded:

26

As auctioneers, we advise 'start low and create competition for the best sale price'. Not every seller is receptive to that advice and often there is a tendency to ask for a reserve price close to what the seller is hoping to sell for.

Offered just a few months apart, both flats (with the same short lease) illustrate the benefit of an attractive starting point:

With No. 18, the guide was set higher than we recommended, with the reserve at £120,000 and it failed to sell!

For No. 21, we set the guide at £70,000. The £77,000 reserve became irrelevant as it sold for £124,000.

10 Wingfield Avenue, Maulden, Bedfordshire MK45 2DU



This 1950s timber-built semi was classified as 'non-standard construction' by lenders, making it non-mortgageable. Having seen us sell similar properties with excellent results, the seller, a gentleman in his 80s who had owned the property since new, agreed to a low guide price. He estimated that the property would sell for around £150,000 so both he and his daughter were ecstatic when it sold for £195,000!



Guide Price:

£95,000

Number of Viewers:

56

Legal Packs Downloaded:

121

303 Bideford Green, Leighton Buzzard, Bedfordshire LU7 2TU



Guide Price:

£140,000

Number of Viewers:

62

Legal Packs Downloaded:

122

This 1970s 3-bedroom detached house, very seriously damaged by fire, was nearly deemed 'uneconomical to salvage' by insurers. Land Registry figures showed the highest figures within the postcode as £412,000 but with repair costs estimated to be £200,000, the seller naturally expected a sale price well below £200,000. Amazingly it achieved £265,000, completing 4 weeks later with no renegotiation and no nonsense.

30 Northhill Road, Ickwell, Bedfordshire SG18 9ED



Guide Price:

£350,000

Number of Viewers:

15

Legal Packs Downloaded:

26

The concrete ground floor of this three-bedroom detached house had dropped, which had caused the internal walls to crack badly. The remedy could be costly and therefore likely to drive down the price of any sale agreed through the agent. Our partner agent thought the property was worth around £425,000 but to avoid a protracted sale, he recommended auction and we sold for £474,000 in only 5 weeks.

23 Fowler, Stantonbury, Milton Keynes, Buckinghamshire MK14 6AP



Guide Price:

£90,000

Number of Viewers:

74

Legal Packs Downloaded:

170

On the death of their loved one, the family of the late owner discovered the appalling state of the house. The condition was so bad that clearance companies quoted £4,000 just to empty the property and the repair costs would be many times more.

Similar neighbouring properties had recently achieved £200,000 and £217,000 so allowing for very extensive repairs and refurbishment, we expected around £130,000.

Without clearing out the house, we recommended guiding between £90,000 - £100,000 and the seller agreed to the lower guide of £90,000 hoping it would make bidding run. It did and despite the mess, it exceeded expectations, selling for £175,000.

109 Marlborough Road, Bedford, Bedfordshire MK40 4LE



The seller was acting as executor and thus needed to demonstrate to the beneficiaries that 'full market value' was achieved. She also wanted a quick sale without problems.

The condition of this house meant it would struggle through a survey, with the likelihood of a renegotiation and reduction of the agreed sale price or an aborted sale.

The house two doors away had recently sold for £174,000 and it was in a superior condition, and we therefore expected to achieve around £150,000. However, the keen guide price attracted such strong interest that the property sold for £215,000, just 20 days after our receiving instructions to sell.



Guide Price:

£110,000

Number of Viewers:

31

Legal Packs Downloaded:

59

5 Mostyn Road, Luton, Bedfordshire LU3 2RF



Guide Price:

£140,000

Number of Viewers:

27

Legal Packs Downloaded:

58

This house was blighted by Japanese Knotweed and needed a full refurbishment. Although treatment was underway, lenders can be very reluctant to lend owing to the dreaded weed.

Houses in the road had sold for an average of £190,000, so given the condition and the Knotweed, our seller was delighted when the house sold for £200,000.

28 Stotfold Road, Arlesey, Bedfordshire SG15 6XT



Guide Price:

£160,000

Number of Viewers:

N/A

Legal Packs Downloaded:

40

Our client was a solicitor acting as executor to a family trust and the sale of this house was the last remaining matter to complete his duties. His difficulty was the house was occupied by a sitting tenant in her early 70s and despite being a very sprightly person, she was reluctant to allow viewings owing to the risk imposed by the ongoing Covid pandemic.

With vacant possession, the house had been valued by local agents at £350,000. With a protected tenancy likely to last many years, it was hard to calculate but the average guess was the value would be halved.

We agreed with the tenant to provide prospective buyers with a video tour and we also took photos and created a floor plan. Amazingly, without any prospective buyers seeing inside, the property sold for £275,000!

The Mill House, Twyford, Buckinghamshire MK18 4DY



Guide Price:

£400,000

Number of Viewers:

60

Legal Packs Downloaded:

74

On the strength of two probate valuations, the executor seller of this property agreed to sell it for £400,000. After a failed sale, we were invited to offer auction advice and unusually our advice was that he had been underselling. Still unwilling to enter our auction, the seller then agreed to a second sale, this time at £450,000.

After a second failed sale, the seller agreed that auction was the way forward. Our guide price was £400,000 and it sold just weeks later for £630,000! This left our client to admit that had one of the previous sales gone through and the property immediately re-sold in auction, it may have left him exposed to compensation demands from the beneficiaries of the estate he oversaw.

**27 Winchester Road, Bedford, Bedfordshire MK42 0SA and
63 Woodcote, Bedford, Bedfordshire MK41 8EL**



27 Winchester Road

Guide Price:

£150,000

Number of Viewers:

31

Legal Packs Downloaded:

74



63 Woodcote

Guide Price:

£190,000

Number of Viewers:

3

Legal Packs Downloaded:

14

Both these 3-bedroom semi-detached houses were offered in the same auction.

27 Winchester Road was a complete wreck, not a penny had been spent on upkeep in over 40 years and we offered it at our recommended guide price of £150,000.

63 Woodcote was in much better condition plus it was in a more sought-after area of Bedford. The guide price was £20,000 more than the amount we recommended.

When the first viewings commenced, a queue formed at Winchester Road yet no-one arrived to see 63 Woodcote. At the subsequent viewings, the numbers outside Winchester Road were so many we steered people to look at 63 Woodcote as well.

On auction day, both houses sold for £220,000!

9 Manor Way, Potton, Bedfordshire SG19 2RH



Guide Price:

£160,000

Number of Viewers:

18

Legal Packs Downloaded:

80

This 1960s 3 bedroom semi-detached house suffered from cracks throughout inner walls and the concrete ground floor had dropped. Repair costs had already caused two agreed sales to fail; the second had been agreed at £210,000.

The months of delay now put the seller in an urgent position so he was recommended to us.

The house sold for £221,000 and exchange took place in 37 days!

The Old Crownhouse, Winslow, Buckinghamshire MK18 3AB



Guide Price:

£225,000

Number of Viewers:

31

Legal Packs Downloaded:

45

This was a very attractive property and once refurbished it would make a sizeable period family home, overlooking the market square of this pretty market town.

The downside was that this property's garden was a courtyard on the opposite side of the lane to the rear. Unfortunately, no agent was prepared to have a frank discussion with the seller about what impact this could have and after 3 years and 3 estate agents later, the last agreed sale price dropped to £275,000. After that sale had also failed, we offered the house with a guide price that reflected the negatives, and with improved buyer confidence the house sold for £300,000!

40 Sandy Road, Willington, Bedfordshire MK44 3QS



Guide Price:

£250,000

Number of Viewers:

8

Legal Packs Downloaded:

31

After failing to attract a buyer in 8 months' marketing, asking £350,000 for this house, which was in a very poor condition, the agent referred the seller to us.

Our advice was that the exceptionally long back garden held little value to the average house buyer, so we separated the two, achieving £304,000 for the residential property (still with an adequate garden) and £60,000 for the land at the rear.

14 Park Road, Rickmansworth, Hertfordshire WD3 1HT



Sale prices of similar nearby properties suggested that this house may be worth £475,000 once refurbished. However, the condition was so poor that the refurbishment costs had been estimated at £80,000. Deducting the costs and allowing a small margin for the buyer's trouble, we anticipated a sale price of around £350,000.

The owner, a seasoned auction seller, understood competitive pricing and wanted the guide to start in the £200,000s rather than £300,000s. It generated huge interest and the house sold in December 2020 for an incredible £435,000 – 50% above the asking price.

Guide Price:

£290,000

Number of Viewers:

74

Legal Packs Downloaded:

153

The Wheelhouse, Hill Road, Watlington, Oxfordshire OX49 5AD



Off-putting to lenders, this property had a large flying freehold; a large section of the cottage extending over the adjoining property.

One sibling had experienced the auction process as a buyer when he purchased his own cottage in Cornwall and he was impressed with the simplicity and speed from a buyer's perspective.

He therefore proposed we appraise the property and we were subsequently instructed to sell.

The original asking price of £475,000 hadn't accounted that the property was un-mortgageable with mainstream lenders, yet we sold for nearly 90% of the original asking price, achieving £417,000.



Guide Price:

£350,000

Number of Viewers:

9

Legal Packs Downloaded:

23

18a High Street, Sandy, Bedfordshire SG19 1AQ



Guide Price:

£60,000

Number of Viewers:

40

Legal Packs Downloaded:

71

The seller was considering an offer from a friend of a friend of £80,000 due to the short lease which had only 54 years remaining. Fortunately, she was recommended our services and we estimated that it would do much better at auction. It did, achieving £115,000 – that's £35,000 more!

Sheffield House, Ampthill Road, Houghton Conquest, Bedfordshire MK45 3JJ



With an initial asking price of £450,000 and marketed already for 8 months, this house was reduced to £420,000, during which time two agreed sales failed and it was broken into.

The sale was complicated further by the property next door, which is a former dog kennels, that had just been refused a planning application seeking to replace the dog kennels with retirement flats.

With an empty house, security concerns and the planning issues next door, the sellers sought the speed and certainty that is gained selling at auction. The guide price proved attractive, and the final sale price exceeded the previous failed offer by £32,000!



Guide Price:

£345,000

Number of Viewers:

17

Legal Packs Downloaded:

66

3 Elm Drive, Offord Cluny, Cambridgeshire PE19 5RN



Guide Price:

£140,000

Number of Viewers:

67

Legal Packs Downloaded:

103

A neighbouring house sold just months before for £227,000. It was in much better condition and larger than this 3-bedroom semi-detached house, which apart from being in a poor condition was full of clutter and rubbish the seller was hoping to leave.

Hoping it was worth around £175,000, the seller agreed to our lowest recommended guide and achieved £226,000 – including all the contents!

4 Cannon Lane, Stopsley, Bedfordshire LU2 8BJ



Guide Price:

£170,000

Number of Viewers:

32

Legal Packs Downloaded:

69

With his client in a care home and acting under power of attorney, a local solicitor instructed us to sell this house at auction. Because the proceeds of the sale were to be used to fund his client's care, the solicitor chose an auction in order to satisfy local authority regulations which require that market value is achieved.

Bizarrely, the local authority was keen to buy back this ex-Council house and had their own surveyor value it at £230,000. Their acquisitions manager was outbid in the room and the property sold for £255,000!

1 Victoria Street, Aylesbury, Buckinghamshire HP20 1LZ



Guide Price:

£160,000

Number of Viewers:

39

Legal Packs Downloaded:

44

Severe cracks to the side wall caused sufficient concerns for two agreed sales to fail, the second having been agreed at £200,000. At auction it sold for £235,000!

29 Cowper Street, Luton, Bedfordshire LU1 3SQ



Having failed to sell after months on the market, our advice was to guide this house at £150,000 to ensure a strong response.

The owner was certain it was worth £200,000 and wanted us to guide at £170,000 but we settled on a slightly higher guide price and the seller a slightly lower sale price when it reached £190,000. Had the guide been that little bit lower, another bidder may have competed, and one or two more bids could have delivered £200,000.

Guide Price:

£160,000

Number of Viewers:

9

Legal Packs Downloaded:

17

Foxgloves, Bowling Alley, Oving, Buckinghamshire HP22 4HD



Our clients had purchased this cottage as a wreck to refurbish for a profit but they had come to realise the projected value quoted was far too high. Accepting it was time to draw the line, they sought our advice which was to guide at £285,000. Instead of accepting our advice, they asked that we market at a guide of £320,000. We did but there was little interest and the cottage failed to sell.

Post-auction offers were received up to £287,000 with buyers trying to dictate terms to the seller, who by then was willing to accept £300,000. To regain control, we recommended entering the following auction at our originally suggested guide of £285,000. The whole dynamic of the sale was transformed. The viewings sessions were packed, and buyers were wondering how high bidding would go.

An offer of £330,000 persuaded our client to sell pre-auction and within an hour the buyer had come to our office to pay his 10% deposit and exchange contracts.



February 2019

Guide Price:

£320,000

Number of Viewers:

7

Legal Packs Downloaded:

3

April 2019

Guide Price:

£285,000

Number of Viewers:

24

Legal Packs Downloaded:

14

259 Hitchin Road, Luton, Bedfordshire LU2 7SL



Guide Price:

£130,000

Number of Viewers:

30

Legal Packs Downloaded:

100

This property was a wreck, with severe cracks to the brickwork around the rear bay window and huge rat holes in the floor and skirting boards.

The seller, an executor with plenty of selling experience, informed us that the highest asking price that agents recommended was £185,000. We were less optimistic and asked for a low guide price yet despite our concerns, the property sold at auction for £209,000!

258 Buckingham Road, Bletchley, Buckinghamshire MK3 5JG



On the market from October 2019, the first sale was agreed at £210,000, falling apart in January 2020. The second sale agreed soon after at £200,000 also failed following the announcement of lockdown, placing our clients in a desperate situation.

Instructed in April, we sold in May during the most severe lockdown restrictions, achieving £225,000!



Guide Price:

£150,000

Number of Viewers:

18

Legal Packs Downloaded:

122

The Gables, Caddington, Bedfordshire LU1 4EW



This detached chalet house had extensive cracks throughout and an ongoing subsidence claim.

We entered it into our May 2020 auction at a higher price than we recommended. The guide price was £320,000, only 8 people visited the property and feedback was negative. With little chance of a sale, we withdrew the property to allow the seller to agree a settlement figure with his insurers.

The property became available again the following February, without the benefit of any continuation of insurance as by now the seller had settled and been paid.

This time we offered the house at our recommended guide price of £250,000 and the reaction was totally different. Instead of just 8 viewers we had 45! There were also a number of pre-auction offers that were rejected and the property sold at auction for £370,000.



May 2020

Guide Price:

£320,000

Number of Viewers:

9

Legal Packs Downloaded:

22

February 2021

Guide Price:

£250,000

Number of Viewers:

45

Legal Packs Downloaded:

70

27 Sweet Briar, Marcham, Abingdon, Oxfordshire OX13 6PD



Guide Price:

£95,000

Number of Viewers:

1

Legal Packs Downloaded:

5

Following the pandemic, retirement properties in general fell out of favour, with many of them falling to sell. The seller of this empty, age-restricted property, which was further negatively impacted by a short lease, needed it sold after many months on the market with a local agent. The service charges, council tax and other costs were mounting significantly.

We suggested setting the guide at an attractive £75,000 but our client asked that we try at £95,000, which resulted in only one viewer attending one of the three viewing dates.

Fortunately, we sold post auction for £92,000. However, had we been able to set the guide price lower, that buyer would still have been interested and with competition from others, the sale price may well have been higher.

55 Turners Road South, Luton, Bedfordshire LU2 0PH



Guide Price:

£130,000

Number of Viewers:

48

Legal Packs Downloaded:

87

Having been unsuccessfully offered for sale from February to August by a local agent, with an asking price of £190,000, the seller looked for an alternative and decided to instruct us. 4 weeks later it sold for £189,000!

6 Clare Cottages, Clare, Thame, Oxfordshire OX9 7HQ



Guide Price:

£190,000

Number of Viewers:

38

Legal Packs Downloaded:

73

Having been unsuccessfully marketed from June 2019 to February 2020, we sold this cottage in June 2020 amid severe lockdown restrictions for £275,000, 50% more than the guide price.

Also sold were cottages 2-5 at the same time, totalling £1,220,000, somewhat more than the highest amount offered of only £750,000 through the agents for this listed row of five!

2 Sidney Terrace, Wendover, Aylesbury, Buckinghamshire HP22 6JU



Our seller was a solicitor acting as executor to an estate and he had a complex role in selling this cottage. The building was in very poor condition and one of the beneficiaries, the late owner's daughter, wanted to purchase it. However, the other beneficiary wanted the full value, and the executor understood his duty to ensure that the sale price was fair, hence his decision to sell by auction.

Offered at £250,000, several people bid on the cottage, and it sold in the openness of the room for £306,000 to the daughter, which was deemed fair by all involved.



Guide Price:

£250,000

Number of Viewers:

7

Legal Packs Downloaded:

27

2 Lansdowne Road, Bedford, Bedfordshire MK40 2BU



Guide Price:

£280,000

Number of Viewers:

19

Legal Packs Downloaded:

58

Previously offered through informal tender and guided at £350,000, a sale was agreed at £370,000 but it fell through. Following a subsequent break in, the sellers were very keen to quickly sell the house.

Our recommended guide of £280,000 was accepted and following very good viewing interest and strong bidding, the gavel fell just 4 weeks after our instructions to sell at an impressive £425,000.

25 Haycroft Road, Stevenage, Hertfordshire SG1 3JL



This deteriorated cottage had suffered severe water damage and was on the path to repossession.

Our client's brother stepped in to help. He had a strong opinion of the value of post-refurbishment but agreed it was difficult to estimate the true extent of the damage. His instructions to us were 'anything over £180,000 will do'. Amazingly we sold it to a buyer who didn't even see inside (owing to the lock down restrictions of the time) for £205,000!



Guide Price:

£160,000

Number of Viewers:

0

Legal Packs Downloaded:

61

and finally...

The effects of the financial crisis in 2008 were wide and continue to be felt today. In particular, the attitude of lenders changed. Gone were the days of throwing money at borrowers and instead measures were introduced, such as affordability thresholds, which at times appear confusing and erratic.

As securing a mortgage (especially a second or third one) has become harder, the private treaty method of selling has become less certain because generally buyers tend to purchase at the top of their budget, exposing them to penalties from lenders. Sellers then started to look to auctions as they wanted more speed and certainty of sale.

With auction becoming increasingly popular, some estate agents have tried to convert to being 'auctioneers' with many of the new entrants coining the phrase 'modern method of auction'. Usually, they rely on the unique selling point that they get the buyer to pay the fee, not the seller, and this can seem very appealing.

This is done by applying a buyer's premium. It is not new; indeed, we have always been able to apply one but prefer not to, simply because a seller almost always ends up with less money. This is why we have chosen to partner with established auctioneers.

The first reason is that buyers hate them. Ask yourself, when buying your next home, if the agent said you would have to pay many thousands of pounds for their fee, would you reconsider the purchase? The main reason though is that a buyer must pay the premium out of his/her own pocket, reducing their deposit and in turn the amount they can borrow.

For example, a buyer approved to borrow up to 80% of the value of their purchase, with a A £20,000 deposit can purchase up to £100,000. Yet if a 4% buyer's premium is applied (they often range between 4% and 6%), automatically that person will bid £4,000 less, but with their deposit reduced to £16,000 it now equates to 20% of £80,000.

By contrast, traditional auctions in which bidders are brought together in a competitive environment have been successful for hundreds of years; a 'modern method' is not needed by sellers and was only invented to give the 'auctioneers' an easier life. Traditional auctions require greater diligence and effort from the auctioneer, but for better results, as can be seen from the case studies above.

Click to visit our auction website to contact your local branch or to book your free auction valuation:

<https://www.urbanandrural.com/property-auctions/>