

# Auction Jargon Buster

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## **Actual completion date**

The date when completion takes place or is treated as taking place for the purposes of apportionment and calculating interest.

## **Addendum**

An amendment or addition to the conditions whether contained in a supplement to the catalogue. This may be a written notice in the catalogue, or announced at the auction.

## **Auction**

A public sale in which property or items of merchandise are sold to the highest bidder.

## **Auctioneer**

The person who conducts an auction. The auctioneer introduces each lot offered for sale, acknowledges bids, and announces whether lots are sold or unsold and their final bid prices.

## **Auction catalogue**

The catalogue gives a description of the property, details on how to view each property and the General Conditions of Sale. These are prepared by the auctioneer, stating the basis on which the auction is carried out.

## **Bid**

The offer to buy property at a specific price.

## **Completion**

On completion of the sale of the lot there is usually a defined time period from the auction to the completion date in which the sale must be finalised. Penalties will be applied if the sale is completed late which can include losing your deposit.

## **Exchanging contracts**

If you are the successful bidder at the auction sale, the sale is binding on the fall of the hammer and you will then be asked to sign and exchange contracts in the auction room.

## **Guide price**

A guide price gives an indication of the price that the property is expected to sell for and what the vendor is hoping to achieve.

Guide prices are for information only and shouldn't be relied on as an indication of reserve price, or representing professional valuations for any purpose. Purchasers are deemed to have relied on their own knowledge or obtained the independent, professional advice of others.

## **In the room**

A bid from someone in the room (not by phone.)

## **Legal pack**

The vendor's solicitors prepares a legal pack containing copies of all the legal papers that you and your solicitor are likely to need to make an informed decision about your lot. The pack should include (where applicable) copies of: special conditions of sale, title deeds, leases, office copy entries, searches, replies to pre-contract enquiries.

All legal packs will be available for inspection at the auction room. You must be aware that you buy subject to all documentation and terms of contract whether or not you have read them.

## **Lot**

Each separate property described in the catalogue or (as the case may be) the property that the seller has agreed to sell and the buyer to buy.

**Previews or exhibitions**

A viewing of the property held in advance of the auction. Pre-auction viewings are open to the public and may be attended at no charge.

**Private treaty**

The sale of a property at a price agreed by the seller and the buyer or their agents.

**Proxy bid**

The auctioneers can undertake bidding on behalf of buyers unable to attend the auction in person. The buyers must contact the auction house prior to the auction to obtain an official, proxy bidding form. This must then be returned to the auction house with a deposit cheque within the time specified by the auctioneers. The buyer writes the maximum amount they will bid to on the form and the auctioneers will bid on behalf of the buyer, up to, but not beyond, the stated price.

**Reserve**

A reserve price is the lowest price the vendor will accept. This is agreed between the vendor and the Auctioneer. Most properties entered into the auction have a reserve price. This is confidential and not disclosed to any interested parties.

**Telephone bid**

A telephone bid, made by a member of staff from the auction house. The staff member telephones the client from the salesroom to bid on particular lots and relays the client's bids to the auctioneer during the bidding on those lots.

**Tenancies**

Contracts to occupy or lease the property subject to rent. A lot may be sold subject to existing tenancy agreements.

**Withdrawal**

Failure to reach the reserve price or insufficient bidding. The auctioneer will withdraw the property from the auction.

**PLEASE NOTE: If you're considering purchasing a property at auction you should always consult with auction professionals and solicitors. This article is intended as a guide only**