

Methods of selling a property

There are several different methods of selling a home – we have outlined these methods below and will advise which is most suitable for your property following an inspection.

PRIVATE TREATY

AUCTION

INFORMAL TENDER

FORMAL TENDER

PRIVATE TREATY

The process called “For Sale by Private Treaty” is the method employed by most estate agents, preparing descriptive details of the property and quoting a definitive asking price. Details are circulated: potential buyers may view the property and either agree to buy at the asking price or submit an offer to purchase. Agreement to buy at this stage (for England and Wales) is subject to formal contracts being prepared between the vendor and the purchaser and those contracts being signed and exchanged between the two parties.

If several interested parties are introduced to the seller those parties will be invited for “best & final offer” thus ensuring the vendor receives the optimum price.

When used:

The vast majority of presentable residential property where the seller is looking to move from one home to another.

AUCTION

The property is advertised for sale by Auction, rather than at a fixed price. Those interested in buying attend a competitive auction, conducted by an Auctioneer, at which the person who bids highest buys the property.

The successful bidder is legally bound to purchase when the Auctioneer’s hammer falls on his bid. He pays a 10% deposit there and then and has to complete the purchase on the stated completion date – normally 4 weeks after the auction date. The buyer has to arrange finance and make any enquiries (including carrying out a survey) before he bids. It is too late afterwards.

Information files available on all subjects below....

Why choose us to sell your home?



Methods of sale



What is an EPC?



Preparing Your Home for market



Preparing legal documentation



I’m on the market – what happens now?



Selling in a difficult market



Types of survey



I have a buyer – what happens now?



What is a chain? How does it affect me?



I’m not happy with my survey



The legal process for sale



The legal process for Purchase



Exchange of Contracts



Moving Day



Glossary



When used:

Properties for which there is likely to be strong competition – so that it does not matter if some prospective buyers are not able to bid.

Properties that are most likely to appeal to cash buyers (rather than those with a property to sell or needing to borrow) – for example building plots and properties needing renovation or redevelopment.

Properties with serious defects, where there is a fear that buyers by Private Treaty might keep pulling out because of concerns over the risks they are taking

Those where it is very difficult to predict the likely sale price.

INFORMAL TENDER

In the process known as 'For Sale by Informal Tender' the asking price will not be stated generally a guide price will be given. Written offers will be invited (sealed bids) and a closing date for such offers published. All offers are opened at the same time. Generally, the vendor is not committed to accepting the highest or any offer. The offer is not binding and on acceptance of any offer the transaction proceeds subject to contract.

When Used:

Properties where competition is strong and a choice of buyer is likely or anticipated.

Properties that require modernisation (defects highlighted at survey).

Where a closure date is required or desired.

FORMAL TENDER

When a property is sold by formal tender, as with an informal tender, the sale will be advertised with a deadline by which prospective purchasers must submit their bid.

Each tender document from the bidders must include the full legal contract for sale and all bids have to include a bankers draft as a deposit on the contract. The bids are opened by the vendor or agent (representative). As soon as the "best bid" is selected, the bankers draft is accepted and contracts are automatically exchanged. The successful bidder is then committed to the contract and will have to complete the sale on the appointed date. If the successful bidder fails to complete the sale they will forfeit their deposit and further costs may be incurred.

Generally rarely used due to its complexity.

When Used:

Some land transfers