

ADDITIONAL NON OPTIONAL FEES AND COST GUIDANCE NOTE

Introduction

If you are a successful Buyer there may be extra non-optional fees and costs to be paid in addition to the sale price. These costs can be fixed or variable and can be affected by a number of factors such as the price paid and/or the nature of the Buyer.

To assist you we set out below examples that may apply. The following list is not meant to be fully comprehensive, but rather is a guide as to what to look out for and where you can find the relevant information to allow you to make an informed purchasing decision.

There may be other non contractual additional costs that arise directly a consequence of your property purchase and it is your responsibility to ensure you are aware of these before bidding.

Guide Price and Reserve Price Definition

The Guide Price is an indication of the seller's current minimum acceptable price at auction. The guide price or range of guide prices is given to assist consumers in deciding whether or not to pursue a purchase. It is usual, but not always the case, that a provisional reserve range is agreed between the seller and the auctioneer at the start of marketing. As the reserve is not fixed at this stage and can be adjusted by the seller at any time up to the day of the auction in light of interest shown during the marketing period, a guide price is issued. This guide price can be shown in the form of a minimum and maximum price range within which an acceptable sale price (reserve) would fall, or as a single price figure within 10% of which the minimum acceptable price (reserve) would fall. A guide price is different to a reserve price.

Both the guide price and the reserve price can be subject to change up to and including the day of the auction.

The Reserve Price is the seller's minimum acceptable price at auction and the figure below which the auctioneer cannot sell. The reserve price is not commonly disclosed and remains confidential between the seller and the auctioneer. Occasionally a property may be listed with no reserve. This means that technically the lot will be sold if an offer is received - even as low as £1.

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Due Diligence

The circumstances of each sale are unique and it is important that you carry out the necessary due diligence before you purchase a property at auction so you are clear on what you are buying.

If you have any doubts as to what you will be paying in addition to the purchase price you should obtain your own independent third-party professional advice to review documentation and give you further advice. Depending on the nature of your query a solicitor, surveyor or accountant may be able to assist.

You, or your advisors, should check all the available information including the Sales Particulars, Conditions of Sale, Common Auction Conditions (or Articles of Roup for Scottish properties), any Special Conditions of Sale for each Lot, the Legal Pack, any published Addendum relating to the Lot or Auctioneer's pre-auction announcement before the Lot is offered for sale.

Examples of Non Optional Costs and other Additional Costs which may be applicable are:

- **Contribution to the Sellers costs:** Where applicable these will be detailed in the legal pack and may also be included in the online Sales Particulars. These can typically be stated as a percentage of the sale price, subject to a minimum level.
- **Buyers Administration Fee:** All Lots will be subject to a Buyers Administration Fee, payable as part of the purchase process. This charge is compulsory, subject to VAT in addition and is payable upon exchange of contracts. For confirmation of the amount payable interested parties should refer to the Sales Memorandum in relation to the Lot, a copy of which will be included within the Legal Pack.
- **Documentation Costs:** There may also be a liability for the Buyer to pay the costs of some documents

within the Legal Pack, such as Local Searches or enquiries of the relevant Statutory Utility providers. Confirmation of the amount payable can normally found within the Special Conditions of Sale.

- **VAT:** Confirmation as to whether VAT applies to the sale price is normally found within the Special Conditions of Sale and/or the replies to pre-contract enquiries. In some instance where the Seller has limited direct knowledge of the property (for example where a Mortgagee or Receiver is the Seller) confirmation of whether or not VAT applies may not be possible before the sale and you may accrue a liability for VAT at a later date. The extent of VAT payable or recoverable may also depend on the circumstances of the Buyer.
- **Rent Arrears:** For properties that are subject to a tenancy, or other form of agreement that permits occupation and a payment is due to the owner, there may be a liability for the Buyer to pay any arrears on completion. Confirmation as to whether this will apply and of the amount payable can normally found within the Special Conditions of Sale.
- **Stamp Duty:** Stamp Duty may be applicable and will be dependent on the value of the property and or the nature of the Buyer
- **Landlord's Licence:** For leasehold properties there may be additional costs incurred in obtaining the Landlord's Licence to Assign and you should refer to the Special Conditions of Sale.

It is important to recognise that the above is not an exhaustive list and Buyers should carry out the appropriate due diligence, with professional advice, before they buy a property at auction.