

DNG Nationwide

Guide to Buying at Auction

Buying at auction is a very different proposition to purchasing by private treaty, as you must carry out all your investigations prior to going to auction.

1 Choosing Your New Home

Finding what houses are for sale by public auction is easy as they are virtually all advertised in large display adverts in the national newspapers. Scouring through the property supplements of the main papers such as The Irish Times, Irish Independent, Irish Examiner, Sunday Tribune, Sunday Business Post, Sunday Times and Sunday Independent etc. should yield the best results. Myhome.ie is also a great place to find the most auction properties in one location. www.dng.ie also offers an extensive list of property available for sale by public auction.

2 Choosing Your Solicitor/ Conditions of Sale

When buying at auction the sellers solicitor prepares "Conditions of Sale" which quite literally is a legal document setting out the terms of sale and will also include information such as the closing date, contents included in the sale, if any, etc. Prior to attending the auction it would be important that you retain the services of a solicitor. DNG will be delighted to provide you with a number of recommended firms to choose from. These solicitors are completely independent and will always act in your best interests. If you already have your own solicitor we do not wish to intrude on any relationship you may already have.

3 Applying For Your Mortgage

You may already have received loan approval in advance of your property search. Now that you have actually purchased, it is time to commit to your chosen lender. We would always advise employing a suitably qualified mortgage broker who deals with virtually every institution to act on your behalf in this important decision. Our sister company GMC Mortgages are Dublin's largest retail mortgage broker and can offer you in nearly every case the best deal in the market place. If you are already loan approved through another broker or financial institution let GMC Mortgages prove themselves by trying to beat your current rate. It may cost you a few minutes but could save you thousands of euro.

When you have chosen the financial institution that will finance your purchase you will have to complete a mortgage application form. This form will require your personal and financial details and information on the property you wish to buy. When submitting your application you will also be asked to provide various enclosures which will normally include, salary certificate (completed by your employer/s), recent P60/s or completed accountant's report if self employed, 3 recent payslips, 6 months current account statements, statement of existing borrowings, statement of personal savings, valuation fee (if necessary) and photo id (copy of driving licence or passport).

After receiving all your information the financial institution will then send out a valuer to inspect your chosen property. The valuation report is sent to the institution and once they are satisfied they will issue written loan approval.

4 Life Assurance

It is normally a condition of your loan approval that you obtain life assurance up to the amount of the loan you intend to borrow. This is also a prudent measure as if you pass away the loan you have obtained will be paid off in full by the life assurance company leaving it un-encumbered for your beneficiaries. We would advise that you speak to your own lender, life assurance broker or a member of our team at GMC Life & Pensions for further details on this and other suitable products such as Income protection in the event of job loss, illness etc.

5 Building Insurance

It will also be a condition of your mortgage that you hold an adequate level of building insurance prior to taking out your mortgage. This is an important form of protection, which will cover you against most forms of damage to your property. Contents insurance is also available with this type of insurance policy. We would advise that you speak to your own lender, life assurance broker or a member of our mortgage team at GMC Mortgages for further details. Some properties, which are part of private managed developments, have block policies in place for building insurance (not contents) which is payable out of the annual managed service charges.

6 Building Survey

It is always recommended that you obtain an independent survey of the property you wish to purchase by with a qualified architect, civil engineer or building surveyor prior to purchasing your chosen property.

7 The Auction Day

Now that you have had the property surveyed, have obtained loan approval and that your solicitor has satisfied his/herself in relation to the title and advised you of the conditions of the sale of the property you wish to buy, it is time to attend the auction. Always make sure you know where the auction rooms are and leave plenty of time to find parking. There are no hard and fast rules about buying at

auction and to some degree luck plays a large role in determining how many people go after one property over another.

Many prospective bidders decide to bring their solicitor or auctioneer to represent them at auction. This can actually benefit you especially if a property is withdrawn to you as the reserve price has not been reached and there is after auction negotiations. An auctioneer, in particular, will be able to negotiate the best deal for you afterwards and may tactically control the bidding in your favour at the actual auction.

If you are committing to use our agency for the sale of your own home, we would be delighted (subject to availability and location) to represent you at the auction of your choice at no extra charge. If you are the highest bidder and the property is sold to you under the gavel you will then sign unconditional contracts immediately afterwards which will then be countersigned by the vendor and the property is deemed sold. The normal deposit payable by the purchasers is 10% (unless otherwise stated) and this can normally be paid by cheque or bank draft made out to the sellers solicitors. If the property does not obtain a price which is acceptable to the owners, the property is then withdrawn to the highest bidder. In that case it is the policy of DNG and most other firms to deal exclusively with the highest bidder in the first instance, to try and settle on an agreeable price. If negotiations cannot be concluded all dealings are suspended, and the agent then has the right to deal with any other parties. The property will then, generally, be placed back on the market for sale by Private Treaty.

8 Getting the Keys

Now that you are ready to move in to your new home there is little for you to actually do apart from waiting for the completion date to arrive. Your solicitor will be working away in the background ensuring that everything is going smoothly. Your solicitor will requisition the loan cheque from your financial institution (where applicable) in good time for the closing of the sale and will arrange for a specific appointment with the seller's solicitor to pay over the balance of the monies and receive keys of your new home on your behalf.

Always remember to call all your service and utility providers such as electricity, gas, cable, An Post etc., to notify them of your new address or alternatively log onto www.newaddress.ie who provide an all in one online service.

DNG will do whatever is possible to ensure the purchase of your home is as simple and straightforward as it should be. Our staff are available to you at every stage of the purchase process and will endeavour to help and assist in any query that may arise. We hope that the above guide is of assistance to you at this very important time.

Please note that this section of this guide is for Auction Properties only, purchased through DNG. As other agents offer different services, one cannot assume that their systems are similar to those represented in this guide.