

the opportunity to step in and potentially land a great deal.

### Where can I buy a repossessed property?

Repossessed properties tend to be sold in two ways.

Generally, lenders or receivers, as they are known in these cases, will enlist the services of an estate agent and sell them in the same way as a traditional homeowner. When this happens, the buying process is generally quite similar to any other home purchase.

However, repossessions are sometimes sold via a property auction. And this is where the process can be rather different.

### Going, going, gone!

Property auctions are conducted both in person, as you might see on shows like *Homes Under The Hammer*, but also over the internet, giving the chance to pick up your dream home without having to leave your sofa.

Either way, a catalogue of the properties up for auction is published about a month before the auction takes place. This provides you with an opportunity to do your homework. It is wise to take a look around, get a feel for the place and assess what improvements and repairs will be necessary.

Some buyers opt to pay for a survey at this point, so they are in a more informed position about exactly what they are buying and what it might cost to put right.

You will also be able to look through the legal pack for the property, which will include information such as Land Registry searches and any special conditions of sale. It is really important to go through this carefully, and perhaps get your solicitor to cast their eye over it too.

Of course, there is a very real chance that even after spending this money, you won't end up buying the property.

### Get the finances in place early

If you are able to fight off competition from rival bidders, you will generally have to pay an initial deposit of 10% on the day.

You will then have 28 days to hand over the rest of the purchase price.

This is an extremely tight turnaround which may be beyond most high-street mortgage lenders.

As a result, if you don't have the cash at your disposal, you could investigate auction finance. This is a form of bridging loan or short-term property finance deal to cover you for the purchase of the property, giving you time to find the right remortgage deal a month or so down the line.

David Hollingworth, director of mortgage broker London & Country, says it is important to fully understand your budget before heading to the auction so you don't get caught up in the moment and overstretch yourself, and that you ensure "you will be able to secure the necessary mortgage in time".

While some auction finance lenders offer funds directly to borrowers, others only lend through mortgage intermediaries. A broker will not only be well placed to help you find the best rates, but will also be able to guide you on which lenders are the most reliable in delivering the funds on time.

### How can I spot a repossession?

Estate agents often do not highlight that the property they are selling has been repossessed.

However, there are some telltale signs from how the property is listed. For example, repossessed properties may be in fairly rough shape inside – the previous residents may have stripped out some of the appliances, or left it in a disorderly state. As a result, some agents only use photos of the outside of the property.

The way in which the agent talks about the vendor may be another clue – for example, if they refer to them as a 'corporate client'. Any listing that warns that no viewings of the interior are available should also jump out as a potential repossession.

Finally, be sure to check the Land Registry's website, as there may be a notice for the property confirming that it has been repossessed. The Land Registry will provide a title register and title plan for a property, proving ownership, for £23.94 including VAT.

### I've been gazumped!

One problem all house buyers potentially face is gazumping. This is

## Receivers are very keen to get the property sold as quickly as possible

where you have a price agreed with the vendor, only for a rival bidder to step in with a higher bid at some point in the process before you exchange contracts.

In 2019, a study by home-mover website Move IQ highlighted that, in some regions, as many as a third of buyers had lost out on a home due to being gazumped, with TV property expert Phil Spencer, co-founder of Move IQ, declaring that the practice was "alive and well".

Being a victim of gazumping can be costly as well as frustrating, with thousands wasted on property searches and surveys, only for you to miss out on the purchase.

However, Trevor Abrahmsohn, founder of estate agent Glentree, argues that this is less likely to happen if you buy a repossessed property through an agent.

This is because the receivers are usually pragmatists – while they are legally required to get the best price possible for the property, they are also very keen to get the property sold as quickly as possible.

As a result, there is a good chance, Abrahmsohn says, that "they will grant you an exclusivity period, which means the money you spend on due diligence until exchange of contracts will not be wasted".

This pragmatism also means that you are not dealing with the unpredictable whims of a homeowner selling the property.

Abrahmsohn explains: "There is no emotion involved. If you can convince the agent that you have cash

