Auction Property Finance

The hammer falls fast; your mortgage due diligence must happen earlier.



Auction buyers can face completion deadlines before a conventional lender can finish underwriting.

01 Read the legal pack before bidding

- Have a solicitor check title, special conditions, completion date, leases, restrictions, tenancies and outstanding notices.
- Confirm the amount and timing of the deposit, buyer's premium and any seller costs passed to the buyer.
- Identify why the property is being sold at auction; the bargain may reflect a title or condition problem.

02 Check the property and finance route

- If the property lacks essential facilities, has structural issues or needs extensive works, ordinary BTL finance may be unavailable.
- Get an initial finance assessment using the address, condition, guide price and likely purchase price.
- Build a funding plan around the contractual completion date rather than a hopeful mortgage timeline.

03 Have a plan B before making an irrevocable bid

- Check deposit availability, bridging costs and what happens if valuation is lower than the winning bid.
- Make sure the exit can proceed after any works, planning or tenancy changes.
- Do not treat a decision in principle as guaranteed funding.

THE NUMBERS | ILLUSTRATION ONLY

A £180,000 winning bid with a 10% deposit means £18,000 is needed for the deposit alone, before buyer costs, stamp taxes, legal fees or finance charges.

The mistake to avoid

A missed auction completion may trigger significant contractual penalties, loss of deposit or other claims.

Documents worth preparing

Auction legal pack; proof of deposit; survey/condition photographs; target maximum bid; completion timetable; exit finance plan.

DISCUSS A DEAL

Send the property, borrowing requirement and your timescale to deal@wefinanceuk.com, or call 020 3917 2651.

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Important information

Your home may be repossessed if you do not keep up repayments on your mortgage. The Financial Conduct Authority does not regulate most buy-to-let mortgages. Bridging finance is typically a short-term, higher-cost form of borrowing and carries risks, particularly if the planned exit strategy is not achieved. A clear repayment strategy should be in place before entering into any agreement. Commercial bridging finance is not regulated by the Financial Conduct Authority.

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