

PROFESSIONAL STATEMENT



Auctioneers selling real estate

UK

7th edition, March 2018

Effective from 1 April 2018

AUCTIONEERS SELLING REAL ESTATE (INCORPORATING COMMON AUCTION CONDITIONS)

RICS professional statement, UK

7th edition, March 2018

Effective from 1 April 2018

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Author

Richard Auterac FRICS (Acuitus Ltd)

RICS Professional Group lead

Paul Bagust (RICS)

With special thanks to:

Gary Murphy FRICS (Allsop LLP) technical author

Philip Waterfield FRICS (Strettons) co-author

RICS Real Estate Auction Group

RICS Real Estate Auction Legal Review Group

RICS Publishing

Head of Publishing and Content: Sarah Crouch

Standards Publishing Manager: Antonella Adamus

Product Manager: Laura Glover

Editor: Sian Morgan

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RICS professional standards and guidance

RICS professional statements

Definition and scope

RICS professional statements set out the requirements of practice for RICS members and for firms that are regulated by RICS. A professional statement is a professional or personal standard for the purposes of RICS Rules of Conduct.

Mandatory vs good practice provisions

Sections within professional statements that use the word 'must' set mandatory professional, behavioural, competence and/or technical requirements, from which members must not depart.

Sections within professional statements that use the word 'should' constitute areas of good practice. RICS recognises that there may be exceptional circumstances in which it is appropriate for a member to depart from these provisions – in such situations RICS may require the member to justify their decisions and actions.

Application of these provisions in legal or disciplinary proceedings

In regulatory or disciplinary proceedings, RICS will take account relevant professional statements in deciding whether a member acted professionally, appropriately and with reasonable competence. It is also likely that during any legal proceedings a judge, adjudicator or equivalent will take RICS professional requirements into account.

RICS recognises that there may be legislative requirements or regional, national or international standards that have precedence over a RICS professional statement.

Document status defined

The following table shows the categories of RICS professional content and their definitions.

Publications status

Type of document	Definition
<i>RICS Rules of Conduct</i>	These Rules set out the standards of professional conduct and practice expected of members and firms registered for regulation by RICS.
International standard	High-level standard developed in collaboration with other relevant bodies.
RICS professional statement (PS)	Mandatory requirements for RICS members and regulated firms.
RICS guidance note (GN)	A document that provides users with recommendations for professional advice and areas of good practice.
RICS code of practice (CoP)	A document developed in collaboration with other professional bodies and stakeholders that will have the status of a professional statement or guidance note.
RICS jurisdiction guide (JG)	This provides relevant local market information associated with an RICS international standard or RICS professional statement. This will include local legislation, associations and professional bodies as well as any other useful information that will help a user understand the local requirements connected with the standard or statement. This is not guidance or best practice material, but rather information to support adoption and implementation of the standard or statement locally.

1 Introduction

This professional statement outlines the principles that shape the culture of fairness and transparency that underpin all activities undertaken by real estate auctioneers. These principles are developed later in this document.

Real estate auctioneering is an integral part of mainstream agency and with the increased focus on the need for ethical practice and transparency this document sets out clearly the responsibilities of all chartered surveyors who are auctioneering specialists to ensure they are working to the highest ethical and professional standards.

Chartered surveyors who are acting as auctioneers assume duties to both sellers and buyers that are in addition to the usual agency role. Auctioneers are acting as agents for the seller and have the power to exchange contracts at the auction such that the seller and buyer are bound by the contract. Before carrying out sales by auction, members should take legal advice and also have regard to this real estate auctioneering professional statement.

As most auction contracts are unconditional the buyer is relying on the information available before bidding and for the documentation from the seller's solicitor being as accurate and comprehensive as possible.

It provides an introduction to the RICS *Common Auction Conditions* (CAC), which members can adopt to regulate the conduct of the parties at auction and the contract between the seller and the buyer. Members are recommended to take independent legal advice before adopting the CAC to ensure that they understand the contents and implications of the contractual terms and that these are appropriate for their business needs. The CAC follows this professional statement and is also available as a separate download on rics.org.

If members adopt the CAC, then they should follow the best practice guidance in this professional statement.

This statement also sets out guidance on key areas relating to the auctioneer's relationship with the selling client, including special terms of appointment and the disclosure by the seller and the seller's solicitor of material factors affecting the sale that may have a bearing on the decisions of a bidder. The statement also sets out key areas relating to the relationship the auctioneer has with potential bidders, actual bidders and the buyer.

Members **must**:

Conduct business in an honest, fair, transparent and professional manner.

Carry out work with due skill, care and diligence, and ensure that any staff employed have the necessary skills to carry out their tasks.

Ensure that clients are provided with terms of engagement that are fair and clear. These should meet all legal requirements and relevant codes of practice including reference to complaints-handling procedures and, where it exists, an appropriate redress scheme.

Do the utmost to avoid conflicts of interest and, where they do arise, to deal with them openly, fairly and promptly.

Not discriminate unfairly in any dealings.

In all dealings with clients, ensure that all communications (both financial and non-financial subject matters) are fair, clear, timely and transparent.

Ensure that all advertising and marketing material is honest, decent and truthful.

Ensure that all client money is held separately from other monies in appropriately designated accounts and is covered by adequate insurance.

Have adequate and appropriate professional indemnity insurance or equivalent in place that complies with the RICS Rules of Conduct. Having proper cover is a key part of managing your risk.

Ensure that it is made clear to all parties with whom you are dealing the scope of your obligations to each party.

Where provided as part of the service, give a realistic assessment of the likely selling, buying or rental price, associated cost of occupancy or of the likely financial outcome of any issues, using best professional judgment.

Ensure that all meetings, inspections and viewings are carried out in accordance with the client's lawful and reasonable wishes, having due regard for the security and personal safety of all parties.

2 Standards and ethics

2.1 Standards and regulatory requirements

Members have a duty to comply with a number of standards, official codes, redress schemes and ethical codes. These include the current editions of:

- **Real estate agency and brokerage**, RICS professional statement, global
- **UK commercial real estate agency**, RICS professional statement
- **UK residential real estate agency**, RICS professional statement.

Members are also required to comply with relevant legislation including:

- *Bribery Act 2010*
- *Equality Act 2010*
- *Estate Agents Act 1979*
- *Consumer Protection from Unfair Trading Regulations 2008 (CPRs)* (when dealing with consumers)
- *Business Protection from Misleading Marketing Regulations 2008 (BPRs)* (when dealing with businesses)
- *The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.*

2.2 Introduction to ethics and professionalism

The resolution of issues often involves a subjective decision based on your personal ethical values and the ethical rules set out in professional codes of conduct and legislation.

Professional ethics and RICS' global professional statement *Real estate agency and brokerage*, (3rd edition), sets out the standards of performance and service the general public can expect to receive from a professional real estate agent and ensure that you act professionally at all times.

2.3 Ethics standard

You **must** comply with the *RICS Rules of Conduct*. Further information available at **Rules of conduct**.

2.4 Conflicts of interest

You **must** refer to the current editions of *Conflicts of interest*, RICS professional statement, global and *Conflicts of interest - UK commercial property market investment agency*, RICS professional statement, for further advice on conflicts of interest.

2.5 Property measurement

You **must** refer to the latest version of *RICS property measurement*, RICS professional statement, for further guidance regarding measurement.

3 Real estate auctions

3.1 Common auction conditions

They were launched in 2002 and the latest version is free but subject to RICS copyright. While not mandatory, they can be an important guide for auctioneers in their relationship with the seller and the buyer/bidders and in the auctioneer's powers and duties from the point of the instruction until its completion. This includes the conduct of the auction.

Members should be fully conversant with the CAC even if they are not adopting them. They are an important guide for auctioneers. If you are adopting them you may wish to include in your terms of appointment with your selling client the Auction Conduct Conditions section from the CAC on the conduct of the auction. It is important that members consult their professional advisers before adopting the CAC so that they are fully aware of the terms and conditions of sale and the obligations of the seller, the buyer/bidders/attendees at the auction, whether in person or online, and the auctioneer. RICS has no legal responsibility to you or any other party if you adopt them. The aim of the CAC is to:

- strike a balance between the contractual needs of the seller and the buyer while recognising that the seller will wish to determine the principal terms under which they wish to sell
- make it easier to see all the contract terms by having one document that embodies all the terms within it rather than by reference to other documents
- ensure the contract is as user-friendly as possible by adopting simple headings and using plain English
- increase the convenience of going to auction for the benefit of sellers and buyers, by providing a common set of conditions for all auctioneers in England and Wales
- reduce the legal costs to buyers and sellers by using a contract that is in common usage, that is easy to read and understand and that comes with a simple-to-complete legal form for the property-specific special conditions of sale
- highlight differences in the general conditions used by individual auctioneers, through the need to indicate separately any extra general conditions of sale.

The conditions consist of:

- a glossary of defined terms (compulsory)
- auction conduct conditions, which cannot be disapplied or changed without the auctioneer's consent (compulsory)
- general conditions of sale (compulsory)
- any 'extra' general conditions that the auctioneer requires (optional)
- special conditions of sale provided by the seller's conveyancer (recommended)
- any addendum (usually announced at the auction itself) (optional)
- a form of sale memorandum (compulsory).

4 The auctioneer's relationship with the seller

4.1 Acting for the legal owner

As the auctioneer is acting as agent for the seller the auctioneer should carry out further checks (in addition to checks under the *Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017*) on the seller's authenticity and right to sell. The auctioneer should also obtain written confirmation from the seller's solicitor.

The auctioneer should acquire confirmation from the seller that any existing instructions to other agents have been withdrawn. If joint auctioneers are appointed the auctioneer should ensure that the seller has documented the duties and liabilities of each and that the seller has agreed, in writing, the basis of remuneration and reimbursement of costs.

4.2 Fees and expenses

The seller's liability for fees and expenses (to include sales that may be effected prior or subsequent to the auction) should specify precisely: under what circumstances the liability will arise; what that liability will be in the event of the seller withdrawing instructions between appointment and the auction date; the amount of the fees and expenses, and the duration of the period of appointment.

The rights of the auctioneer to deduct agreed fees and expenses from the deposit.

4.3 Provision of information

Notwithstanding the disclaimers set out in the CAC the auctioneer should appreciate that auction particulars should be factual and accurate. The auctioneer should send proofs of the auction particulars for careful checking and approval by the seller, the seller's solicitor and managing agents (if any), and the joint auctioneers (if any).

The auctioneer should, as far as possible, verify the accuracy of the information in the catalogue from personal inspection and through the seller's solicitor in relation to the legal matters affecting title and occupation. The *Consumer Protection from Unfair Trading Regulations 2008* and the *Business Protection from Misleading Marketing Regulations 2008* cover both acts of commission and omission.

Auctioneers should nevertheless obtain a warranty that information supplied by the seller (or by anyone on the seller's behalf) is accurate and ensure that they obtain an indemnity against liability for inaccuracy

Auctioneers should ask to be notified by the seller and/or the seller's solicitors of public health notices, local land charges, financial charges, arrears of rent and service charge, disputes and material matters relating to the property being offered for sale.

All relevant documents and plans relating to the property concerned should be available for inspection online or at the offices of the auctioneer or the seller's solicitor for as long as possible prior to the sale

Auctioneers should advise sellers that it may be helpful if their solicitor is contactable during the auction to facilitate and answer legal queries or any queries that pertain to the legal documentation.

If auctioneers are using the CAC, special conditions are required to be produced by the seller's solicitor for each lot. These special conditions need to refer, as a minimum, to a title number and whether the sale is subject to any tenancies.

Auctioneers should ask the seller and the seller's solicitor to verify the accuracy of any site plans included in the particulars.

4.4 Sales prior to and post auction

As only auctioneers have implied authority to sign the memorandum at the auction they **must** reserve the right to do so in the terms of appointment and set out clearly when this right applies.

The Law Society publishes formulae for solicitors to exchange contracts by telephone, fax or email. Providing the formulae are complied with there is a binding exchange.

- Formula A is where one solicitor holds both parts of the contract.
- Formula B is where each solicitor holds his or her client's part of the contract.

Exchange by these formulae applies only to solicitors. Sometimes a seller and buyer wish to exchange the auction contract outside the auction room through the auctioneer using one of these formulae. It is recommended that the auctioneer reconfirms in writing with the seller and the buyer the procedures and responsibilities for signing the respective parts of the memorandum of sale and for the transfer of the deposit.

4.5 Reporting bids prior to auction

The auctioneer's responsibility and procedure for the reporting of bids prior to auction **must** comply with the *Estate Agents Act 1979*.

Unless provided for in the auctioneer's terms for bidders, the auctioneer should not disclose to the seller the amount of any pre-auction registered telephone/internet bid or proxy bid.

4.6 The auctioneer's terms for taking deposits

This should include:

- The manner in which the auctioneer may accept deposits, for example, by cheque, banker's draft, electronic transfer or debit or credit cards

- Whether the deposit will be held as stakeholder or agent for the seller and to whom any interest earned on the deposit will accrue
- Confirmation to whom the balance of the deposit will be sent
- The auctioneer's procedures for checking the identity of the bidder.

4.7 The auctioneer's terms of appointment

This should include the extent of auctioneers' right to:

- refuse bids
- determine disputes between bidders
- regulate bidding increments
- accept postal and facsimile bids by way of proxy, telephone and/or electronically (with appropriate indemnities from the seller and the bidder in the event of a communication failure)
- release any bidder acting as agent from personal liability
- sign the auction contract on behalf of the seller
- bid on behalf of the seller up to, but not including, the reserve and to advise the seller not to bid
- instruct the seller's solicitor to carry out all local and other searches, to provide special conditions of sale and standard pre-contract enquiries and to make all relevant legal documentation available to prospective buyers
- change the venue or date of the auction at their discretion
- make reasonable efforts to ensure that the successful bidder signs the memorandum and pays the deposit
- repudiate a contract after the hammer has fallen and the circumstances when this can be done
- sign the memorandum of sale on behalf of the seller.

4.8 Auction venue

Auctioneers should check that:

- there is no prohibition against holding an auction on the property and that local authority regulations can be observed
- the hirer has no objections to the venue being open to the public (as a public auction will be held at the property) and that the hirer of the auction room has insurance cover
- the permitted size of the auction room will accommodate the anticipated number of bidders and, in particular, that fire regulations will be complied with.

4.9 Online communication

With increasing use of the internet, it is good practice to ensure that hard copy catalogues refer parties to the auctioneer's website for updates. To assist potential buyers in identifying changes

on the website version of the catalogue, it is recommended that auctioneers identify the changes as soon as possible in the addendum.

Online registration is a convenient way to track potential buyers to inform them of any amendments.

If auctioneers have a formal relationship with another listing site to promote their auctions then auctioneers should notify the listing site of any changes on their website, such as changes to the guide price or any published addendum.

4.10 Conditional contracts

The majority of sales at auction are unconditional. On the fall of the hammer there is a binding contract. If the sale is subject to conditions giving the seller or buyer an extra period to confirm the contract, the conditions attached to the sale should be clear to the seller in the terms of appointment. It should also be clearly stated in all marketing materials for the benefit of the bidders and the buyer. There should be an explanation for buyers of the risks involved and the potential for abortive costs if the sale does not proceed to completion.

4.11 Reserve price

The reserve price is the minimum price at which the auctioneer is authorised by the seller to sell the lot at auction. The lot may be sold to the highest bidder at or above the reserve price but the auctioneer is not authorised to sell at a figure below the reserve price.

The reserve price is confirmed by the seller either when instructions to sell are received by the auctioneer or, subject to the agreement of the auctioneer, at any time before the lot is offered for sale by auction

All reserve prices (and any changes to them) should be confirmed as soon as possible, in writing, by the auctioneer to the seller.

The amount of any reserve price remains strictly confidential to the auctioneer, the auctioneer's staff and the seller. The auctioneer should **must not** disclose reserve prices to any third parties unless instructed to do so by the seller. Only with the agreement of the seller does the auctioneer disclose a reserve price in the catalogue or at the auction.

The existence, but not the amount, of a reserve price **must** be disclosed. This is in the Auction Conduct Conditions section in the CAC.

The *Sale of Land by Auction Act 1867* (s. 5) states:

'The particulars or conditions of sale by auction of any land shall state whether such land will be sold without reserve, or subject to a reserved price, or whether a right to bid is reserved; if it is stated that such land will be sold without reserve, or to that effect, then it shall not be lawful for the seller to employ any person to bid at such sale, or for the auctioneer to take knowingly any bidding from any such person.'

The auction conditions should also state that the auctioneer has a right to bid on behalf of the seller (see CAC). The *Sale of Land by Auction Act 1867* (s. 6) states:

'...where any sale by auction of land is declared either in the particulars or conditions of such sale to be subject to a right for the seller to bid, it shall be lawful for the seller or any one person on his behalf to bid at such auction in such manner as he may think proper.'

4.12 Guide price

A guide price is a key communication tool to the buyer of the seller's intention to sell and is a key consideration when interested parties decide to pursue a purchase.

Section 4.12.1 below is the recommended best practice when issuing a guide price.

Members **must** comply with the *Consumer Protection from Unfair Trading Regulations 2008*. These apply to commercial practices before, during and after, a contract is made. The CPRs contain a general prohibition of unfair commercial practices. They also prohibit 31 specific commercial practices and specifically ban using 'bait advertising' techniques.

Section 4.12.2 below relates to the 23 July 2014 ruling by the Advertising Standards Authority on the advertising of guide prices. This **must** be complied with as a minimum requirement in respect of advertising.

4.12.1 Recommended best practice for guide prices

Guide prices are usually first published when the auction catalogue is printed or made live online. The guide price can either be a single figure or a range of figures.

Where a guide price is given, and to assist buyers, the auctioneer should provide a clear definition of the guide price.

Here is a recommended definition of guide price:

- 'Where a guide price (or range of prices) is published, that guide is the minimum price at which the seller is prepared to sell at the date of publication. If a range of prices is given, the minimum acceptable price should not exceed the lower end of the range.'

If there is any change in the seller's minimum acceptable price before the lot is offered, the previously published price guide may become misleading. In these circumstances, the guide price should be adjusted in accordance with the above guidelines and published immediately.

The guide price **must not** be misleading at the time it is published.

The auctioneer should clearly indicate in the printed and online catalogues that guide prices may be subject to amendment before lots are offered at auction.

Every time a guide price is shown in print, in advertising or online there **must** be explanatory text either clearly alongside every guide price or prominently in the marketing communication e.g. the same webpage, press ad or catalogue, and linked to each guide price by an asterisk or similar.

This explanatory text **must** include a definition of a guide price, its distinction from a reserve price, which would likely require a definition of a reserve price, and text making clear that these prices are subject to change.

Prospective buyers should be advised in the auction catalogue (printed and online) that it is their responsibility to register their interest in particular lots and to regularly check for updated information regarding the lots they are interested in, including changes to guide prices.

4.12.2 Advertising Standards Authority guide prices

On 23 July 2014 the Advertising Standards Authority issued a ruling regarding the advertising of guide prices. Below is an extract from the advice issued by The Committee of Advertising Practice on 28 July 2014.

In the 'Action' field of the ruling the ASA has laid out what real estate auction advertisers need to do to comply.

For ease of reference, this can be broken down into the following requirements:

- 'Every time a guide price is shown there must be explanatory text either
 - (a) clearly alongside every guide price or
 - (b) prominently:
 - 1 within the marketing communication e.g. the same webpage, press ad or catalogue, and
 - 2 linked to each guide price by an asterisk or similar.
- This explanatory text must include:
 - A definition of a guide price
 - Its distinction from a reserve price (which would likely require a definition of a reserve price)
 - Text making clear that these prices are subject to change.
- Unless the auctioneer routinely updates the guide price whenever a reserve is set that is higher than the guide price or the lower bound of the guide price range, the explanatory text must also include:
- An explanation that the guide price is an indication of the range within which or, in the case of single figure guide prices, within ten percent of which, the minimum sale price will fall.'

4.13 VAT

See clauses G14 and G15 of the CAC. The payment of the deposit by the buyer to the auctioneer to hold as a stakeholder or agent can have implications for the treatment of the sale for VAT purposes.

Auctioneers should request that the seller confirms whether or not the sale is subject to VAT, and prospective buyers should be made aware of this.

Auctioneers should ask the seller to give clear written instructions on the treatment of VAT on the deposit which may be significant in establishing the tax point, the timing of which will affect when the buyer makes notification of the option to tax.

4.14 Rental arrears

In the case of properties that are let, there may be arrears of rent or other amounts. It is recommended that the amount of any arrears is confirmed by the seller's solicitor and whether it is intended to recover these from the buyer. The CAC make provision for new arrears to be paid by the buyer and old arrears to be the seller's responsibility unless otherwise stated in the special conditions of sale.

5 The auctioneer's relationship with the buyer/bidders

The key duties and responsibilities to the buyer, bidders and those who attend the auction are included in the CAC. The contractual relationship between the seller and buyer are included in the general conditions, special conditions and extra general conditions of the CAC. These may be amended by an addendum that is made available after marketing has commenced.

Matters relating to the conduct of the auction are set out in the CAC and include the auctioneer's right to:

- cancel the auction
- sell as a whole or in lots
- amend the lotting order
- withdraw or sell the property prior to the auction
- determine the conduct of the auction between competing bidders
- regulate the size of bidding increments
- refuse bids
- bid on behalf of the seller up to, but not including or above, the reserve price.

It is helpful to prospective buyers to have an explanation of the procedures at the auction and for the payment of the deposit and the completion of the memorandum of sale. This explanation may be included in the catalogue/online and repeated by the auctioneer at the start of the auction.

If the particulars of sale and/or the legal documentation have changed materially since first marketing this should be brought to the attention of interested parties as soon as is reasonably possible, in a written update, usually known as 'the addendum'. There may be changes up to the time that the lot is offered. If it is too late to include the changes in a printed addendum, auctioneers should read these out from the rostrum. Before a property is offered for sale on the day of the auction, the auctioneer should bring to the attention of prospective bidders the existence of any addendum. It is advisable to attach the addendum to the memorandum of sale for the buyer.

If payment, in addition to the usual deposit is to be imposed by the seller, for example a seller's buyer's premium, contribution to the seller's agents or solicitor's fees and costs then notice should be given to prospective buyers as soon as marketing commences or as soon as the auctioneer is made aware of them. All additional charges should be included in the special conditions of sale so that the buyer can clearly calculate the full cost of purchase. If the special conditions have been published without the additional payment then it should be noted in the addendum. If payment in addition to the usual deposit is to be imposed by the auctioneer on the buyer in the form of a buyer's premium and/or administration charge this should be clearly

stated in the catalogue at the outset of marketing so that the buyer can calculate the extra costs of purchase.

If it is a conditional sale the buyer should be clearly informed in the special conditions and the catalogue what monies the seller and/or auctioneer will retain if the contract does not proceed to completion.

Where a lot fails to reach the reserve price or 'bought in' by the seller, auctioneers should:

- state that it has not been sold
- not bring the hammer down
- not use inappropriate phraseology giving the impression that the bidding is at or above the reserve price prior to withdrawing the lot as unsold.

To avoid future disputes, the auctioneer should clearly indicate who is the highest bidder at the reserve or higher and note the final bid amount before bringing down the hammer.

All bids made in the room should be recorded by hand and/or by sound.

It is a statutory requirement that the extracts of the *Auctions (Bidding Agreements) Acts 1927 and 1969* **must** be clearly displayed at the auction venue, together with the full name and address of the auctioneer.

6 Money laundering regulations

The *Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017* apply to anyone in the regulated sector in the UK, which covers those whose services are considered to be at high risk of being used by criminals to launder money. Estate agents and auctioneers are included in the regulated sector.

Firms in the regulated sector **must** put appropriate systems in place to identify and report suspicious activity and **must** report suspicion of money laundering as soon as possible to the National Crime Agency (NCA) regardless of whether they proceed with the transaction. Refer to the HMRC guidance at www.hmrc.gov.uk for further information.

7 Publication of auction results

Published results **must** be accurate and should not include VAT. When a property is sold before or after auction, it is usual not to publish the sale price without the consent of the seller and the buyer.

When a sale is subject to conditions or is called 'a conditional sale' the conditions should be clearly stated in the results and cannot be shown as sold until the conditions have been satisfied, the sale completed and the final sale price recorded.

You should **not** disclose the identity of the seller and buyer without their consent.

8 Data protection

When properties that are subject to tenancies are sold at auction, it is usually necessary for auctioneers to provide potential purchasers with tenants' details. Where tenants are individuals rather than companies, auctioneers **must** ensure compliance with the *Data Protection Act 1998* when holding and disclosing personal data.

As documents are available online they should be removed from the auctioneer's website as soon as possible after the property is sold.

RICS recommends that auctioneers consider taking the following steps to comply:

- Require clients to inform their tenant(s) that their personal data will be passed to the auctioneer and may be included in marketing material or legal documents, such as tenancy agreements or special conditions of sale, for the purposes of marketing and facilitating the sale of the property. This should be covered in the auctioneer's agency contract
- Require the seller's solicitor to inform the tenant(s) of the proposed publication of personal data in all legal documents and conditions of sale
- As a further measure, write to the tenant(s) or occupier(s) of the property advising that their personal data may be published in the course of the auction
- Make a sensible judgment about the appropriate method of informing tenants in a multi-let building, such as a converted house or a block of flats. A notice in a prominent place, visible to all tenants, may suffice.

9 Sale of qualifying investments under the Landlord and Tenant Act 1987 (as amended)

This Act provides an important mechanism for the sale of qualifying residential tenancies by auction.

The legislation provides for a combination of notices and counter notices to be served by the landlord and subsequently the tenants. The legislation intends to confer upon the tenants a right of first refusal, when qualifying investments are disposed of.

Auctioneers are advised to liaise with their client's solicitors before accepting instructions to determine whether or not notices need to be served prior to disposal.

When a qualifying investment is offered for sale by auction, the auctioneer should state, either in the particulars of sale, the special conditions of sale or the auction addendum that a notice has been served, once this has been confirmed by the seller's solicitor.

If an election to nominate has been made, the contractual buyer in the auction room may be substituted in law by the elected nominated buyer.

If the provisions of the Act apply, auctioneers are advised to take legal advice before selling prior to or after the auction.

Appendix A: Common Auction Conditions

The Common Auction Conditions, 4th edition (CAC) is not part of this professional statement. It is an additional document relating to real estate auctioneering and is for members' use and information. The CAC is also available as a separate download from rics.org. RICS does not regulate against the content of the CAC.

Common auction conditions for real estate auction, 4th edition

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COMMON AUCTION CONDITIONS FOR REAL ESTATE AUCTIONS

Edition 4.0

Introduction

The Common Auction Conditions are designed for real estate auctions, to set a common standard across the industry. There are three sections, all of which must be included without variation, except where stated:

Glossary

The glossary gives special meanings to certain words used in the conditions.

Auction Conduct Conditions



The Auction Conduct Conditions govern the relationship between the auctioneer and anyone who participates in the auction. They apply wherever the property is located, and cannot be changed without the auctioneer's agreement.

We recommend that these conditions are set out in a two-part notice to bidders, part one containing advisory material – which auctioneers can tailor to their needs – and part two the auction conduct conditions and any extra auction conduct conditions.

Sale Conditions

The Sale Conditions apply only to property in England and Wales, and govern the agreement between each seller and buyer. They include general conditions of sale and template forms of special conditions of sale, tenancy and arrears schedules and a sale memorandum. They must not be used if other standard conditions apply.

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Glossary

This glossary applies to the AUCTION CONDUCT CONDITIONS and the SALE CONDITIONS. It is a compulsory section of the Common AUCTION Conditions that must be included without variation (but the SPECIAL CONDITIONS may include defined words that differ from the glossary so long as they apply only to the SPECIAL CONDITIONS).

The laws of England and Wales apply to the CONDITIONS and YOU, WE, the SELLER and the BUYER all submit to the jurisdiction of the Courts of England and Wales.

Wherever it makes sense:

- singular words can be read as plurals, and plurals as singular words;
- a “person” includes a corporate body;
- words of one gender include the other genders;
- references to legislation are to that legislation as it may have been modified or re-enacted by the date of the AUCTION or the CONTRACT DATE (as applicable); and
- where the following words appear in small capitals they have the specified meanings.

ACTUAL COMPLETION DATE

The date when COMPLETION takes place or is treated as taking place for the purposes of apportionment and calculating interest.

ADDENDUM

An amendment or addition to the CONDITIONS or to the PARTICULARS or to both whether contained in a supplement to the CATALOGUE, a written notice from the AUCTIONEERS or an oral announcement at the AUCTION.

Agreed COMPLETION Date

Subject to CONDITION G9.3:

- a) the date specified in the SPECIAL CONDITIONS; or
 - b) if no date is specified, 20 BUSINESS DAYS after the CONTRACT DATE;
- but if that date is not a BUSINESS DAY the first subsequent BUSINESS DAY.

Approved Financial Institution

Any bank or building society that is regulated by a competent UK regulatory authority or is otherwise acceptable to the AUCTIONEERS.

ARREARS

ARREARS of rent and other sums due under the TENANCIES and still outstanding on the ACTUAL COMPLETION DATE.

ARREARS Schedule

The ARREARS schedule (if any) forming part of the SPECIAL CONDITIONS.

AUCTION

The AUCTION advertised in the CATALOGUE.

AUCTION CONDUCT CONDITIONS

The conditions so headed, including any extra AUCTION CONDUCT CONDITIONS.

Auctioneers

The Auctioneers at the AUCTION.

BUSINESS DAY

Any day except (a) Saturday or Sunday or (b) a bank or public holiday in England and Wales.

BUYER

The person who agrees to buy the LOT or, if applicable, that person's personal representatives: if two or more are jointly the BUYER their obligations can be enforced against them jointly or against each of them separately.

Catalogue

The catalogue for the AUCTION as it exists at the date of the AUCTION (or, if the catalogue is then different, the date of the CONTRACT) including any ADDENDUM and whether printed or made available electronically.

COMPLETION

Unless the SELLER and the BUYER otherwise agree, the occasion when they have both complied with the obligations under the CONTRACT that they are obliged to comply with prior to COMPLETION, and the amount payable on COMPLETION has been unconditionally received in the SELLER'S conveyancer's client account (or as otherwise required by the terms of the CONTRACT).

Condition

One of the AUCTION CONDUCT CONDITIONS or SALE CONDITIONS.

CONTRACT

The CONTRACT by which the SELLER agrees to sell and the BUYER agrees to buy the LOT.

CONTRACT DATE

The date of the AUCTION or, if the LOT is sold before or after the AUCTION:

- a) the date of the SALE MEMORANDUM signed by both the SELLER and BUYER; or
- b) if CONTRACTS are exchanged, the date of exchange.
If exchange is not effected in person or by an irrevocable agreement to exchange made by telephone, fax or electronic mail the date of exchange is the date on which both parts have been signed and posted or otherwise placed beyond normal retrieval.

DOCUMENTS

DOCUMENTS of title including, if title is registered, the entries on the register and the title plan and other DOCUMENTS listed or referred to in the SPECIAL CONDITIONS relating to the LOT (apart from FINANCIAL CHARGES).

EXTRA GENERAL CONDITIONS

Any CONDITIONS added or varied by the AUCTIONEERS starting at CONDITION G30.

Financial Charge

A charge to secure a loan or other financial indebtedness (but not including a rentcharge or local land charge).

General Conditions

The SALE CONDITIONS headed 'GENERAL CONDITIONS OF SALE', including any EXTRA GENERAL CONDITIONS.

INTEREST RATE

If not specified in the SPECIAL CONDITIONS, the higher of 6% and 4% above the base rate from time to time of Barclays Bank plc. The INTEREST RATE will also apply to any judgment debt, unless the statutory rate is higher.

LOT

Each separate property described in the CATALOGUE or (as the case may be) the property that the SELLER has agreed to sell and the BUYER to buy (including chattels, if any).

Old ARREARS

ARREARS due under any of the TENANCIES that are not "new TENANCIES" as defined by the Landlord and Tenant (Covenants) Act 1995.

PARTICULARS

The section of the CATALOGUE that contains descriptions of each LOT (as varied by any ADDENDUM).

PRACTITIONER

An insolvency PRACTITIONER for the purposes of the Insolvency Act 1986 (or, in relation to jurisdictions outside the United Kingdom, a person undertaking a similar role).

PRICE

The PRICE (exclusive of VAT) that the BUYER agrees to pay for the LOT.

Ready To Complete

Ready, willing and able to complete: if COMPLETION would enable the SELLER to discharge all FINANCIAL CHARGES secured on the LOT that have to be discharged by COMPLETION, then those outstanding financial charges do not prevent the SELLER from being READY TO COMPLETE.

SALE CONDITIONS

The GENERAL CONDITIONS as varied by any SPECIAL CONDITIONS or ADDENDUM.

SALE MEMORANDUM

The form so headed (whether or not set out in the CATALOGUE) in which the terms of the CONTRACT for the sale of the LOT are recorded.

SELLER

The person selling the LOT. If two or more are jointly the SELLER their obligations can be enforced against them jointly or against each of them separately.

SPECIAL CONDITIONS

Those of the SALE CONDITIONS so headed that relate to the LOT.

TENANCIES

TENANCIES, leases, licences to occupy and agreements for lease and any DOCUMENTS varying or supplemental to them.

TENANCY Schedule

The schedule of TENANCIES (if any) forming part of the SPECIAL CONDITIONS.

TRANSFER

TRANSFER includes a conveyance or assignment (and “to TRANSFER” includes “to convey” or “to assign”).

TUPE

The TRANSFER of Undertakings (Protection of Employment) Regulations 2006.

VAT

Value Added Tax or other tax of a similar nature.

VAT OPTION

An option to tax.

We (and Us and Our)

The AUCTIONEERS.

You (and Your)

Someone who has seen the CATALOGUE or who attends or bids at or otherwise participates in the AUCTION, whether or not a BUYER.

Auction Conduct Conditions

Words in small capitals have the special meanings defined in the Glossary.

The AUCTION CONDUCT CONDITIONS (as supplemented or varied by CONDITION A6, if applicable) are a compulsory section of the Common AUCTION Conditions. They cannot be disapplied or varied without OUR agreement, even by a CONDITION purporting to replace the Common AUCTION Conditions in their entirety.

A1 Introduction

A1.1 The AUCTION CONDUCT CONDITIONS apply wherever the LOT is located.

A1.2 If YOU make a bid for a LOT or otherwise participate in the AUCTION it is on the basis that YOU accept these AUCTION CONDUCT CONDITIONS. They govern OUR relationship with YOU. They can be varied only if WE agree.

A2 OUR role

A2.1 As agents for each SELLER we have authority to

- (a) prepare the CATALOGUE from information supplied by or on behalf of each SELLER;
- (b) offer each LOT for sale;
- (c) sell each LOT;
- (d) receive and hold deposits;
- (e) sign each SALE MEMORANDUM; and
- (f) treat a CONTRACT as repudiated if the BUYER fails to sign a SALE MEMORANDUM or pay a deposit as required by these AUCTION CONDUCT CONDITIONS or fails to provide identification as required by the AUCTIONEERS.

A2.2 OUR decision on the conduct of the AUCTION is final.

A2.3 WE may cancel the AUCTION, or alter the order in which LOTS are offered for sale. WE may also combine or divide LOTS. A LOT may be sold or withdrawn from sale prior to the AUCTION.

A2.4 YOU acknowledge that to the extent permitted by law WE owe YOU no duty of care and YOU have no claim against US for any loss.

A2.5 WE may refuse to admit one or more persons to the AUCTION without having to explain why.

A2.6 YOU may not be allowed to bid unless YOU provide such evidence of YOUR identity and other information as WE reasonably require from all bidders.

A3 Bidding and reserve PRICES

A3.1 All bids are to be made in pounds sterling exclusive of VAT.

A3.2 WE may refuse to accept a bid. WE do not have to explain why.

A3.3 If there is a dispute over bidding WE are entitled to resolve it, and OUR decision is final.

A3.4 Unless stated otherwise each LOT is subject to a reserve PRICE (which may be fixed just before the LOT is offered for sale). If no bid equals or exceeds that reserve PRICE the LOT will be withdrawn from the AUCTION.

A3.5 Where there is a reserve PRICE the SELLER may bid (or ask US or another agent to bid on the SELLER's behalf) up to the reserve PRICE but may not make a bid equal to or exceeding the reserve PRICE. YOU accept that it is possible that all bids up to the reserve PRICE are bids made by or on behalf of the SELLER.

A4 The PARTICULARS and other information

A4.1 WE have taken reasonable care to prepare PARTICULARS that correctly describe each LOT. The PARTICULARS are based on information supplied by or on behalf of the SELLER. YOU need to check that the information in the PARTICULARS is correct.

A4.2 If the SPECIAL CONDITIONS do not contain a description of the LOT, or simply refer to the relevant LOT number, you take the risk that the description contained in the PARTICULARS is incomplete or inaccurate, as the PARTICULARS have not been prepared by a conveyancer and are not intended to form part of a legal CONTRACT.

A4.3 The PARTICULARS and the SALE CONDITIONS may change prior to the AUCTION and it is YOUR responsibility to check that YOU have the correct versions.

A4.4 If WE provide information, or a copy of a DOCUMENT, WE do so only on the basis that WE are not responsible for the accuracy of that information or DOCUMENT.

A5 The CONTRACT

A5.1 A successful bid is one WE accept as such (normally on the fall of the hammer). This CONDITION A5 applies to YOU only if YOU make the successful bid for a LOT.

A5.2 YOU are obliged to buy the LOT on the terms of the SALE MEMORANDUM at the PRICE YOU bid (plus VAT, if applicable).

A5.3 YOU must before leaving the AUCTION

- (a) provide all information WE reasonably need from YOU to enable US to complete the SALE MEMORANDUM (including proof of your identity if required by US);
- (b) sign the completed SALE MEMORANDUM; and
- (c) pay the deposit.

A5.4 If YOU do not WE may either

- (a) as agent for the SELLER treat that failure as YOUR repudiation of the CONTRACT and offer the LOT for sale again: the SELLER may then have a claim against YOU for breach of CONTRACT; or
- (b) sign the SALE MEMORANDUM on YOUR behalf.

A5.5 The deposit

- (a) must be paid in pounds sterling by cheque or by bankers' draft made payable to US (or, at OUR option, the SELLER'S conveyancer) drawn on an APPROVED FINANCIAL INSTITUTION (CONDITION A6 may state if WE accept any other form of payment);
- (b) may be declined by US unless drawn on YOUR account, or that of the BUYER, or of another person who (we are satisfied) would not expose US to a breach of money laundering regulations;
- (c) is to be held by US (or, at OUR option, the SELLER'S conveyancer); and
- (d) is to be held as stakeholder where VAT would be chargeable on the deposit were it to be held as agent for the SELLER, but otherwise is to be held as stakeholder unless the SALE CONDITIONS require it to be held as agent for the SELLER.

A5.6 WE may retain the SALE MEMORANDUM signed by or on behalf of the SELLER until the deposit has been received in cleared funds.

A5.7 Where WE hold the deposit as stakeholder WE are authorised to release it (and interest on it if applicable) to the SELLER on COMPLETION or, if COMPLETION does not take place, to the person entitled to it under the SALE CONDITIONS.

A5.8 If the BUYER does not comply with its obligations under the CONTRACT then

- (a) YOU are personally liable to buy the LOT even if YOU are acting as an agent; and
- (b) YOU must indemnify the SELLER in respect of any loss the SELLER incurs as a result of the BUYER's default.

A5.9 Where the BUYER is a company YOU warrant that the BUYER is properly constituted and able to buy the LOT.

A6 Extra Auction Conduct Conditions

A6.1 Despite any SPECIAL CONDITION to the contrary the minimum deposit WE accept is £.....(or the total PRICE, if less). A SPECIAL CONDITION may, however, require a higher minimum deposit.

General Conditions of Sale

Words in small capitals have the special meanings defined in the Glossary.

The GENERAL CONDITIONS (as WE supplement or change them by any EXTRA GENERAL CONDITIONS or ADDENDUM) are compulsory but may be disapplied or changed in relation to one or more LOTS by SPECIAL CONDITIONS. The template form of SALE MEMORANDUM is not compulsory but is to be varied only if WE agree. The template forms of SPECIAL CONDITIONS and schedules are recommended, but are not compulsory and may be changed by the SELLER of a LOT.

G1 The LOT

G1.1 The LOT (including any rights to be granted or reserved, and any exclusions from it) is described in the SPECIAL CONDITIONS, or if not so described is that referred to in the SALE MEMORANDUM.

G1.2 The LOT is sold subject to any TENANCIES disclosed by the SPECIAL CONDITIONS, but otherwise with vacant possession on COMPLETION.

G1.3 The LOT is sold subject to all matters contained or referred to in the DOCUMENTS. The SELLER must discharge FINANCIAL CHARGES on or before COMPLETION.

G1.4 The LOT is also sold subject to such of the following as may affect it, whether they arise before or after the CONTRACT DATE and whether or not they are disclosed by the SELLER or are apparent from inspection of the LOT or from the DOCUMENTS:

- (a) matters registered or capable of registration as local land charges;
- (b) matters registered or capable of registration by any competent authority or under the provisions of any statute;
- (c) notices, orders, demands, proposals and requirements of any competent authority;
- (d) charges, notices, orders, restrictions, agreements and other matters relating to town and country planning, highways or public health;
- (e) rights, easements, quasi-easements, and wayleaves;
- (f) outgoing and other liabilities;
- (g) any interest which overrides, under the Land Registration Act 2002;
- (h) matters that ought to be disclosed by the searches and enquiries a prudent BUYER would make, whether or not the BUYER has made them; and
- (i) anything the SELLER does not and could not reasonably know about.

G1.5 Where anything subject to which the LOT is sold would expose the SELLER to liability the BUYER is to comply with it and indemnify the SELLER against that liability.

G1.6 The SELLER must notify the BUYER of any notices, orders, demands, proposals and requirements of any competent authority of which it learns after the CONTRACT DATE but the BUYER must comply with them and keep the SELLER indemnified.

G1.7 The LOT does not include any tenant's or trade fixtures or fittings. The SPECIAL CONDITIONS state whether any chattels are included in the LOT, but if they are:

- (a) the BUYER takes them as they are at COMPLETION and the SELLER is not liable if they are not fit for use, and
- (b) the SELLER is to leave them at the LOT.

G1.8 The BUYER buys with full knowledge of

- (a) the DOCUMENTS, whether or not the BUYER has read them; and
- (b) the physical condition of the LOT and what could reasonably be discovered on inspection of it, whether or not the BUYER has inspected it.

G1.9 The BUYER admits that it is not relying on the information contained in the PARTICULARS or on any representations made by or on behalf of the SELLER but the BUYER may rely on the SELLER'S conveyancer's written replies to written enquiries to the extent stated in those replies.

G2 Deposit

G2.1 The amount of the deposit is the greater of:

- (a) any minimum deposit stated in the AUCTION CONDUCT CONDITIONS (or the total PRICE, if this is less than that minimum); and
- (b) 10% of the PRICE (exclusive of any VAT on the PRICE).

G2.2 If a cheque for all or part of the deposit is not cleared on first presentation the SELLER may treat the CONTRACT as at an end and bring a claim against the BUYER for breach of CONTRACT.

G2.3 Interest earned on the deposit belongs to the SELLER unless the SALE CONDITIONS provide otherwise.

G3 Between CONTRACT and COMPLETION

G3.1 From the CONTRACT DATE the SELLER has no obligation to insure the LOT and the BUYER bears all risks of loss or damage unless

- (a) the LOT is sold subject to a TENANCY that requires the SELLER to insure the LOT or
- (b) the SPECIAL CONDITIONS require the SELLER to insure the LOT.

G3.2 If the SELLER is required to insure the LOT then the SELLER

- (a) must produce to the BUYER on request all relevant insurance details;
- (b) must use reasonable endeavours to maintain that or equivalent insurance and pay the premiums when due;

- (c) gives no warranty as to the adequacy of the insurance;
- (d) must at the request of the BUYER use reasonable endeavours to have the BUYER's interest noted on the policy if it does not cover a contracting purchaser;
- (e) must, unless otherwise agreed, cancel the insurance at COMPLETION, apply for a refund of premium and (subject to the rights of any tenant or other third party) pay that refund to the BUYER; and
- (f) (subject to the rights of any tenant or other third party) hold on trust for the BUYER any insurance payments that the SELLER receives in respect of loss or damage arising after the CONTRACT DATE, or assign to the BUYER the benefit of any claim;

and the BUYER must on COMPLETION reimburse to the SELLER the cost of that insurance as from the CONTRACT DATE (to the extent not already paid by the BUYER or a tenant or other third party).

G3.3 No damage to or destruction of the LOT, nor any deterioration in its condition, however caused, entitles the BUYER to any reduction in PRICE, or to delay COMPLETION, or to refuse to complete.

G3.4 Section 47 of the Law of Property Act 1925 does not apply to the CONTRACT.

G3.5 Unless the BUYER is already lawfully in occupation of the LOT the BUYER has no right to enter into occupation prior to COMPLETION.

G4 Title and identity

G4.1 Unless CONDITION G4.2 applies, the BUYER accepts the title of the SELLER to the LOT as at the CONTRACT DATE and may raise no requisition or objection to any of the DOCUMENTS that is made available before the AUCTION or any other matter, except one that occurs after the CONTRACT DATE.

G4.2 The following provisions apply only to any of the following DOCUMENTS that is not made available before the AUCTION:

- (a) If the LOT is registered land the SELLER is to give to the BUYER within five BUSINESS DAYS of the CONTRACT DATE an official copy of the entries on the register and title plan and, where noted on the register, of all DOCUMENTS subject to which the LOT is being sold.
- (b) If the LOT is not registered land the SELLER is to give to the BUYER within five BUSINESS DAYS of the CONTRACT DATE an abstract or epitome of title starting from the root of title mentioned in the SPECIAL CONDITIONS (or, if none is mentioned, a good root of title more than fifteen years old) and must produce to the BUYER the original or an examined copy of every relevant DOCUMENT.
- (c) If title is in the course of registration, title is to consist of:
 - (i) certified copies of the application for registration of title made to the Land Registry and of the DOCUMENTS accompanying that application;
 - (ii) evidence that all applicable stamp duty land tax relating to that application has been paid; and

(iii) a letter under which the SELLER or its conveyancer agrees to use all reasonable endeavours to answer any requisitions raised by the Land Registry and to instruct the Land Registry to send the completed registration DOCUMENTS to the BUYER.

(d) The BUYER has no right to object to or make requisitions on any title information more than seven BUSINESS DAYS after that information has been given to the BUYER.

G4.3 Unless otherwise stated in the SPECIAL CONDITIONS the SELLER sells with full title guarantee except that (and the TRANSFER shall so provide):

(a) the covenant set out in section 3 of the Law of Property (Miscellaneous Provisions) Act 1994 shall not extend to matters recorded in registers open to public inspection; these are to be treated as within the actual knowledge of the BUYER; and

(b) the covenant set out in section 4(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall not extend to any condition or tenant's obligation relating to the state or condition of the LOT where the LOT is leasehold property.

G4.4 The TRANSFER is to have effect as if expressly subject to all matters subject to which the LOT is sold under the CONTRACT.

G4.5 The SELLER does not have to produce, nor may the BUYER object to or make a requisition in relation to, any prior or superior title even if it is referred to in the DOCUMENTS.

G4.6 The SELLER (and, if relevant, the BUYER) must produce to each other such confirmation of, or evidence of, their identity and that of their mortgagees and attorneys (if any) as is necessary for the other to be able to comply with applicable Money Laundering Regulations and Land Registry Rules.

G5 TRANSFER

G5.1 Unless a form of TRANSFER is prescribed by the SPECIAL CONDITIONS

(a) the BUYER must supply a draft TRANSFER to the SELLER at least ten BUSINESS DAYS before the AGREED COMPLETION DATE and the engrossment (signed as a deed by the BUYER if CONDITION G5.2 applies) five BUSINESS DAYS before that date or (if later) two BUSINESS DAYS after the draft has been approved by the SELLER; and

(b) the SELLER must approve or revise the draft TRANSFER within five BUSINESS DAYS of receiving it from the BUYER.

G5.2 If the SELLER has any liability (other than to the BUYER) in relation to the LOT or a TENANCY following COMPLETION, the BUYER is specifically to covenant in the TRANSFER to indemnify the SELLER against that liability.

G5.3 The SELLER cannot be required to TRANSFER the LOT to anyone other than the BUYER, or by more than one TRANSFER.

G5.4 Where the SPECIAL CONDITIONS state that the SELLER is to grant a new lease to the BUYER

- (a) the CONDITIONS are to be read so that the TRANSFER refers to the new lease, the SELLER to the proposed landlord and the BUYER to the proposed tenant;
- (b) the form of new lease is that described by the SPECIAL CONDITIONS; and
- (c) the SELLER is to produce, at least five BUSINESS DAYS before the AGREED COMPLETION DATE, the engrossed counterpart lease, which the BUYER is to sign and deliver to the SELLER on COMPLETION.

G6 COMPLETION

G6.1 COMPLETION is to take place at the offices of the SELLER'S conveyancer, or where the SELLER may reasonably require, on the AGREED COMPLETION DATE. The SELLER can only be required to complete on a BUSINESS DAY and between the hours of 0930 and 1700.

G6.2 The amount payable on COMPLETION is the balance of the PRICE adjusted to take account of apportionments plus (if applicable) VAT and interest, but no other amounts unless specified in the SPECIAL CONDITIONS.

G6.3 Payment is to be made in pounds sterling and only by

- (a) direct TRANSFER from the BUYER'S conveyancer to the SELLER'S conveyancer; and
- (b) the release of any deposit held by a stakeholder

or in such other manner as the SELLER'S conveyancer may agree.

G6.4 Unless the SELLER and the BUYER otherwise agree, COMPLETION cannot take place until both have complied with the obligations under the CONTRACT that they are obliged to comply with prior to COMPLETION, and the amount payable on COMPLETION is unconditionally received in the SELLER'S conveyancer's client account or as otherwise required by the terms of the CONTRACT.

G6.5 If COMPLETION takes place after 1400 hours for a reason other than the SELLER'S default it is to be treated, for the purposes of apportionment and calculating interest, as if it had taken place on the next BUSINESS DAY.

G6.6 Where applicable the CONTRACT remains in force following COMPLETION.

G7 Notice to complete

G7.1 The SELLER or the BUYER may on or after the AGREED COMPLETION DATE but before COMPLETION give the other notice to complete within ten BUSINESS DAYS (excluding the date on which the notice is given) making time of the essence.

G7.2 The person giving the notice must be READY TO COMPLETE.

G7.3 If the BUYER fails to comply with a notice to complete the SELLER may, without affecting any other remedy the SELLER has:

- (a) terminate the CONTRACT;
- (b) claim the deposit and any interest on it if held by a stakeholder;
- (c) forfeit the deposit and any interest on it;
- (d) resell the LOT; and
- (e) claim damages from the BUYER.

G7.4 If the SELLER fails to comply with a notice to complete the BUYER may, without affecting any other remedy the BUYER has:

- (a) terminate the CONTRACT; and
- (b) recover the deposit and any interest on it from the SELLER or, if applicable, a stakeholder.

G8 If the CONTRACT is brought to an end

If the CONTRACT is lawfully brought to an end:

- (a) the BUYER must return all papers to the SELLER and appoints the SELLER its agent to cancel any registration of the CONTRACT; and
- (b) the SELLER must return the deposit and any interest on it to the BUYER (and the BUYER may claim it from the stakeholder, if applicable) unless the SELLER is entitled to forfeit the deposit under CONDITION G7.3.

G9 Landlord's licence

G9.1 Where the LOT is or includes leasehold land and licence to assign or sublet is required this CONDITION G9 applies.

G9.2 The CONTRACT is conditional on that licence being obtained, by way of formal licence if that is what the landlord lawfully requires.

G9.3 The AGREED COMPLETION DATE is not to be earlier than the date five BUSINESS DAYS after the SELLER has given notice to the BUYER that licence has been obtained ("licence notice").

G9.4 The SELLER must

- (a) use all reasonable endeavours to obtain the licence at the SELLER'S expense; and
- (b) enter into any Authorised Guarantee Agreement ("AGA") properly required (procuring a guarantee of that AGA if lawfully required by the landlord).

G9.5 The BUYER must promptly

- (a) provide references and other relevant information; and
- (b) comply with the landlord's lawful requirements.

G9.6 If within three months of the CONTRACT DATE (or such longer period as the SELLER and BUYER agree) the SELLER has not given licence notice to the BUYER the SELLER or the BUYER may (if not then in breach of any obligation under this CONDITION G9) by notice to the other terminate the CONTRACT at any time before the SELLER has given licence notice. That termination is without prejudice to the claims of either SELLER or BUYER for breach of this CONDITION G9.

G10 Interest and apportionments

G10.1 If the ACTUAL COMPLETION DATE is after the AGREED COMPLETION DATE for any reason other than the SELLER'S default the BUYER must pay interest at the INTEREST RATE on the money due from the BUYER at COMPLETION for the period starting on the AGREED COMPLETION DATE and ending on the ACTUAL COMPLETION DATE.

G10.2 Subject to CONDITION G11 the SELLER is not obliged to apportion or account for any sum at COMPLETION unless the SELLER has received that sum in cleared funds. The SELLER must promptly pay to the BUYER after COMPLETION any sum to which the BUYER is entitled that the SELLER subsequently receives in cleared funds.

G10.3 Income and outgoings are to be apportioned at the ACTUAL COMPLETION DATE unless:

- (a) the BUYER is liable to pay interest; and
 - (b) the SELLER has given notice to the BUYER at any time up to COMPLETION requiring apportionment on the date from which interest becomes payable by the BUYER;
- in which event income and outgoings are to be apportioned on the date from which interest becomes payable by the BUYER.

G10.4 Apportionments are to be calculated on the basis that:

- (a) the SELLER receives income and is liable for outgoings for the whole of the day on which apportionment is to be made;
- (b) annual income and expenditure accrues at an equal daily rate assuming 365 days in a year (or 366 in a leap year), and income and expenditure relating to some other period accrues at an equal daily rate during the period to which it relates; and
- (c) where the amount to be apportioned is not known at COMPLETION apportionment is to be made by reference to a reasonable estimate and further payment is to be made by SELLER or BUYER as appropriate within five BUSINESS DAYS of the date when the amount is known.

G10.5 If a payment due from the BUYER to the SELLER on or after COMPLETION is not paid by the due date, the BUYER is to pay interest to the SELLER at the INTEREST RATE on that payment from the due date up to and including the date of payment.

G11 ARREARS

Part 1 – Current rent

G11.1 “Current rent” means, in respect of each of the TENANCIES subject to which the LOT is sold, the instalment of rent and other sums payable by the tenant on the most recent rent payment date on or within four months preceding COMPLETION.

G11.2 If on COMPLETION there are any ARREARS of current rent the BUYER must pay them, whether or not details of those ARREARS are given in the SPECIAL CONDITIONS.

G11.3 Parts 2 and 3 of this CONDITION G11 do not apply to ARREARS of current rent.

Part 2 – BUYER to pay for ARREARS

G11.4 Part 2 of this CONDITION G11 applies where the SPECIAL CONDITIONS give details of ARREARS.

G11.5 The BUYER is on COMPLETION to pay, in addition to any other money then due, an amount equal to all ARREARS of which details are set out in the SPECIAL CONDITIONS.

G11.6 If those ARREARS are not OLD ARREARS the SELLER is to assign to the BUYER all rights that the SELLER has to recover those ARREARS.

Part 3 – BUYER not to pay for ARREARS

G11.7 Part 3 of this CONDITION G11 applies where the SPECIAL CONDITIONS

- (a) so state; or
- (b) give no details of any ARREARS.

G11.8 While any ARREARS due to the SELLER remain unpaid the BUYER must:

- (a) try to collect them in the ordinary course of management but need not take legal proceedings or forfeit the TENANCY;
- (b) pay them to the SELLER within five BUSINESS DAYS of receipt in cleared funds (plus interest at the INTEREST RATE calculated on a daily basis for each subsequent day's delay in payment);
- (c) on request, at the cost of the SELLER, assign to the SELLER or as the SELLER may direct the right to demand and sue for OLD ARREARS, such assignment to be in such form as the SELLER'S conveyancer may reasonably require;
- (d) if reasonably required, allow the SELLER'S conveyancer to have on loan the counterpart of any TENANCY against an undertaking to hold it to the BUYER'S order;
- (e) not without the consent of the SELLER release any tenant or surety from liability to pay ARREARS or accept a surrender of or forfeit any TENANCY under which ARREARS are due; and

- (f) if the BUYER disposes of the LOT prior to recovery of all ARREARS obtain from the BUYER'S successor in title a covenant in favour of the SELLER in similar form to part 3 of this CONDITION G11.

G11.9 Where the SELLER has the right to recover ARREARS it must not without the BUYER'S written consent bring insolvency proceedings against a tenant or seek the removal of goods from the LOT.

G12 Management

G12.1 This CONDITION G12 applies where the LOT is sold subject to TENANCIES.

G12.2 The SELLER is to manage the LOT in accordance with its standard management policies pending COMPLETION.

G12.3 The SELLER must consult the BUYER on all management issues that would affect the BUYER after COMPLETION (such as, but not limited to, an application for licence; a rent review; a variation, surrender, agreement to surrender or proposed forfeiture of a TENANCY; or a new TENANCY or agreement to grant a new TENANCY) and:

- (a) the SELLER must comply with the BUYER'S reasonable requirements unless to do so would (but for the indemnity in paragraph (c)) expose the SELLER to a liability that the SELLER would not otherwise have, in which case the SELLER may act reasonably in such a way as to avoid that liability;
- (b) if the SELLER gives the BUYER notice of the SELLER'S intended act and the BUYER does not object within five BUSINESS DAYS giving reasons for the objection the SELLER may act as the SELLER intends; and
- (c) the BUYER is to indemnify the SELLER against all loss or liability the SELLER incurs through acting as the BUYER requires, or by reason of delay caused by the BUYER.

G13 Rent deposits

G13.1 Where any TENANCY is an assured shorthold TENANCY, the SELLER and the BUYER are to comply with their respective statutory duties in relation to the protection of tenants' deposits, and to demonstrate in writing to the other (before COMPLETION, so far as practicable) that they have complied.

G13.2 The remainder of this CONDITION G13 applies where the SELLER is holding or otherwise entitled to money by way of rent deposit in respect of a TENANCY. In this CONDITION G13 "rent deposit deed" means the deed or other DOCUMENT under which the rent deposit is held.

G13.3 If the rent deposit is not assignable the SELLER must on COMPLETION hold the rent deposit on trust for the BUYER and, subject to the terms of the rent deposit deed, comply at the cost of the BUYER with the BUYER'S lawful instructions.

G13.4 Otherwise the SELLER must on COMPLETION pay and assign its interest in the rent deposit to the BUYER under an assignment in which the BUYER covenants with the SELLER to:

- (a) observe and perform the SELLER's covenants and conditions in the rent deposit deed and indemnify the SELLER in respect of any breach;
- (b) give notice of assignment to the tenant; and
- (c) give such direct covenant to the tenant as may be required by the rent deposit deed.

G14 VAT

G14.1 Where a SALE CONDITION requires money to be paid or other consideration to be given, the payer must also pay any VAT that is chargeable on that money or consideration, but only if given a valid VAT invoice.

G14.2 Where the SPECIAL CONDITIONS state that no VAT OPTION has been made the SELLER confirms that none has been made by it or by any company in the same VAT group nor will be prior to COMPLETION.

G15 TRANSFER as a going concern

G15.1 Where the SPECIAL CONDITIONS so state:

- (a) the SELLER and the BUYER intend, and will take all practicable steps (short of an appeal) to procure, that the sale is treated as a TRANSFER of a going concern; and
- (b) this CONDITION G15 applies.

G15.2 The SELLER confirms that the SELLER:

- (a) is registered for VAT, either in the SELLER'S name or as a member of the same VAT group; and
- (b) has (unless the sale is a standard-rated supply) made in relation to the LOT a VAT OPTION that remains valid and will not be revoked before COMPLETION.

G15.3 The BUYER confirms that

- (a) it is registered for VAT, either in the BUYER'S name or as a member of a VAT group;
- (b) it has made, or will make before COMPLETION, a VAT OPTION in relation to the LOT and will not revoke it before or within three months after COMPLETION;
- (c) article 5(2B) of the Value Added Tax (Special Provisions) Order 1995 does not apply to it; and
- (d) it is not buying the LOT as a nominee for another person.

G15.4 The BUYER is to give to the SELLER as early as possible before the AGREED COMPLETION DATE evidence

- (a) of the BUYER'S VAT registration;

- (b) that the BUYER has made a VAT OPTION; and
- (c) that the VAT OPTION has been notified in writing to HM Revenue and Customs; and if it does not produce the relevant evidence at least two BUSINESS DAYS before the AGREED COMPLETION DATE, CONDITION G14.1 applies at COMPLETION.

G15.5 The BUYER confirms that after COMPLETION the BUYER intends to

- (a) retain and manage the LOT for the BUYER'S own benefit as a continuing business as a going concern subject to and with the benefit of the TENANCIES; and
- (b) collect the rents payable under the TENANCIES and charge VAT on them.

G15.6 If, after COMPLETION, it is found that the sale of the LOT is not a TRANSFER of a going concern then:

- (a) the SELLER'S conveyancer is to notify the BUYER'S conveyancer of that finding and provide a VAT invoice in respect of the sale of the LOT;
- (b) the BUYER must within five BUSINESS DAYS of receipt of the VAT invoice pay to the SELLER the VAT due; and
- (c) if VAT is payable because the BUYER has not complied with this CONDITION G15, the BUYER must pay and indemnify the SELLER against all costs, interest, penalties or surcharges that the SELLER incurs as a result.

G16 Capital allowances

G16.1 This CONDITION G16 applies where the SPECIAL CONDITIONS state that there are capital allowances available in respect of the LOT.

G16.2 The SELLER is promptly to supply to the BUYER all information reasonably required by the BUYER in connection with the BUYER'S claim for capital allowances.

G16.3 The value to be attributed to those items on which capital allowances may be claimed is set out in the SPECIAL CONDITIONS.

G16.4 The SELLER and BUYER agree:

- (a) to make an election on COMPLETION under Section 198 of the Capital Allowances Act 2001 to give effect to this CONDITION G16; and
- (b) to submit the value specified in the SPECIAL CONDITIONS to HM Revenue and Customs for the purposes of their respective capital allowance computations.

G17 Maintenance agreements

G17.1 The SELLER agrees to use reasonable endeavours to TRANSFER to the BUYER, at the BUYER'S cost, the benefit of the maintenance agreements specified in the SPECIAL CONDITIONS.

G17.2 The BUYER must assume, and indemnify the SELLER in respect of, all liability under such agreements from the ACTUAL COMPLETION DATE.

G18 Landlord and Tenant Act 1987

G18.1 This CONDITION G18 applies where the sale is a relevant disposal for the purposes of part I of the Landlord and Tenant Act 1987

G18.2 The SELLER warrants that the SELLER has complied with sections 5B and 7 of that Act and that the requisite majority of qualifying tenants has not accepted the offer.

G19 Sale by PRACTITIONER

G19.1 This CONDITION G19 applies where the sale is by a PRACTITIONER either as SELLER or as agent of the SELLER.

G19.2 The PRACTITIONER has been duly appointed and is empowered to sell the LOT.

G19.3 Neither the PRACTITIONER nor the firm or any member of the firm to which the PRACTITIONER belongs has any personal liability in connection with the sale or the performance of the SELLER's obligations. The TRANSFER is to include a declaration excluding that personal liability.

G19.4 The LOT is sold

- (a) in its condition at COMPLETION;
- (b) for such title as the SELLER may have; and
- (c) with no title guarantee;

and the BUYER has no right to terminate the CONTRACT or any other remedy if information provided about the LOT is inaccurate, incomplete or missing.

G19.5 Where relevant:

- (a) the DOCUMENTS must include certified copies of those under which the PRACTITIONER is appointed, the DOCUMENT of appointment and the PRACTITIONER'S acceptance of appointment; and
- (b) the SELLER may require the TRANSFER to be by the lender exercising its power of sale under the Law of Property Act 1925.

G19.6 The BUYER understands this CONDITION G19 and agrees that it is fair in the circumstances of a sale by a PRACTITIONER.

G20 TUPE

G20.1 If the SPECIAL CONDITIONS state "there are no employees to which TUPE applies", this is a warranty by the SELLER to this effect.

G20.2 If the SPECIAL CONDITIONS do not state "there are no employees to which TUPE applies" the following paragraphs apply:

- (a) The SELLER must notify the BUYER of those employees whose CONTRACTs of employment will TRANSFER to the BUYER on COMPLETION (the "Transferring

Employees"). This notification must be given to the BUYER not less than 14 days before COMPLETION.

- (b) The BUYER confirms that it will comply with its obligations under TUPE and any SPECIAL CONDITIONS in respect of the TRANSFERring Employees.
- (c) The BUYER and the SELLER acknowledge that pursuant and subject to TUPE, the CONTRACTs of employment between the TRANSFERring Employees and the SELLER will TRANSFER to the BUYER on COMPLETION.
- (d) The BUYER is to keep the SELLER indemnified against all liability for the TRANSFERring Employees after COMPLETION.

G21 Environmental

G21.1 This CONDITION G21 only applies where the SPECIAL CONDITIONS so provide.

G21.2 The SELLER has made available such reports as the SELLER has as to the environmental condition of the LOT and has given the BUYER the opportunity to carry out investigations (whether or not the BUYER has read those reports or carried out any investigation) and the BUYER admits that the PRICE takes into account the environmental condition of the LOT

G21.3 The BUYER agrees to indemnify the SELLER in respect of all liability for or resulting from the environmental condition of the LOT.

G22 Service Charge

G22.1 This CONDITION G22 applies where the LOT is sold subject to TENANCIES that include service charge provisions.

G22.2 No apportionment is to be made at COMPLETION in respect of service charges.

G22.3 Within two months after COMPLETION the SELLER must provide to the BUYER a detailed service charge account for the service charge year current on COMPLETION showing:

- (a) service charge expenditure attributable to each TENANCY;
- (b) payments on account of service charge received from each tenant;
- (c) any amounts due from a tenant that have not been received;
- (d) any service charge expenditure that is not attributable to any TENANCY and is for that reason irrecoverable.

G22.4 In respect of each TENANCY, if the service charge account shows:

- (a) that payments that the tenant has made on account exceed attributable service charge expenditure, the SELLER must pay to the BUYER an amount equal to that excess when it provides the service charge account; or
- (b) that attributable service charge expenditure exceeds payments made on account, the BUYER must use all reasonable endeavours to recover the shortfall from the tenant as soon as practicable and promptly pay the amount so recovered to the SELLER;

but in respect of payments on account that are still due from a tenant CONDITION G11 (ARREARS) applies.

- G22.5 In respect of service charge expenditure that is not attributable to any TENANCY the SELLER must pay the expenditure incurred in respect of the period before ACTUAL COMPLETION DATE and the BUYER must pay the expenditure incurred in respect of the period after ACTUAL COMPLETION DATE. Any necessary monetary adjustment is to be made within five BUSINESS DAYS of the SELLER providing the service charge account to the BUYER.
- G22.6 If the SELLER holds any reserve or sinking fund on account of future service charge expenditure or a depreciation fund:
- (a) the SELLER must pay it (including any interest earned on it) to the BUYER on COMPLETION; and
 - (b) the BUYER must covenant with the SELLER to hold it in accordance with the terms of the TENANCIES and to indemnify the SELLER if it does not do so.

G23 Rent reviews

- G23.1 This CONDITION G23 applies where the LOT is sold subject to a TENANCY under which a rent review due on or before the ACTUAL COMPLETION DATE has not been agreed or determined.
- G23.2 The SELLER may continue negotiations or rent review proceedings up to the ACTUAL COMPLETION DATE but may not agree the level of the revised rent or commence rent review proceedings without the written consent of the BUYER, such consent not to be unreasonably withheld or delayed.
- G23.3 Following COMPLETION the BUYER must complete rent review negotiations or proceedings as soon as reasonably practicable but may not agree the level of the revised rent without the written consent of the SELLER, such consent not to be unreasonably withheld or delayed.
- G23.4 The SELLER must promptly:
- (a) give to the BUYER full details of all rent review negotiations and proceedings, including copies of all correspondence and other papers; and
 - (b) use all reasonable endeavours to substitute the BUYER for the SELLER in any rent review proceedings.
- G23.5 The SELLER and the BUYER are to keep each other informed of the progress of the rent review and have regard to any proposals the other makes in relation to it.
- G23.6 When the rent review has been agreed or determined the BUYER must account to the SELLER for any increased rent and interest recovered from the tenant that relates to the SELLER'S period of ownership within five BUSINESS DAYS of receipt of cleared funds.
- G23.7 If a rent review is agreed or determined before COMPLETION but the increased rent and any interest recoverable from the tenant has not been received by COMPLETION the increased rent and any interest recoverable is to be treated as ARREARS.

G23.8 The SELLER and the BUYER are to bear their own costs in relation to rent review negotiations and proceedings.

G24 TENANCY renewals

G24.1 This CONDITION G24 applies where the tenant under a TENANCY has the right to remain in occupation under part II of the Landlord and Tenant Act 1954 (as amended) and references to notices and proceedings are to notices and proceedings under that Act.

G24.2 Where practicable, without exposing the SELLER to liability or penalty, the SELLER must not without the written consent of the BUYER (which the BUYER must not unreasonably withhold or delay) serve or respond to any notice or begin or continue any proceedings.

G24.3 If the SELLER receives a notice the SELLER must send a copy to the BUYER within five BUSINESS DAYS and act as the BUYER reasonably directs in relation to it.

G24.4 Following COMPLETION the BUYER must:

- (a) with the co-operation of the SELLER take immediate steps to substitute itself as a party to any proceedings;
- (b) use all reasonable endeavours to conclude any proceedings or negotiations for the renewal of the TENANCY and the determination of any interim rent as soon as reasonably practicable at the best rent or rents reasonably obtainable; and
- (c) if any increased rent is recovered from the tenant (whether as interim rent or under the renewed TENANCY) account to the SELLER for the part of that increase that relates to the SELLER'S period of ownership of the LOT within five BUSINESS DAYS of receipt of cleared funds.

G24.5 The SELLER and the BUYER are to bear their own costs in relation to the renewal of the TENANCY and any proceedings relating to this.

G25 Warranties

G25.1 Available warranties are listed in the SPECIAL CONDITIONS.

G25.2 Where a warranty is assignable the SELLER must:

- (a) on COMPLETION assign it to the BUYER and give notice of assignment to the person who gave the warranty; and
- (b) apply for (and the SELLER and the BUYER must use all reasonable endeavours to obtain) any consent to assign that is required. If consent has not been obtained by COMPLETION the warranty must be assigned within five BUSINESS DAYS after the consent has been obtained.

G25.3 If a warranty is not assignable the SELLER must after COMPLETION:

- (a) hold the warranty on trust for the BUYER; and
- (b) at the BUYER'S cost comply with such of the lawful instructions of the BUYER in relation to the warranty as do not place the SELLER in breach of its terms or expose the SELLER to any liability or penalty.

G26 No assignment

G26.1 The BUYER must not assign, mortgage or otherwise TRANSFER or part with the whole or any part of the BUYER'S interest under this CONTRACT.

G27 Registration at the Land Registry

G27.1 This CONDITION G27.1 applies where the LOT is leasehold and its sale either triggers first registration or is a registrable disposition. The BUYER must at its own expense and as soon as practicable:

- (a) procure that it becomes registered at the Land Registry as proprietor of the LOT;
- (b) procure that all rights granted and reserved by the lease under which the LOT is held are properly noted against the affected titles; and
- (c) provide the SELLER with an official copy of the register relating to such lease showing itself registered as proprietor.

G27.2 This CONDITION G27.2 applies where the LOT comprises part of a registered title. The BUYER must at its own expense and as soon as practicable:

- (a) apply for registration of the TRANSFER;
- (b) provide the SELLER with an official copy and title plan for the BUYER'S new title; and
- (c) join in any representations the SELLER may properly make to the Land Registry relating to the application.

G28 Notices and other communications

G28.1 All communications, including notices, must be in writing. Communication to or by the SELLER or the BUYER may be given to or by their conveyancers.

G28.2 A communication may be relied on if:

- (a) delivered by hand; or
- (b) made electronically and personally acknowledged (automatic acknowledgement does not count); or
- (c) there is proof that it was sent to the address of the person to whom it is to be given (as specified in the SALE MEMORANDUM) by a postal service that offers normally to deliver mail the next following BUSINESS DAY.

G28.3 A communication is to be treated as received:

- (a) when delivered, if delivered by hand; or
- (b) when personally acknowledged, if made electronically;

but if delivered or made after 1700 hours on a BUSINESS DAY a communication is to be treated as received on the next BUSINESS DAY.

G28.4 A communication sent by a postal service that offers normally to deliver mail the next following BUSINESS DAY will be treated as received on the second BUSINESS DAY after it has been posted.

G29 CONTRACTs (Rights of Third Parties) Act 1999

No one is intended to have any benefit under the CONTRACT pursuant to the CONTRACTs (Rights of Third Parties) Act 1999.

G30 EXTRA GENERAL CONDITIONS

Special Conditions of Sale

Words that are neither in square brackets nor in italics constitute the SPECIAL CONDITIONS applicable to the relevant LOT. References to the GENERAL CONDITIONS are for convenience only and are not intended to be comprehensive.

LOT Number: _____

Name and address of the SELLER

Name, address and reference of the SELLER'S conveyancer

Brief description of the LOT (see CONDITION G1.1)

Rights to be granted (see CONDITION G1.1)

Rights to be reserved (see CONDITION G1.1)

Exclusions (see CONDITION G1.1)

TENANCIES (see CONDITION G1.2)

What the sale is subject to (see CONDITION G1)

Chattels etc (see CONDITION G1.7)

Deposit (see CONDITION G2)

Insurance (see CONDITION G3)

Title (see CONDITION G4)

Registered or unregistered?

Title guarantee (see CONDITION G4.3)

TRANSFER (see CONDITION G5)

AGREED COMPLETION DATE (see CONDITION G6.1)

ADDITIONAL AMOUNTS PAYABLE AT COMPLETION (IF ANY) (see CONDITION G6.2)

INTEREST RATE (see CONDITION G10)

ARREARS (see CONDITION G11)

VAT (see CONDITIONS G14 and 15)

Capital allowances (see CONDITION G16)

Maintenance agreements (see CONDITION G17)

TUPE (see CONDITION G20)

Environmental (see CONDITION G21)

Warranties (see CONDITION G25)

Amendments to the GENERAL CONDITIONS

Extra SPECIAL CONDITIONS

TENANCY SCHEDULE

The LOT is sold subject to and with the benefit of the TENANCIES listed below:

Property	Date	Original landlord and tenant	Current tenant	Term	Current rent

ARREARS SCHEDULE

These are the ARREARS referred to in CONDITION G11:

Property	Date	Original landlord and tenant	Current tenant	Term	Current rent

Sale Memorandum

Date _____

Name and address of the SELLER

Name and address of BUYER

Name and address of BIDDER (if not the BUYER)

The LOT

The PRICE (excluding any VAT) _____

Deposit paid _____

The SELLER agrees to sell and the BUYER agrees to buy the LOT for the PRICE. This agreement is subject to the CONDITIONS so far as they apply to the LOT.

We acknowledge receipt of the deposit.

Signed by the BUYER

Signed by us as agent for the SELLER

The BUYER's conveyancer is

The SELLER's conveyancer is

Name _____

Name _____

Address _____

Address _____

Contact _____

Contact _____

Delivering confidence

We are RICS. Everything we do is designed to effect positive change in the built and natural environments. Through our respected global standards, leading professional progression and our trusted data and insight, we promote and enforce the highest professional standards in the development and management of land, real estate, construction and infrastructure. Our work with others provides a foundation for confident markets, pioneers better places to live and work and is a force for positive social impact.

Americas, Europe, Middle East & Africa
aemea@rics.org

Asia Pacific
apac@rics.org

United Kingdom & Ireland
contactrics@rics.org



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