

Optimus Bid – Digital Sales Proposition FAQs

We are delighted to offer this exciting new service to vendors, enabling you to sell your property through our platform, below are some frequently asked questions as to how it all works.

What is a guide price?

This is the price that the property will be advertised at and is the price the bidding will open at. Legally, this must be within 10% of the Reserve price and is set at an attractive level to generate interest and viewings.

What is a reserve price?

This is the minimum price that the vendor will accept, and the minimum price the property can be sold for. It is confidential between the agent, seller and us. Often the bidding will exceed this level, so we keep the bidding going until all bids are exhausted and the Digital Sale bidding window ends.

What happens if the bidding doesn't reach the reserve during the time the bidding is open?

The property will not be sold. If bidders are close, the agent may negotiate with the Vendor and Buyer to see if a deal can be struck. The sale would still proceed under auction terms.

What happens if the property does not sell during the Timed Digital Sale?

Another sale can be run, but we would usually recommend the agent discusses a price reduction with the vendor as a further sale is unlikely to attract any more interest than the previous one unless we increase the properties appeal to prospective buyers. Another option is to set a fixed price and advertise the property as a Buy It Now.

How long can a property stay on Buy It Now?

Within reason, as long as the agent and vendor wish.

How long does a Timed Digital Sale run for?

This is decided between the agent and the vendor prior to the commencement of the sale. Typically, 21 days, but this can be reduced or increased to suit the circumstances.

How Long is the Bidding Window Open For?

The maximum time is 6 days. During the Bidder Registration process, all bidders have a hold on funds added to their card for the amount of the reservation fee. This means that if they are the successful winning bidder at the end of the sale, we can be confident that there will be sufficient funds to cover the associated reservation fee, enabling us in turn pay you your share. 6 days is the maximum time that banking law allows a hold on funds on a payment card.

How long do buyers and sellers have for completion?

This is set by the seller and the agent at the point of instruction and before the bidding opens. If a buyer would prefer a longer or shorter timeframe, they can request that via the agent before placing a bid. Should a bid be placed, a buyer is committing to the advertised time frame.

Can a sale be agreed before the end of the Timed Digital Sale?

Yes. The agent will need to identify the buyers the maximum offer and submit to the vendor. If they agree, obtain that agreement in writing (an email will suffice) notify ourselves, and we will submit a closed bid at that level to the buyer to accept. Once accepted, and the reservation fee is paid, the sale will proceed in the usual manner under the digital sale terms.

It is best practice to ask a vendor to sign a declaration confirming that they are in agreement to end the timed digital sale early so as to secure an immediate sale, but do so in the knowledge that some buyers do not bid or declare their interest until the closing moments of a timed sale, so whilst there are benefits of getting a sale secured now, there are risks that by not waiting until the end there may have been other prospective bidders that they were unaware of.

Are prospective bidders AML checked as part of the registration process?

Yes. All bidders are checked at the point of registration, and these remain valid for 6 months.

Potential Scenarios during the course of a Digital Sale -

Buyer pulls out or is unable to complete by the contract deadline:

The buyer is in breach of contract and as such forfeits their fees. The Vendor is entitled to sell to someone else or re-advertise. If an extension would enable the buyer to continue with the purchase, the agent may negotiate a new deadline between the Vendor and Buyer. If not, the agent needs to take new instructions from the Vendor and look to re-market the property.

Property Down valued:

All diligence should be completed prior to bidding. Buyers are welcome to have surveys and take any suitable contractors to help with this process. Once a bid reaches Reserve, the buyer is committed to the purchase and will lose their fee should they pull out. They will need to either make up the shortfall or pull out forfeiting their fees already paid.

Property has survey issues:

All diligence should be completed prior to bidding. Buyers are welcome to have surveys and take any suitable contractors to help with this process. Once a bid reaches Reserve, the buyer is committed to the purchase and will lose their fee should they pull out. They will need to either proceed and accept the issues raised or pull out forfeiting the fees already paid.

Buyers chain collapses:

A buyer may ask the vendor for an extension, however, the buyer is still committed to the purchase and will lose their fee should they pull out, so they will need to either bridge the gap or pull out forfeiting their fees already paid.

Vendor Withdraws the property after a bid has already reached the Reserve:

Vendor is in breach of contract, so must pay the fees that the buyer would have paid at the end of the timed sale.

Vendor wants to change the Guide or Reserve price

Where a bidder has already reached the reserve price, this cannot be amended, and the vendor is committed to the sale. If the Digital Sale is already under way, and reserve is not yet met or there are no bidders, the sale should be ended, and re-commenced with the new figures ensuring that the Guide and Reserve remain within 10% of each other.