



Barnard Marcus
National Auction Review 2018

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Introduction

Chris Glenn
Divisional Managing Director,
Sequence Auctions



I am delighted to bring you this, our annual review for 2018. I am equally delighted to report that despite 2018 being a year of extreme political and market uncertainty, we have yet again increased our market share and continue to offer more lots from our rostrum than any other London Residential Auctioneer. Over 2018 we have offered some 1,986 lots and sold 1,412, with an aggregate sale value exceeding £228m. Our market share of lots offered now stands at 28.5%. We continue to offer more than one in four of all lots offered by any London Residential Auctioneer.

On a national basis our regional rooms add to our coverage with bases in Southampton, Derby, Norwich and Leeds. Overall Sequence Auctions have staged 35 auctions during 2018 and sold some 2,097 lots with a total sale value of £309m.

Whilst others may be going down the online route we are committed to holding a physical auction which delivers the best outcome for both buyers and sellers alike, in a secure environment. During 2018 some auctioneers have been cancelling auctions, we remain firmly committed to holding ten auctions from our prime Central London venue at The Grand Connaught Rooms. Our auctions not only offer the fastest route to sale, but the face to face environment of a live auction room provides buyers the greatest level of control and offers true transparency for buyers and sellers alike.

As I write this introduction we are putting the final touches to our new website, which represents a very significant investment. Launch of the site is due early in 2019 and we are confident that it will be a market leading product with extensive functionality, fit for the next decade and beyond. Searching for new opportunities will never be easier. Registered users will be able to save lots, pre-register to bid, search by lot number, address, postcode or town, as well as confirm attendance to viewings and a whole lot more. A suite of guides will help novice sellers or buyers at auction and detailed market commentaries will be published on a regular basis.

Whilst market predictions are never certain, we continue to operate in an historically low interest rate environment and with affordable borrowing costs, property continues to provide attractive investment opportunities. Our Buy-to-let sales provide average gross yields of 6.6% far outstripping most other investment vehicles.

We have a full schedule of ten auctions in 2019, and we look forward to welcoming clients both old and new throughout the forthcoming year.

“ I am delighted that during 2018 we have once again increased our market share despite the on-going economic uncertainties. ”

Results 2018



Market share

28.5%



Lots offered

1,986



Lots sold

1,412



Capital Raised

£228m

Political and economic uncertainties during 2018 resulted in an overall contraction in the UK housing market, and Auctions were not unaffected by this trend. Figures from the Essential Information Group, who have tracked all UK auctions for over 25 years, show that for 2018 the number of properties offered across the UK fell by 4.5% to 31,490, with sales down 7.1% to 23,577.

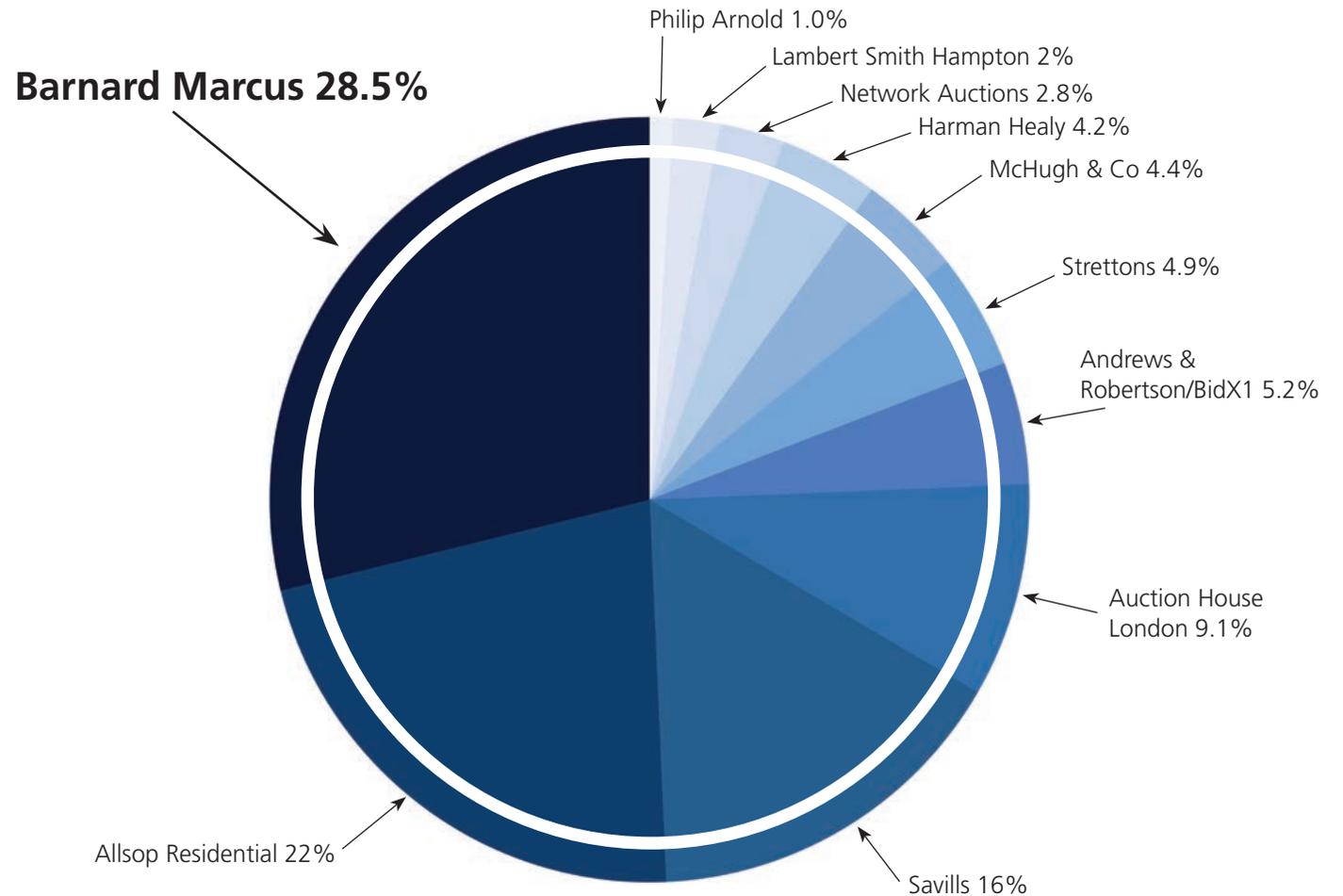
The London housing market was particularly affected, with London Auctioneers overall, seeing falls of 12% in lots offered and 16% in lots sold.

Here at Barnard Marcus, we are delighted to report that we have outperformed our rivals once again, seeing far more modest declines and have increased our market share of lots offered to 28.5%.



Market Share

In 2018 once again, we offered and sold more lots than any other London Residential Auctioneer. And in fact some of our competitors have now either closed, cancelled auctions or taken their business to an online only platform.



Regional Analysis

Total
1,986

We are the only truly national auctioneer, supported by an in-house chain of some 597 Estate Agency branches located throughout the UK. The map below shows the volume of lots offered by Barnard Marcus, covering all regions across the country.





Investment Yields

Average Yield

Yield on Assured Shorthold Tenancies

6.6%

Yield on Ground Rents

2.77%

Yield on other Investments

7.6%

Barnard Marcus is the leading brand within Sequence Auctions. We hold 10 auctions a year, offering a huge range of nationwide properties, sites and land for investment, development and occupation. As a group we also have regional auction centres, giving customers a wide choice, with a total of 35 sales scheduled for 2019.

Auction Highlights 2018

Lot 1 – February
Two floor mid terrace house



Guide: £810,000
Sold: £1,075,000

Lot 88 – March
Freehold mixed use building



Guide: £1,500,000
Sold: £1,700,000

Lot 131 – March
Fire-damaged house



Guide: £120,000
Sold: £295,000

Lot 47 – April
House, barn, stables and fields



Guide: £1,350,000
Sold: £1,502,500

Lot 23 – May
Ground floor self-contained flat



Guide: £135,000
Sold: £208,500

Lot 18 – June
Two floor chalet style house



Guide: £300,000
Sold: £452,000

Lot 53 – June
House requiring modernisation



Guide: £210,000
Sold: £338,000

Lot 133 – June
Two floor mid terrace house



Guide: £175,000
Sold: £329,000

Lot 76 – July
Town centre retail premises



Guide: £980,000
Sold: £1,050,000

Lot 22 – September
Retail and residential units



Guide: £895,000
Sold: £1,165,000

Lot 58 – October
Garage site with potential



Guide: £70,000
Sold: £442,000

Lot 23 – November
Two floor building of two flats



Guide: £265,000
Sold: £415,000





Growing Client Base

Barnard Marcus offers one of the widest selections of property available for sale under one roof. Many existing and new clients are experiencing the added benefits we offer as a national auctioneer with a chain of agency offices offering truly national strength with local knowledge. Here are just a few examples of clients who have enjoyed success in selling with us:



Economic & Market Update

The UK Economy

2018 continued to be dominated by the political and economic uncertainties associated with the Brexit negotiations, and the outcome still seems far from certain. There is little doubt this has had an adverse effect on the property market overall.

Continued growth in UK employment figures and inflationary pressures provided the stimulus for a second base rate increase in August of 25 basis points, raising interest rates from 0.50% to 0.75%, but still well below the levels of a decade ago. UK GDP Growth for Q3 stood ahead of predictions at 0.6%, the strongest quarterly growth for a year and is predicted at 1.5% for the full year. Stock markets have remained very flat, with falls during the early autumn wiping out earlier gains. On the currency markets the pound has declined by around 5% against the dollar, but remained broadly unchanged against the Euro. The unemployment rate fell further in the first half of the year to stand at just 4% and UK wage growth increased to 3.1% in September.

UK House Prices

According to The Halifax House Price Index property prices in the United Kingdom rose 1.5% year-on-year in the three months to October 2018, easing from a 2.5% advance in the previous period but beating market expectations of a 1.2% gain. It was the lowest annual increase in house prices since March 2013. On a monthly basis, house prices rose 0.7% in October, following two consecutive monthly falls. Land Registry Reports show that as of September 2018 the average house price in the UK was £232,554, and has risen by 3.5% compared to the previous year.

Repossessions

The healthy employment figures continue to underpin improving figures on mortgage arrears which according to The Council for Mortgage Lenders (CML) have continued to decline quarter upon quarter from the 2009 peak of over 200,000 cases. The current level stands at just over 83,000 cases per quarter, with repossessions remaining stable below 2,000 cases per quarter compared to peaks of 13,000 in 2009.

UK Property Auction Market

The auction market has shown some contraction over the year and according to the Essential Information Group, who have recorded Property Auction performance across the whole of the UK since 1990, their data shows that for 2018 the total number of properties offered at auction fell by 4.5% to 31,490, with sales down 7.1% to 23,577. The total value of properties sold also declined by some 10% to £4.1bn.





About us

Barnard Marcus Auctions is the premier brand within Sequence Auctions, the largest provider of residential lots to auction within the UK. We are part of Sequence (UK) Ltd, a division of The Connells Group owned by The Skipton Building Society and are one of the largest, most profitable and diverse property services groups in the UK.

Our modern offices located on the Hammersmith/Chiswick borders are easily accessible by Public Transport (Stamford Brook Underground Station) and offer a centrally located and strategic position to serve not only our Greater London Clients but those further afield. We hold 10 auctions per year from our Central London Venue of The Grand Connaught Rooms.

Our group functions provide a wide range of expertise from Land and Planning advice, Property Rentals and Management, Corporate Asset Management, Legal and Mortgage services together with a large survey and valuation business. Our Group Estate Agency network extends to some 597 trading branches throughout England, Wales and Scotland. It is through this national network that we are able to provide the unique blend of national coverage, backed up with sound local marketplace knowledge. We consistently strive to bring a wide range of purchase opportunities for buyers and obtain best price for our sellers.

We seek to make full use of modern innovations and we are delighted to announce a new web offering which is planned for launch this spring.

As the largest, London based provider of residential auction lots to the UK market, whether you are an experienced property investor, a private or corporate seller, or just starting out in property investment, Barnard Marcus have a bespoke service to suit your needs in 2019.

Buying and Selling Guide

Only a few years back, property auctions were shrouded in such mystery that only seasoned property professionals became involved. The advent of property related programmes on television, has demystified much of the process and opened up the exciting world of property auctions to a much wider audience. Figures at Barnard Marcus show that the majority of buyers are those that we have not dealt with before and come from a much wider pool of domestic buyers or those seeking to enter the property investment market to find a better return than more traditional investment methods may provide.

Buying at Auction

Buying at auction differs from the normal Estate Agency approach, where an offer is submitted, negotiated upon and a price finalised. Solicitors are then instructed and the legal conveyancing undertaken all leading to an exchange of contracts some weeks later.

At auction you bid, and if you are successful you become the purchaser with contracts legally exchanged upon the fall of the gavel. The average lot takes just 2-3 minutes to sell, so the process is in stark contrast to the private treaty method! This needn't alarm buyers, it just means that all the due diligence work, checking out the property, arranging a survey and finance (if needed) and all legal aspects needs to be done in advance of the auction day.

The property descriptions appear in the catalogue, together with the legal pack of documents including the land registry documentation and other legal information which is available online for buyers and their solicitors to inspect. Our catalogues are released around 2½ weeks before the auction, so speed is essential to complete all relevant enquiries prior to bidding. The legal pack will contain a document entitled "Special Conditions of Sale", which will set out more specifically the terms of the contract into which the buyer enters, and is an important document to check. We encourage buyers to inspect all this documentation and inspect properties where possible to ensure there are no doubts prior to bidding. Finally it is important to emphasise that at auction, if successful, you become legally bound to buy and pay the normal deposit of 10% (or other as specified) on the day, and have access to funds to complete by the specified date.

Selling at Auction

Auctions provide a valuable alternative to sale by private treaty sales, where sellers are looking to maximise price and sell within a defined time frame. The period between instructing us and exchange of contracts is typically 3-4 weeks, with a success rate of around 75% of properties offered, Barnard Marcus provide a highly effective and fast route to sale.

We will give you an opinion on price and will suggest a guide price at which the property be marketed, and the reserve price (the figure below which the property will not be sold). As soon as you confirm instructions you should instruct your solicitor as they will need to prepare the legal documentation which is made available to prospective bidders.

We will generally arrange viewings of the property (if empty) so you will need to arrange for us to hold keys. If the property is occupied will we discuss the most appropriate viewing arrangements with you.

We produce an auction catalogue and will send you a proof to check and approve. In contrast to High Street Estate Agencies, our marketing is national rather than local, and our auctions are promoted to our active list extending to nearly 95,000 names. We advertise in local and London media, and properties are displayed on all main national property portals.

We will handle everything for you on the day. Our team of experienced auctioneers will obtain the best bid at or in excess of the reserve price on the day and sign all paperwork on your behalf. After the auction we will send all contract documentation to your solicitors so that they may handle the completion on your behalf.





Our Service

If you are looking to sell and have not yet considered auction as a potential route to sale, why not call a member of our team for a **free, no obligation discussion and appraisal**. Auctions offer a valuable, alternative route to sale for those wishing to maximise price within a defined timescale.

Typical properties suitable for sale by auction include, but are not limited to:

- Vacant property with potential for improvement or development
- LPA Receivership cases
- Repossessions
- Properties with legal or condition issues
- Regulated tenancy investments
- Assured tenancy investments
- Ground rent investments
- Sites with or without planning permission
- Probate cases
- Commercial Property (vacant or for investment)
- Property portfolios
- High demand locations where demand outstrips supply

To find out what we can do for you or for a free auction appraisal call us on **020 8741 8088**

Experience Counts

Barnard Marcus Auctions was established in 1982 and is the premier brand within Sequence Auctions, which include regional auction offerings located in Derby, Norwich, Southampton and Leeds, trading under the long standing brands of William H Brown, Fox & Sons and Bagshaws. Over the last 25 years alone Barnard Marcus have sold over 35,000 lots from our rostrum, raising over £4.25Bn for our clients.

We continue to offer more lots from our rostrum than any other London Residential Auctioneers, with a market share of 28.5% (2018 data).

At Barnard Marcus, we believe that experience and consistency are at the heart of delivering best service. We work hard to employ and retain the most experienced property professionals and those with credible experience and track record.

Our Divisional Managing Director, Chris Glenn, has nearly 30 years experience with the company and is supported by our Sales Manager, Brian Grante and Operations Manager, James Paterson, both with over 20 years experience at Barnard Marcus.

Leading the field, our Contracts Manager, Sharon Chandler will celebrate 40 years with Barnard Marcus this year. Our key management team and lead negotiators bring with them over 250 years of combined industry experience.

Only through experience can we continue to deliver an awarding winning service, to buyers and sellers alike.



Meet some of the team



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Priya Joseph
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Auction Dates 2019

Auction date

Monday 4th February

Tuesday 12th March

Tuesday 9th April

Tuesday 21st May

Tuesday 25th June

Tuesday 30th July

Monday 9th September

Monday 7th October

Monday 11th November

Monday 16th December

Deadline

11th January

15th February

15th March

26th April

31st May

5th July

16th August

13th September

18th October

22nd November

Contact us

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