



barnard
marcus

National
Auction
Review
2019



Contents

Introduction	3	Growing Client Base	9
Results	4	Economic Update	10-11
Market Share	5	Buying and Selling Guide	12
Regional Analysis	6	Our Service	13
Public Sector Focus	7	Meet some of the team	14
Auction Highlights	8	About Barnard Marcus	15

Chris Glenn

Divisional Managing Director,
Sequence Auctions



Introduction

As I write this introduction with the year drawing to a close, we can all look back upon a year filled with political and economic uncertainty, which offered an excuse for many to sit on the fence, but to others offered many opportunities.

Against the overall backdrop of a decline in sales volumes in the UK, it is a testament to the dedication of my team and the strength of our brand, that we have once again grown the volume of lots being offered from our rostrum, increased sales and increased capital value raised for our clients in 2019.

I hope you will find the detailed market data which follows in this review of interest, but with headline figures of a business which continues to grow and dominate the London Auction Market, offering more lots than any other residential auctioneer, it is little surprise to me that our market share growth of lots offered has continued and now stands at an enviable 29.6%.

This year saw the launch of our new website, which is now fully embedded into our business and provides our customers with a direct online interface, including many new features such as pre-registering to bid, confirming attendance at open house viewings, making offers online and access to a wealth of information

for auction buyers and sellers at all levels. Further enhancements are planned for 2020, with further improvements to the user experience resulting from customer feedback.

Nationally, as part of the Connells Group – one the largest and most profitable Property Services Groups in the UK, we are backed by a resilient business with unrivalled strength, breadth of knowledge and expertise. In addition to Barnard Marcus we have regional auction houses based in Southampton, Norwich, Derby and Leeds, and a group Estate Agency network of some 585 branches.

I was delighted to celebrate 30 years on the rostrum with Barnard Marcus this year and I am proud that no member of my key team has less than 20 years industry experience, with some even topping 40 years. It is only by capitalising on this extensive experience that we are able to navigate through the ups and downs of the market and continue to provide a first class service to all our customers.

With the election now behind us, and the hope of more stable times to come, I look forward with confidence to 2020 and welcoming customers both old and new to one of our 10 auctions scheduled for the year ahead.

“Despite an uncertain market we have continued to grow our business and increase market share and volume of lots offered.”

Results 2019



Market share
29.6%



Lots offered
1,986



Capital Raised
£230m



Lots sold
1,382

Throughout 2019, which proved to be another year of political and economic uncertainty, we have continued to deliver volume stock to the market holding a full programme of 10 auctions. Despite figures from the Essential Information Group showing a national decline of 7.9% (figures to October 2019) of auction

lots offered, we are delighted to have outperformed the market once again and with 1,986 lots offered we have surpassed the number of lots offered in 2018 in our auctions and increased our market share of lots offered by all London Residential Auctioneers to an enviable 29.6%.

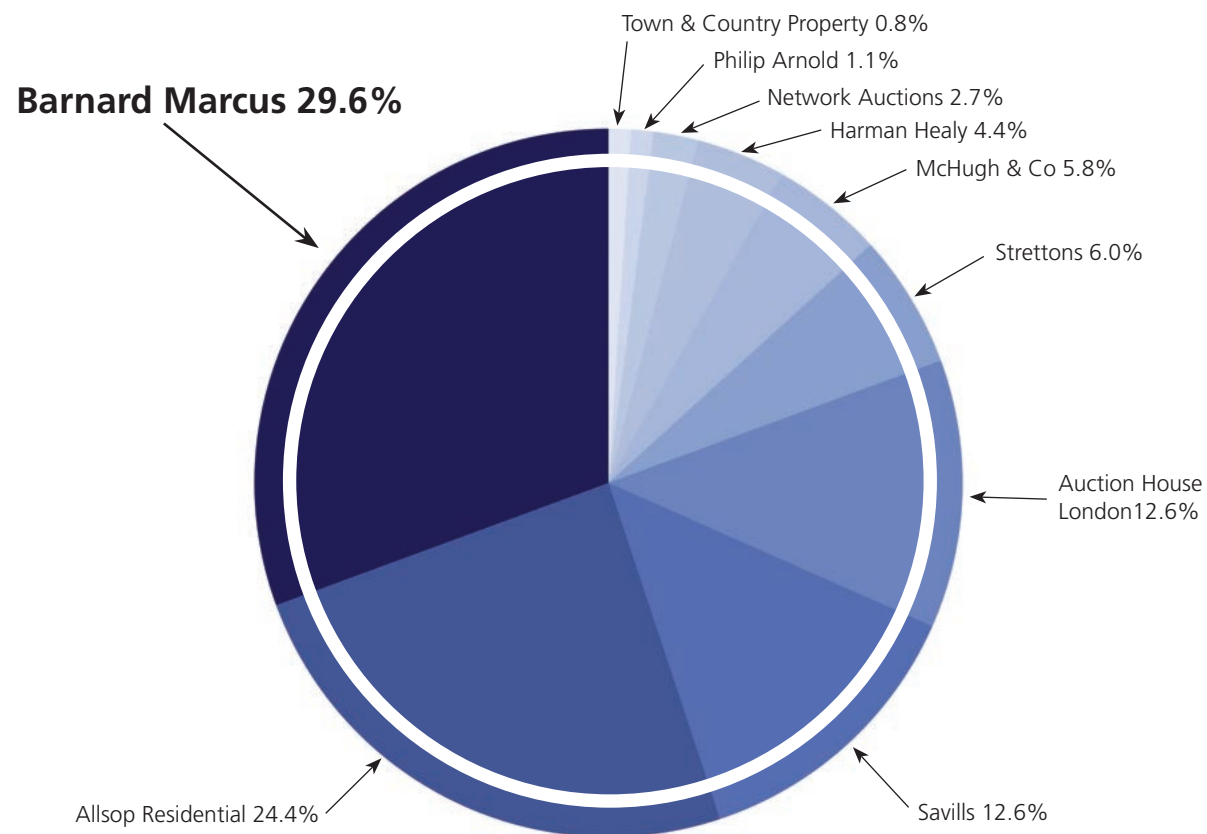
Market Share

Data Source: The Essential Information Group 06/01/2020 (Lots offered by London Residential Auctioneers)

Once again Barnard Marcus have increased their market share, offering nearly a third of all lots offered by London based National Residential Auctioneers.

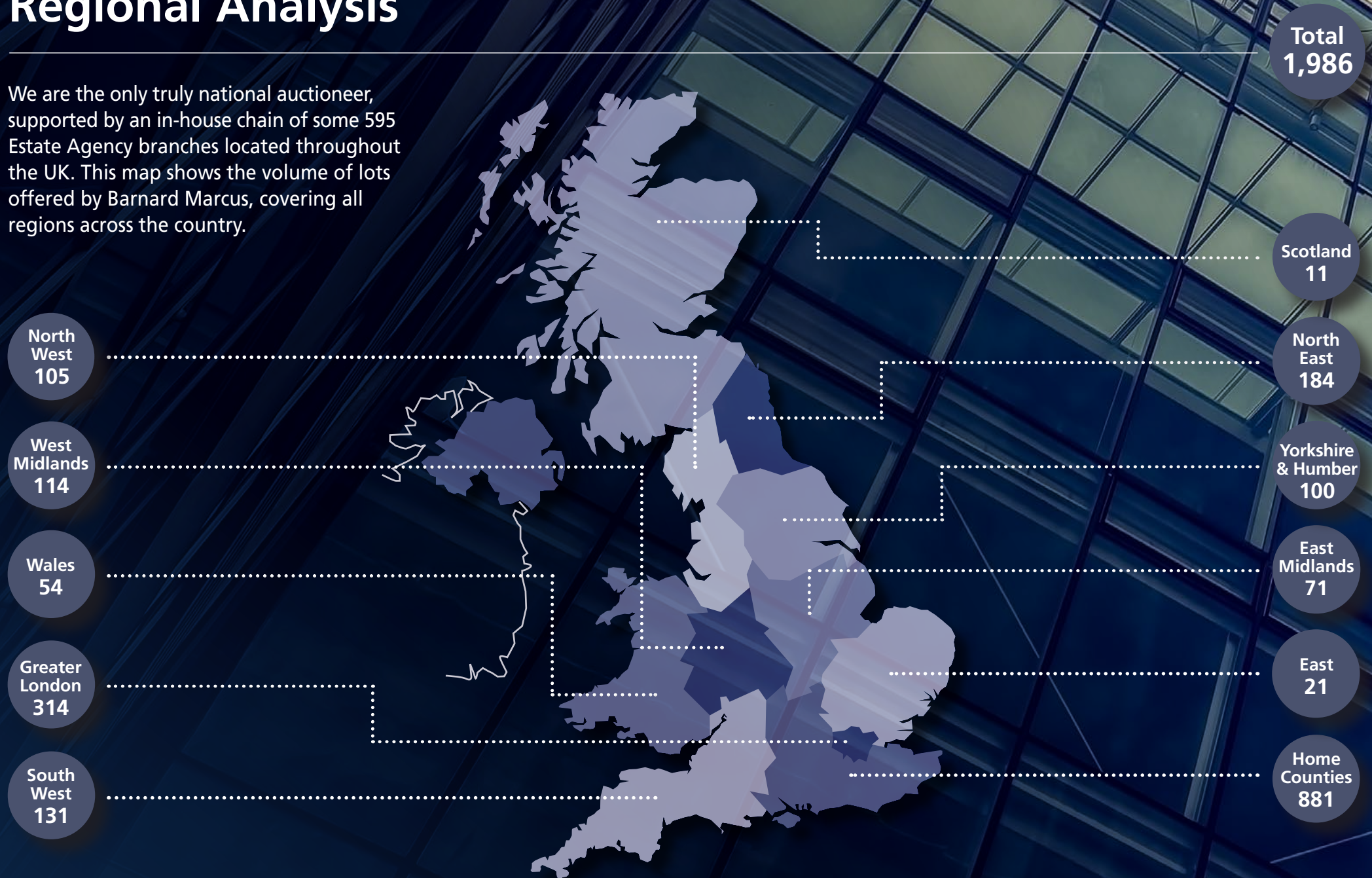
During the year some 6,711 lots were offered, via a total of 70 auctions staged in the capital. A total of 5,079 lots were sold with an overall capital value exceeding £1.1 Billion.

With almost 2,000 lots offered and a market share of 29.6% we continue to lead the way in the National Residential Auction Market.



Regional Analysis

We are the only truly national auctioneer, supported by an in-house chain of some 595 Estate Agency branches located throughout the UK. This map shows the volume of lots offered by Barnard Marcus, covering all regions across the country.



Brian Grante
Senior Sales Director
Barnard Marcus Auctions



2019 saw a significant increase in Public Sector Clients comprising Local and District Authorities together with Housing Associations, who continue to look to rationalise their stock and dispose of surplus or non-performing assets, where the running costs outweigh their value to the community.

More and more authorities are taking a focussed approach to this, and Barnard Marcus are delighted to have welcomed a number of new clients in this sector during 2019. Overall, the number of lots sold by us in this sector rose by 100% and the capital raised for clients increased by a massive 169% to £45.9m.

Brian Grante, Senior Sales Director, specialising in sales in the sector, commented "With land and property priced

Public Sector Focus

from as low as £5,000 to over £2million and a sales success rate of over 82% there is clearly strong demand from buyers in our auctions for this type of stock. Average Sale price stood at 136% when measured against both Guide Figures and Reserve, demonstrating how Barnard Marcus continue to deliver top prices within a programmed timescale and excellent outcomes when dealing with the disposal of publicly owned assets."

Lot 5 – February
10 first and second floor flats



Lot 78 – May
Grade II listed building



Lot 4 – July
House in shell condition



Lot 57 – April
Freehold detached house



Lot 1 – December
Freehold end terrace house



“ With a sales success rate of over 82% there is clearly strong demand from buyers. ”

Auction Highlights 2019

Lot 1 – February
Maisonette requiring updating



Guide: £825,000
Sold: £1,230,000

Lot 37 – February
20 ground rent investment flats



Guide: £200,000
Sold: £425,000

Lot 10 – March
Maisonette requiring updating



Guide: £2,275,000
Sold: £2,660,000

Lot 95 – March
Freehold site of approx 1.7 ha



Guide: £195,000
Sold: £482,000

Lot 51 – April
Freehold semi-detached house



Guide: £240,000
Sold: £335,000

Lot 24 – May
Leasehold building of 10 flats



Guide: £1,400,000
Sold: £1,900,000

Lot 31 – May
Leasehold self contained flat



Guide: £479,000
Sold: £601,000

Lot 45 – May
Freehold building of three flats



Guide: £799,000
Sold: £952,000

Lot 121 – May
Freehold semi-detached house



Guide: £70,000
Sold: £120,000

Lot 61 – June
Freehold period house



Guide: £325,000
Sold: £460,000

Lot 94 – July
Commercial premises / 2 flats



Guide: £395,000
Sold: £655,000

Lot 3 – November
Freehold end terrace house



Guide: £350,000
Sold: £452,000

Lot 217 – November
Freehold house



Guide: £95,000
Sold: £131,000

Lot 27 – December
Building arranged as 3 flats



Guide: £750,000
Sold: £1,112,000

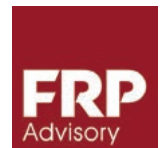
Lot 48 – December
Freehold garage site - 584.2m²



Guide: £45,000
Sold: £235,000

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 and Market Update

Data Sources: HM Government, The Bank of England, the Royal Institution of Chartered Surveyors, HM Land Registry and The Essential Information Group

The UK Economy

The UK economy continued to be weighed down by Brexit uncertainties in addition to weaker world growth. However, as the prospect of a No Deal Brexit faded late in the year, the pound recovered lost ground and Sterling has risen by around 4% since August. Interest Rates have remained unchanged throughout the year staying near record low levels of 0.75% being the level held since August 2018.

GDP growth was dampened throughout the year in line with most other advanced economies, however The Bank of England forecasts increased GDP growth in 2020 as the dampening effects from Brexit-related uncertainties begin to dissipate.

UK CPI inflation remained close to 2% in recent months, averaging 1.8% during 2019 Q3 and is expected to remain around this level moving into 2020.

UK Housing Market

As of September 2019 The Royal Institution of Chartered Surveyors' (RICS) reported a fall in new-buyer enquiries net balance, indicating a slight decline in buyer demand. New instructions to sell fell to their lowest reading since June 2016, reflecting a decline in the volume of fresh listings coming on to the market. In line with this falling demand and supply, the newly agreed sales series edged down as activity decreased in virtually all parts of the UK.

The UK Property Transactions Statistics for September 2019 showed that on a seasonally adjusted basis, the estimated number of transactions on residential properties with a value of £40,000 or greater was 101,740. This is 2.3% higher than a year ago. Between August 2019 and September 2019, transactions increased by 5.0%. The average house price in England stood at £250,667 up 1% against last year with all UK regions showing a rise save for The East of England and London where prices fell by 0.2% and 0.4% respectively.

Regulation

UK Auctioneers have again this year remained under the legislative focus, with tough regulation by HMRC who are the official Anti Money Laundering regulator for UK property sales conducted by Estate Agents and Auctioneers. The requirement to identify in detail sellers and buyers of UK property, where these are under the umbrella of a listed company whether denominated within or outside the UK the requirement to show the beneficial owners of such companies can result in much administrative work for an auction where many transactions fall into this category. The 5th UK Anti Money Laundering Directive due in 2020 is awaited and may add still more meat to the bone of this important area of legislation.

Economic and Market Update

Repossession Statistics

Government figures to June state that compared with the same quarter last year, mortgage possessions have increased by 30%, continuing the increase seen in Oct-Dec 2018. This follows a three-year period of stability (since Jan-Mar 2015).

However the "Buy to Let market" has been more resilient where Landlord repossessions have decreased by 10% (compared with the same quarter last year). The general fall across landlord possession actions continues the long-term decreasing trend seen since April-June 2014.

Boston in the East Midlands had the highest overall rate of mortgage repossessions, at 37 per 100,000 households, with the highest rates of landlord possession actions being concentrated in London (9 of the highest 10 claim rates and 7 of the 10 highest repossession rates).

The overall fall in landlord repossessions is mainly driven by the London courts where landlord repossessions fell from 2,581 in April to June 2018 to 1,919 in April to June 2019, down 26%.

UK Property Auction Market

According to The Essential Information Group, who have gathered data on UK property auctions for nearly 30 years some 29,313 properties were offered for sale by auction in the 12 months to October, a decline of 7.9% from the previous year with 21,753 lots being sold with a total sales value of £3,620M. Residential sales saw a lower decline of 6.1% compared with a reduction in commercial lots of 16.6%. Whilst these figures show declines against the previous year The Essential Information Group comment that the industry sale rate has remained steady and largely comparable to the long-term average.



Average house
value in England
£250,667



Residential
transactions
UP 2.3%

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, and 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 we will 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.

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 auction include, but are not limited to:

- Vacant property with potential for 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**.

Meet some of the team



Christopher J. O. Glenn
Divisional Managing Director
chris.glenn@sequencehome.co.uk



Brian Grante
Sales Manager/Auctioneer/
Auction Partner
brian.grante@barnardmarcus.co.uk



James Paterson
Operations Manager/
Auction Partner
james.paterson@barnardmarcus.co.uk



Sharon Chandler
Contracts Manager/
Auction Partner
sharon.chandler@barnardmarcus.co.uk



Lucia Pincott
PA to Managing Director
lucia.pincott@barnardmarcus.co.uk



Meghan Mamo
Corporate Sales Manager/
Auction Partner
meghan.mamo@barnardmarcus.co.uk



Richard Vango
Senior Negotiator/
Auction Partner
richard.vango@barnardmarcus.co.uk



Thomas Mason
Negotiator
thomas.mason@barnardmarcus.co.uk



Callum Glenn
Negotiator
callum.glenn@barnardmarcus.co.uk



Kristian Georgiou
Trainee Negotiator
kristian.georgiou@barnardmarcus.co.uk



Matthew Rosenz
Client Relationship Manager
matthew.rosenz@barnardmarcus.co.uk



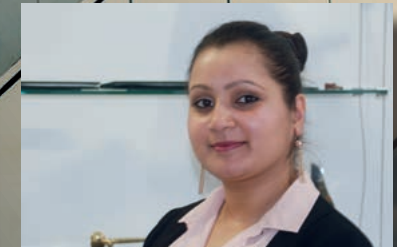
Kimberley Heath
Accounts Manager
kimberley.heath@barnardmarcus.co.uk



Simon Williams
Business Development
simon.williams@barnardmarcus.co.uk



Milana Abromikas
Head of Administration
milana.abromikas@barnardmarcus.co.uk



Priya Joseph
Administration
priya.joseph@barnardmarcus.co.uk

About Barnard Marcus

Barnard Marcus Auctions was established in 1982 and is the premier brand within Sequence Auctions, the largest provider of residential lots to auction within the UK. Over the last 25 years alone we have offered over 45,000 lots from our rostrum raising over £4.38 billion for our clients. We retain the leading market share of lots offered by any residential auctioneer in London holding a market share of 29.6% (2019 data).

At Barnard Marcus, we believe that experience and consistency are at the heart of delivering the best service, that's why we work hard to employ and retain the most experienced property professionals and those with credible experience and proven track records. Headed up by Chris Glenn who celebrated 30 years on the rostrum in 2019, our key management team bring with them over 250 years of combined industry experience.

Barnard Marcus Auctions offer properties in London, Home Counties and all across the UK from our Central London venues. We are part of, and supported by, The Connells Group, one of the largest, most profitable and diverse property services groups in the UK. 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 function. Our Group Estate Agency network extends to some 585 trading branches throughout England, Wales and Scotland. It is through this national coverage that we are able to provide the unique blend of a national auctioneer, backed up with sound local marketplace knowledge. We consistently bring a wide range of purchase opportunities for buyers and obtain best price for our sellers.

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 also those further afield. We hold 10 auctions per year from our Central London venue at The Grand Connaught Rooms.

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 has a bespoke service to suit your needs in 2020.



“ Over the last 25 years Barnard Marcus has sold over 45,000 lots from the rostrum, raising over £4.38bn for our clients. ”

Auction Dates 2020

Auction date

Monday 3rd February

Monday 9th March

Tuesday 7th April

Tuesday 19th May

Tuesday 23rd June

Tuesday 28th July

Monday 7th September

Tuesday 13th October

Tuesday 10th November

Tuesday 15th December

Deadline

10th January

14th February

13th March

24th April

29th May

3rd July

14th August

18th September

16th October

20th November

Contact us

Address:

Sovereign House, 361 King Street, Hammersmith, London W6 9NA

Telephone:

020 8741 8088


Email:

auctions.hammersmith@barnardmarcus.co.uk



barnard marcus

www.barnardmarcusauctions.co.uk

 [@barnardmarcusau](https://twitter.com/barnardmarcusau)