Maximising Returns for Landowners

Selling Development Land at Auction

A Practical Guide for Landowners

The benefits, risks, preparation and alternatives landowners should understand before committing a development site to auction.

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Selling Development Land at Auction

Auction can provide a fixed sale date, competitive bidding and a binding result under the published conditions. It can work well where the land is market-ready, the legal and planning information is clear and the seller values speed and certainty.

Development land requires more preparation than an ordinary property lot. The auctioneer, legal pack, title plan, planning information, guide price, reserve, special conditions and bidder marketing can all influence the result. Unresolved uncertainty is usually reflected in the bids.

Auction can deliver speed and competitive bidding, but only where the legal, planning and valuation position is prepared well enough for buyers to bid with confidence.

When can auction be a suitable route?

Auction may suit land where the seller wants a defined timetable, where there is a broad pool of potential buyers, and where the information needed for confident bidding can be assembled before the sale. It is less attractive where the planning potential is poorly understood or where a short marketing period may transfer future uplift to the purchaser.

- **Fixed marketing timetable and sale date**
- **Competitive bidding in a transparent process**
- **Binding contract when the hammer falls, subject to the auction conditions**
- **Ability to expose the lot to cash buyers, developers and investors quickly**
- **Clear reserve can protect the seller from an unacceptable sale price**

Where does auction sit among the sale options?

Planning and valuation review → auction preparation → legal pack and marketing → bidding → exchange at auction → completion

Read the full online Call for Sites Guide

Auction, Private Treaty or Promotion?

The central question is not simply whether the land can be auctioned, but whether auction is the best route for the site at its current planning stage. A parcel with unresolved but significant development potential may attract speculative bids that do not fully reflect the value that could be created by further planning work.

Auction should therefore be compared with private treaty, informal tender, conditional sale and funded land promotion. The best route depends on the planning position, owner timescale, buyer market, legal complexity and the point at which the landowner wants to transfer risk.

Speed and certainty

A correctly run auction creates a defined timetable and can produce a binding sale on the day, giving the owner greater certainty than an open-ended private negotiation.

Competition

A well-marketed lot can bring several bidders together at the same time. Competition can strengthen price where buyers understand the opportunity and have enough information to bid confidently.

Risk of premature sale

If planning potential, access, title, drainage or infrastructure issues remain unclear, bidders will normally price in risk. The landowner may therefore sell before the strongest value case has been established.

The route to sale should be chosen after the planning opportunity and landowner objectives are understood.

Check Current Call for Sites Opportunities in England

Prepare the Site Before the Auction Date

Before instructing an auctioneer, the owner should decide what is actually being sold, whether the site should be offered as one lot or several, and whether the planning and title position is sufficiently clear to support competitive bidding.

Fixed Timetable Marketing and bidding take place against a defined sale date, which can suit owners seeking speed.	**Binding Outcome** When the reserve is met and the lot is sold, the parties normally become contractually bound immediately.
Competitive Bidding Several buyers can compete at the same time where the opportunity is well presented and understood.	**Reserve Protection** The seller sets a confidential minimum below which the auctioneer is not authorised to sell.
Preparation Matters Poor title, planning or technical information can reduce bidder confidence and the price achieved.	**Not Always Best for Strategic Land** Where further planning work could create significant value, immediate auction may be premature.

Key pre-auction questions include:

- **Is the land being sold as existing-use land, hope-value land or a defined development opportunity?**
- **Does the title match the physical and intended sale boundary?**
- **Is access to the adopted highway legally and technically understood?**
- **Is there relevant planning history, allocation status or live Local Plan potential?**
- **Are drainage, utilities, ecology, contamination or other material constraints known?**
- **Would targeted planning work before sale materially improve bidder confidence?**
- **Is auction preferable to private treaty, tender or promotion?**

The auction date should be the end of a preparation process, not the point at which the seller first discovers material planning or title issues.

The Legal Pack and Development Due Diligence

The legal pack allows bidders and their solicitors to investigate the lot before bidding. For development land, it should be complete, internally consistent and available early enough for meaningful due diligence.

1. Title documents — Current official copies, title plans, filed deeds and documents referred to in the register.

2. Contract and special conditions — The sale contract, deposit, completion period, VAT position, apportionments and any seller-specific provisions.

3. Search information — Appropriate searches or clear confirmation of which searches the bidder must obtain or rely upon.

4. Planning material — Relevant permissions, refusals, appeals, allocations, submissions, pre-application material and technical evidence being disclosed.

5. Property information — Tenancies, licences, access arrangements, wayleaves, overage, easements, covenants and other relevant matters.

6. Consistent plans — The auction plan, title plan, transfer plan and any planning red line should not create avoidable confusion about what is included.

A bidder can only price what it can understand. The quality and timing of the legal and planning information directly influence confidence.

Is My Land Suitable for Development?

Guide Price, Reserve Price and Development-Land Valuation

Guide price and reserve price perform different functions. The guide is a marketing indication; the reserve is the confidential minimum price at which the auctioneer is authorised to sell. Both should be credible and grounded in the land's actual planning and market position.

Title & Sale Plan Make clear exactly what land is being sold and reconcile the auction, title and transfer plans.	**Planning Position** Disclose relevant permissions, refusals, allocations, Local Plan material and planning correspondence.
Access Explain the legal and physical access position and any third-party land or highway issues.	**Drainage & Utilities** Provide proportionate information where servicing or infrastructure is material to development value.
Tenancies & Occupation State whether vacant possession is available and identify leases, licences or agricultural occupation.	**Covenants & Rights** Disclose restrictive covenants, easements, wayleaves, overage and other matters affecting development.
Technical Reports Include useful surveys and reports and state whether purchasers may rely upon them.	**Special Conditions** Set out deposit, completion, VAT, apportionments and seller-specific obligations clearly.

The landowner should focus on the minimum net receipt after auction commission, legal fees, VAT where relevant, mortgage redemption and any other deductions. The hammer price alone does not show the final amount retained by the seller.

Choosing the Auctioneer and Marketing the Site

Development land valuation may draw on comparable sales, existing-use value, hope value, planning status and residual development evidence. Where a material planning opportunity exists, a general auction appraisal should be tested against specialist development-land advice.

1. Avoid an artificial guide — An unrealistically low guide can attract attention but frustrate bidders if it bears little relationship to the reserve.

2. Test the reserve — The reserve should reflect the seller's genuine minimum, not simply an optimistic asking figure.

3. Review market feedback — Enquiries, legal-pack downloads, viewings and bidder registration can inform whether the pricing strategy remains credible.

4. Consider planning uplift — If the site may be worth materially more after allocation, permission or technical de-risking, the owner should understand that before fixing the reserve.

5. Examine overage carefully — Overage can preserve part of future uplift but can also complicate bidding, valuation and funding.

6. Account for buyer costs — Buyer premiums or administration fees can reduce the amount a bidder is willing to pay for the land itself.

7. Take independent advice — Planning, valuation, legal and tax advice should be coordinated before the auction terms become fixed.

The best auctioneer for a development site is the one with the right buyer audience, strategy and reporting - not necessarily the lowest commission.

Read: What is a HELAA or SHLAA?

Read: Local Plan Allocation Guide

Planning Potential, Lotting and the Risk of Selling Too Early

Choosing the right auctioneer is particularly important for development land. The seller should look beyond headline commission and assess the auctioneer's developer database, regional and national reach, online capability, comparable land results and ability to explain the planning opportunity accurately.

The appointment should also deal clearly with commission, catalogue or entry fees, photography, boards, online marketing, withdrawal charges, pre-auction sales and any continuing commission rights after the auction date.

The seller should agree:

- **Who approves particulars, guide price changes and the final reserve**
- **Whether pre-auction offers will be considered and who can accept them**
- **Whether the site is marketed as one lot or divided into several lots**
- **How enquiries, viewings, legal-pack downloads and bidder registrations are reported**
- **What buyer premiums or reservation fees apply and how they affect bidder appetite**
- **What commission remains payable if the lot is withdrawn or sold privately**

Development land requires a targeted buyer campaign

A large volume of general website traffic is not the same as a strong developer market. Direct approaches to housebuilders, promoters, investors and land buyers can be as important as catalogue exposure.

Auction can transfer planning risk quickly, but it can also transfer future planning uplift to the purchaser.

Auction Day, Unsold Lots and Completion

The planning position should be explained accurately and proportionately. Bidders need enough information to understand what exists today and what remains speculative. Overstating planning prospects can create legal and reputational risk; understating them can suppress value.

Where planning potential is material, the seller should consider whether to provide a planning summary, relevant Local Plan evidence, site assessments, access work, technical reports or other information that improves bidder confidence.

Selling too early

A purchaser who buys land before the planning case has been strengthened may capture the benefit of later allocation or permission. The seller should therefore compare the likely auction receipt now with the realistic value that could be created by further promotion.

Lotting and strategic value

Dividing land into several auction lots can widen the bidder pool, but it can also damage value where access, drainage, utilities, infrastructure or planning depend on unified control. The planning and title consequences should be reviewed before lotting is agreed.

The seller should understand the decision-making process before bidding begins and the legal consequences once a sale is achieved.

Find Out What Your Land May Be Worth

A Practical Pre-Auction Checklist for Landowners

On auction day the seller should know the current reserve, who has authority to change it, how telephone and online bids are handled, and what happens if bidding stops below the reserve. A pre-auction offer should be assessed against likely competition rather than accepted solely because it creates certainty.

Review Planning Potential
Understand the site, policy context, constraints and realistic development route before deciding to auction.

Confirm Title & Sale Boundary
Resolve material ownership, access, rights, occupation and retained-land issues.

Obtain Independent Valuation
Test the likely auction value, reserve and minimum net receipt against development potential.

Build the Legal Pack
Make the contract, title, searches, plans, planning information and disclosures available early.

Market to the Right Buyers
Use the auctioneer database plus direct developer and investor marketing to create genuine competition.

Decide on Auction Day
Know the reserve, authority levels, pre-auction offer policy, unsold-lot strategy and completion timetable.

If the reserve is met and the lot is sold, the auction contract becomes binding in accordance with the published conditions. The deposit is paid and completion follows on the contractual date. If the reserve is not met, the seller can consider post-auction negotiations, revised marketing or a different disposal strategy.

Completion preparation should address title documents, transfer plans, vacant possession, mortgage releases, VAT, rights, apportionments and any special conditions. Development land should not reach auction day with unresolved completion mechanics that could have been identified earlier.

Value My Land can review the development potential before auction and help the landowner compare an immediate sale with further planning promotion. The aim is to understand whether the market is being asked to price a clear opportunity or an avoidably uncertain one.

Request a Free Development Potential Assessment

Understand the Development Opportunity Before Fixing the Auction Reserve

Send us the land location and any auction proposal or valuation. Value My Land can provide a free initial review of the planning position and discuss whether auction is the most appropriate route at this stage.

Telephone: 0800 061 4006
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Value My Land

Prepare the Evidence. Create Competition. Protect Development Value.

Further reading: Selling Land for Development | Sell Now or Wait? | Land Value With Planning Permission | Title Plans & Boundaries

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