

Auction Frequently Asked Questions

How can I find out about City of Springfield auction sales?

-auction sales are advertised with the local media including newspapers, news stations and public access channels

-City's website <http://www.springfield-ma.gov/housing/>

-Sullivan & Sullivan Auctioneer's Website: <https://sullivan-auctioneers.com/calendar-detail/?id=9232>

Will I be responsible for past due taxes and/or liens owed on the property?

-No. The unique advantage between buying foreclosed properties from the City as opposed to private institutions is that properties are sold free and clear of all liens, mortgages and/or taxes.

What is required in order for me to become a registered bidder?

-You will need a \$5,000 certified check and/or money order made out to the City of Springfield for each property you intend to bid on. If you are high bidder this will be turned over to the City of Springfield as a "non-refundable deposit"

- You will also need to provide a valid state issued photo id.

Will the City be providing funds to assist me with the repair of the property?

-No. It is the buyer's responsibility to provide all financing associated with the repair and/or improvement of the property. Please be aware all properties are sold "as is" and it is the buyer's responsibility to perform the appropriate due diligence on the property prior to bidding.

Will I be able to see the property before I bid?

-The City will be holding open houses for properties with a structure on them prior to the auction. Please be aware all properties are sold "as is" and it is the buyer's responsibility to perform the appropriate due diligence on the property prior to bidding.

If I am interested in a particular property and I have more than enough money to buy it, can I enter into a deal with the City to buy the property prior to the auction?

-No, the City must sell all properties through a public bidding process and we cannot sell a property outright to a particular buyer, all interested buyers must have the opportunity to purchase the property.

Can I buy a property and hold it and/or land bank it?

-No. The City requires that the properties be improved within certain time frames. If you are buying a vacant, build-able lot you will be required to construct a new home. If you are buying a vacant property, you will be required to rehabilitate the property. If you are an abutter and you are buying the lot to increase the size of your yard or for an accessory use, you will be required to legally combine the lot with your existing property.

Can I buy a property and use it as a rental, investment property?

-No. The City sells all properties with an “owner occupancy restriction”. This means that either the buyer purchases the property, improves it and lives there for a period of not less than three years or the buyer purchases a property, improves it and sells it to someone who will live there for a period of not less than three years.

-However if the property has multiple legal units, it is only required that one unit be owner-occupied and other subsequent units may be rented by the owner occupant.

What are the documents I will be required to sign before the auction and can me or my attorney review them beforehand?

-All documents will be posted on the City’s website and on the private auctioneer’s website prior to the auction for potential buyers and their Attorneys to review.

The documents are as follows:

- Memorandum of Sale of Real Property
- Affidavit Pursuant to M.G.L, c.60, §77B
- Affidavit Disclosure of Property Owned
- Buyer’s Acknowledgement
- Lead Paint Notification and Waiver and Property Transfer Notification Certification

What is a Buyer’s Premium and how will it apply to my purchase?

-The Buyer’s Premium is the auctioneer’s fee that is added to the purchase price of the property. The Buyer at the Auction Sale shall be responsible for the Auctioneer’s Fee (Buyer’s Premium) in the amount of Five Percent (6%) if the final bid price. This 6% Buyers Premium will be added to the bid price and shall constitute the contract sales price.

Example:

Bid Price	\$100,000
Added 6% Buyer’s Premium	\$6,000
Contract Sales Price	\$106,000

If I am the high bidder on a property can I close once I have the money ready?

-No. The City requires certain things from a buyer before a closing can happen.

If you are rehabbing an existing structure, you must provide:

-Itemized cost estimates and rehab plan

-Proof of Financing for the entire project, not just the purchase.

If you are constructing a new building, you must provide:

-Cost Estimates

-Proof of Financing for the entire project, not just the purchase

-Scaled site plans that include the footprint of the house, fencing, driveway and/or parking areas, walkways, sidewalks, decks and/or porches, trees to remain and/or be removed.

-Exterior elevation plans that show all four sides of the proposed structure.

If you are an abutter and you want to combine the lot you purchased with your existing property, you must provide:

-Approval Not Required (ANR) Plan drawn by a Registered Land Surveyor that details your existing property and the property you are purchasing and the lot line that will be removed. (3 Mylar Copies and 2 Paper copies should be submitted)

-\$75.00 planning board review fee and filled out Form-A (which is available on the City's website)

-Submission of the approved ANR Plan to the Hampden County Registry of Deeds (additional registry fee will be required)

If you are an abutter and you want to use the lot you purchased for parking, you will need to provide:

-A scaled site plan that shows lines for proposed parking stalls, landscaping and buffers and proposed curb cuts.

-Cost estimates for the improvements to the lot

-Proof of financing for the entire project.

-Proposed parking will also need to be signed off on by the Department of Public Works, Engineering Division.

-In addition if the property is located in a Local Historic District you will have to present your plans to the Springfield Historic Commission for review and approval, or if the property is

located within a Wetlands Buffer plans will have to be approved by the Springfield Conservation Commission.

If am the high bidder on a property and I decide after wards that I don't want the property, can I get my money back?

-No. The \$5,000 is non-refundable and you will not be able to cancel the sale without losing your deposit, in addition you may be prohibited from bidding in future auction sales.

If I am high bidder of a build-able lot, does it matter what kind of house I propose to build?

-Yes it does matter. All new construction plans will undergo the site plan review process by the Office of Planning & Economic Development. This review process is used to ensure that the proposed structure is in context with the predominate architectural style found within the particular neighborhood. This review is also used to ensure compliance with the City's Zoning Ordinance.

It is strongly recommended that you review the City's residential design guidelines provided in the auction supplemental materials and available on the City's website.

Am I required to hire a lawyer for closing?

-While Massachusetts State Laws do not require buyers hire a lawyer to represent them at closing it is strongly suggested that you hire a lawyer to represent your interests and review all documents.