

Propex prepares for bumper autumn crop

■ Online auction platform progresses from phone masts to dental surgeries

BY SINEAD CRUISE

ONLINE INVESTOR FORUM PROPEX IS to bring its first raft of commercial property investments to the market this autumn.

Following its debut online auction in May, Propex has been inundated with instructions from vendors looking to try the novel sale method.

Among the assets due to be offered in the next few months are two dental surgeries to be let to Whitecross Dental Care on 15-year leases on completion.

The properties, which will be guaranteed by Integrated Dental Holdings, are offered for sale with 2.5% compound rent increases at five-yearly intervals. The vendor is a private property company advised by property services firm Barnes Batty.

Propex's first online lot was a telephone mast offered on behalf of Capital & Regional. The mast, which is let to mobile phone network Orange until 2014, raised a final bid of £74,500, reflecting a net initial yield of 7.25%, from private investor Elliot Sorsky.

The purchase completed within 38 days, including a two-week marketing period conducted by Propex before bidding began.

The screenshot shows the Propex online bidding interface. At the top, there are navigation links: INDEX, ABOUT THE SERVICE, PROPEX PORTAL, and OPEN MARKET LIS. The main content area is titled 'DENTAL SURGERY' and 'Shore Street Dental Surgery, Shore Street, Oban'. It includes a summary, details, and bidding information. A red banner at the top right says 'Bidding is open... 0hr 27m 02s remaining'. A table shows the current highest bidder as 'jamesr' with a bid of £74,500. The bid history shows two previous bids from 'jamesr' and 'af'. A login form is visible at the bottom right.

Web intrigue: vendors are attracted by novel method

Around 14 bids were submitted and the investment particulars were viewed a total of 1,600 times by 860 individuals during the bidding period, compared with the average of 350-400 viewers for a standard listing property.

James Tanner, Propex director, said: 'The first lot was offered on a bit of a wing and a prayer. But we have demonstrated the value of this concept as a quasi-auction/private treaty method of sale and we have made the winning bidder stick to a defined timetable.'

The success of the concept is beginning to cause a stir in the traditional auction market and

there have been claims that investors would find it difficult to trust the efficiency and security of an online auction.

But Tanner denied the Propex platform was set up as direct competition for the likes of Allsop or Savills. 'The average commercial lot size is creeping up, but we're deliberately targeting smaller properties so there is room for both of our markets to grow,' he said.

'Perhaps one day we might reach a situation where traditional auction houses see this as an adjunct to their services – a place where they can offer lots that might not have performed well in the room.'