

Frequently Asked Questions

Auction Buyers Want to Know...

Benefits to Buyers

- The buyer knows the seller is fully committed to sell the property.
- The purchasing and closing dates are known.
- Buyers know they are competing fairly and on the same terms as all other buyers.
- Buyers receive comprehensive information on the property via a Property Information Packet.
- Buyers know that auctions reduce the time to purchase property
- A time defined event can expedite 1031 exchanges.
- Auctions eliminate long negotiation processes.
- The buyer determines the purchase price.
- In multi-property auctions, the buyer sees many offerings in the same place at the same time.

Q: I have never purchased a property at an auction. Where do I start?

A: Study the information available about the property in advance. The terms of a Real Estate Auction can vary, depending on the type of auction the seller has chosen. Visit the property at an Open House (also called a Preview) and ask questions. Get any necessary financing arrangements made ahead of time. Always ask questions for a clear understanding of the auction process.

Q: Since I'm not familiar with Real Estate Auctions... how can I be assured that all Department of Real Estate rules and regulations apply?

A: Licensed Brokers and Auctioneers must abide by all applicable state and federal real estate laws.

Q: Can I have any inspections done on the property before deciding whether or not to bid?

A: Yes! All property is sold "as-is, where-is" on the sale day, with no contingencies. Department of Real Estate disclosures are provided on the property prior to the sale: You may make arrangements with us for any inspections you would like, as long as they are completed prior to the sale. We encourage you ask any and all questions.

Q: How do I determine how much I should bid?

A: The auction is the oldest established method of determining the value of property. The property is worth what qualified buyers are willing to pay! At an auction, you immediately know what other qualified buyers are willing to pay, so you will know that the price is a fair market value. Decide in advance what you are willing to bid and prepare accordingly.

Q: What if I need time to get financing?

A: Your financing should be arranged prior to bidding on a property. This determines how much you personally can pay for the property, and establishes your comfort zone in the bidding process. Many times there is a 30 day time frame for the buyer to finalize financing arrangements prior to escrow closing. See auction Terms and Conditions for specific details.

Q: What is the Buyers Premium?

A: The Buyer's Premium is a fee used to offset auctioneers fees, real estate commissions and related expenses, which is added to the winning bid. It should be taken into consideration when you are bidding.

Q: How much do I put down as a deposit?

A: A non-refundable deposit is required on the day of the sale. Details of the deposit can be found in Terms and Conditions specific to the sale. The balance is generally due in 30 days or less.

Q: How do I register to bid?

A: You can pre-register with our office, or register at the auction site on the day of the sale. You will be asked to provide identification and certified funds per the Terms and Conditions of the auction. Verify these terms with our office prior to attending the sale.

Q: What if I am already working with a Real Estate Agent and want to bid on property being sold at auction?

A: You can certainly include your agent/broker in the auction process! They will be compensated by us at the close of escrow if you are the successful bidder. Your agent must pre-register you as a bidder with our office 48 hours prior to the day of the auction, and must attend the sale with you to represent you.

Q: I have never bid at an auction, I am concerned that I might not understand what the amount of the bid is!

A: Remember that the auctioneers and their staff want you to completely understand the process. Prior to the start of the auction, the auctioneer will make announcements, and give all attendees the opportunity to ask questions. Once the auction begins, a bid assistant may help in relaying bids to the auctioneer. If at any time you don't understand where your bid is, or another person's bid, always ask!