

Types of Auctions

Auction Type	Description	Advantages	Disadvantages
Absolute Auction	<ul style="list-style-type: none"> No minimum bid Guaranteed sale Property sold to the highest bidder, regardless of price 	<ul style="list-style-type: none"> Attracts more lookers and buyers Heightened audience participation and excitement Typically yields a higher price 	<ul style="list-style-type: none"> No safety net for the seller
Minimum Bid Auction	<ul style="list-style-type: none"> Lowest acceptable price is determined beforehand Once bids reach minimum, property is sold absolute 	<ul style="list-style-type: none"> Safety net in place for seller 	<ul style="list-style-type: none"> May interest a limited number of buyers May bring buyers willing to bid to Minimum only
Reserve Auction	<ul style="list-style-type: none"> Seller may accept or reject highest bid 	<ul style="list-style-type: none"> No obligation for the seller to accept a bid 	<ul style="list-style-type: none"> Less attractive to buyers

Why Auction-By-Choice?

- 1) **We create a competitive environment**, gathering all interested, informed, ready, willing and able parties – *consumers and investors* - in the same place on the same day under the same terms – **driving the price upwards**
- 2) We can move and sell property **very quickly**
- 3) The **market determines what the property is worth** on the day of the sale
- 4) **Terms, conditions and timelines are defined by the Seller**
- 5) **No finger pointing** about “not getting enough for the property.” This is an open and fair process for all who are ready, willing and able to participate
- 6) Property is sold AS-IS, with **no contingencies**
- 7) **Buyer has significant skin in the game** – with sizable, NON-REFUNDABLE deposit required (\$5K, \$10, \$20K...)



Differences Between Traditional Listings and Auction-By-Choice

Traditional Listings

- 1) Potential buyers may/may not be qualified and have limited skin in the game
- 2) Buyers have control
- 3) Start with high asking price and work price DOWNWARDS
- 4) Buyer research starts AFTER the offer
- 5) Negotiations re-start AFTER offer and acceptance
- 6) Buyer has limited skin in game – with nominal, REFUNDABLE deposit
- 7) Closings can take 3 – 4 months

Auction-By-Choice

- 1) Potential buyers are qualified – ready, willing and ABLE to buy, with significant skin in the game
- 2) Sellers have control
- 3) Start with an attractive minimum bid and work price UPWARDS
- 4) All information provided to buyer UPFRONT
- 5) No re-negotiating – terms set by Seller
- 6) With significant deposit required to be a registered bidder (\$5K - 10K +), buyer has skin in game
- 7) Closing can happen in as few as 30 days

Buyers have opportunity for full preview of the property with both methods

Berman Property Solutions

Unique Hybrid Method

A Combination of Auction By Choice and Traditional Listing Method

- Set an Auction date and heavily promote the Auction
 - Creates an “end date” for the process
- At same time, offer a “Buy It Now” price
 - For buyers who may want to make a traditional offer before the Auction date
 - If accepted, Auction is cancelled

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