

## **Buyer FAQ's**

### **Why is the property being sold at auction instead of using the traditional listing method?**

Some owners require an accelerated sale for various reasons including: foreclosure, divorce, bankruptcy, estate settlement, transfer, surplus disposal or corporate liquidation. Our clients need to know when their property will be sold and they like the "date certain" approach. Sellers are motivated to sell and offer buyers an opportunity to purchase a desirable property at the best price.

### **What is a Buyer's Premium?**

The Buyer's Premium is added to the winning bid price to arrive at the final contract price. Typically, it helps with sale expenses such as advertising and commissions. Helpful hint: bid ten percent less than you had planned. For Example: If you bid \$650,000 on a property that has a 10% Buyers Premium, then the total purchase price would be \$725,000 (\$650,000 plus \$75,000 Buyer's Premium).

### **What is the difference between "Reserve" and "Absolute"?**

An auction where property is being sold with a "reserve" means that the property is being sold subject to the seller's approval. The seller reserves the right to accept, reject or counter the final bid. Properties identified as "absolute" are sold to the highest bidder regardless of price on auction day only.

### **What about the title? Will I buy a property with unpaid back taxes or liens?**

Properties are sold with good, insurable title and no liens, judgments, mortgages, or back taxes. If the title cannot be cleared, the deposit is refunded to the Buyer.

### **If I can't be present at the auction can someone bid for me? Can I bid by telephone or online over the internet?**

Yes. You may appoint a representative to bid on your behalf or most auctions offer live remote bidding by telephone and on the Internet. Some auctions may require you to be present to bid so please check the Terms & Conditions.

### **How do I inspect auction properties?**

Most of our improved properties (homes, commercial buildings and vacant apartment units) are usually held open the weekend prior to the auction date and one hour prior to the scheduled auction time if it is an onsite auction. Please feel free to bring your contractor or inspector to the preview.

**What happens if the high bidder fails to close?**

The auction company immediately notifies the backup bidder in order to secure a new Purchase Agreement. If not, the property is made available to other registered bidders and the open market.

**Can I make an offer before the auction?**

Absolutely! In 25%-35% of our auctions we will write an offer and present it to the owner for acceptance prior to the actual auction event. Of course, the Terms and Conditions of the auction should be followed. We recommend that you make your best offer at this time.

**The bids seem to moving fast and are high, is someone bidding the price up?** - An auction sale is a public sale to the highest bidder. Its object is to achieve a fair price for the property auctioned by means of competitive bidding. Puffers, shills or by-bidders are persons who are employed by the seller or auction company to increase the price, by means of fictitious bids, for the sole purpose of inflating the price of the property; without any intention to purchase. The schills are typically protected by a secret agreement with the seller, that they will not be liable for his bids. **This is not only unethical; it is also illegal in many cases. SVN Auction Services is vehemently against and prohibits such activity.**

**Read the terms and conditions of any auction carefully especially online auctions to make sure the seller or auction company cannot bid. You will be surprised how some companies openly bid against you to run up the price. The key is what is written in the terms and conditions.**

**What is "high bidder's choice"?**

Properties that are similar (such as residential lots) may be sold using the high bidder's choice method. The high bidder or winning bidder may select from all of the lots in the group, and choose more than one. Of course, if the bidder chooses three lots the bid is multiplied by three. In order to have the opportunity to choose your lot, you must compete and become the winner.

**Is there additional information on auction properties?**

We distribute property information in several ways including direct mail brochures, Internet advertising ([www.svnauctions.com](http://www.svnauctions.com)), broadcast fax and E-mail. Any last minute property updates will be on the web page or announced at the auction site.

**What do I need to do to bid at a real estate auction?**

Always read the published Terms & Conditions for the Auction and speak with the project manager responsible for the auction to make sure you know what you need to bid. Carefully review the Property Information Package and complete any further due diligence that is important to you. If you have any concerns about the property, seek out professional advice. Ask any last minute questions prior to the start of the auction. Bring the required deposit to the auction and be prepared to sign the Purchase & Sale Agreement if you are the high bidder.

**Can I use bank financing?**

Yes. However, there are no contingencies (i.e. financing, appraisal or inspection) to auction sales, so you should be pre-qualified by a lender as to the amount you can afford to spend for a property being sold for cash. Also make sure you can close within the required closing period.

**Can I use the services of a real estate broker to assist me?**

Of course, broker participation is welcomed at all of our auctions. They should register you as their client prior to the sale. Forms are available online with specific terms for that Property. You do not need a real estate broker to bid on any of our properties though.

**What is a “Multi-Par” auction?**

Sometimes properties are split and offered in individual tract or a combination of tracts or as a total property. There will be open bidding on each individual tract, followed by tract combinations and then the entire property will be offered as determined by the Auctioneer. Bids on the tracts and the total property will compete until all offers are made and the auctioneer closes the auction.

**Still have questions?**

Not every question can be answered in this format. Some questions require answers beyond what we can provide in a general FAQ format. For additional info contact SVN Auction Services at 866-233-3237 or email us at [info.auctions@svn.com](mailto:info.auctions@svn.com)

