

# Accelerated Marketing

## Sperry Van Ness Accelerated Marketing Services

# Auctions

Sperry Van Ness Realizes that for the right property and situation, Accelerated Marketing offers an expedient, controlled selling environment, frequently yielding a better price for the seller. Auctions are often mistaken to be reserved for distressed properties, even though in many circumstances it is a viable option in marketing and selling a property.

Sperry Van Ness offers three different types of accelerated marketing for our clients. These services include:



**Open Outcry Auctions** – The most traditional and recognized method of Accelerated Marketing. An open outcry auction is where an auctioneer stands before an audience and calls for bids. Bidders are usually pre-qualified with certified funds to bid and the event conducted live in a competitive environment. This program is best used when the property will be valued similarly by potential buyers, or when a seller wants to capitalize on the illusion of a bargain.



**Sealed Bid Auctions** – This method utilizes the same strategies and pre-sale efforts of the open outcry auction, however, offers are submitted in a sealed bid format on a predetermined date and time. The high bid in the Sealed Bid program can be significantly higher than another bidder's offer, bringing in a higher price for the property, instead of the high bidder having paid only an incremental bid over the second bidder in an open outcry. The seller also has the flexibility to request "Best and Final" offers from the qualified offerors in the competitive range of pricing. The Sealed Bid auction is used when it is believed that no two buyers would value a property the same or the market for that property may be somewhat narrow.

**Dual Bid System** – The dual bid system combines the features of both the sealed bid and the open outcry auctions. Sealed bids are due on a specific date, but only the top bidders are invited to the open outcry auction usually scheduled within a few days. The highest sealed bid offer received determines the minimum opening bid for the open outcry. The Dual Bid provides control and flexibility over the transaction and forces interested prospects to make a strong initial offer in order to be eligible to participate in the auction.



## **Absolute, Minimum Bid or Reserve**

- (i) Absolute – means the property will sell to the highest bidder regardless of price, no minimums and no reserves. Creates a heightened sense of urgency.
- (ii) Minimum Bid – Stated as such in the presale advertising that any price at or above the minimum bid will be accepted. Must be a very aggressive number e.g. 60% of appraised value or last asking price, to be effective and create the required buyer momentum process necessary for a successful sale.
- (iii) Reserve – Simply stated, allows the seller to either accept or reject the highest offer received. Sometimes referred to as “Subject to Sellers Confirmation”.

## **Cost / Fees and Commissions**

All advertising / marketing costs are paid up front by the seller and all commissions / fees are paid by the buyer in the form of a Buyer's Premium. This method represents an overall savings for the seller.



## **Advantages**

1. Seller dictates terms of the transaction NOT the buyer.
2. Vast market penetration spurs maximum competition creating maximum value.
3. Buyer pays the sales commissions
4. Due diligence is conducted pre-contract NOT post contract.

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5. Accelerated Marketing spot lights a property, forces a decision on the part of all interested prospects and results in True Market Value.
6. All brokers are noticed for earning commissions.
7. List to close, all in 90 days or less.
8. No contingencies to Sales Contract.
9. The word Auction equals a thousand sales people.
10. Provides certainty to the sales process.