

STEPS TO BUYING PROPERTY AT AUCTION

VIEW THE PROPERTY

All of the properties that we offer for sale are available for viewing at one or more pre-set open house times. The properties are available for public inspection during each open house period. Some properties will be available for public viewing with no appointment required while others will require that you make an appointment. If an appointment is required, this will be announced clearly on the sign, brochures, newspaper ads and web site. If you aren't available to view the property on any of the pre-established open house dates, we'd be pleased to arrange alternate viewing times for all qualified candidates.

REQUEST A PROPERTY INFORMATION PACKAGE

If you have some interest in bidding on a property, make sure that you get a Property Information Package from the Auction Company. Most of the Property Information is listed on the Internet, but the complete package including surveys and other drawings, financial information, detailed contracts, vendor disclosure statements, etc. can only be obtained at an open house, or by contacting the Auction Company to request one be mailed to you. You may not bid on a property at an Able Auction until you have signed that you have received, read and understand the property information package.

DO YOUR DUE DILLIGENCE

Feel free to hire a building inspector or real estate appraiser before auction day to inspect the property that you intend to bid on so you can be confident about your buying decision. We'll make special arrangements to have your inspector study the property. Ask lots of questions before auction day about the property and or business that you intend to bid on. Acquire an understanding of the value of properties in the neighborhood, community, city or region that the property is located in. Feel free to have your lawyer review the Property Information Package. Able represents the Seller of the property exclusively. If you'd like exclusive buyer representation, you need to hire a buyer broker, or your lawyer, just like on any other regular real estate transaction.

ARRANGE FINANCING

When Able sells a property, it is for cash, with no conditions and typically closing in 30 days. This means that you will not be permitted to bid on a conditional basis. You must know prior to bidding that you are pre-approved for a mortgage from a bank or other financing source, or that you have the cash in hand. If you require financing assistance, speak with an Able representative and we'll do our best to assist you.

Once in a while when dealing with large family trusts, commercial properties and/or business, a vendor financing option is offered. If this is the case, the financing option is clearly published on all property marketing materials.

When speaking with your lender about financing, always present him/her with the complete property information package. This will have all of the pertinent information that they will require to pre-approve you, less the price. If your lender forces you to put a price on the property, tell your lender the highest amount you'd be prepared to pay for the property and see if you can get approved. If you can get approved at your highest price, then you know you can pay any number less than your approved number and perhaps just a little more, if you have to.

SPEAK WITH THE AUCTION COMPANY

Being honest with Auction Company representatives about your level of interest in the property will increase your chances of buying the property. Most properties sold by Able are sold subject to confirmation, giving the Seller 48 hours to accept or reject the bid. Based on this premise, we sell almost every property (well over 90%) that we market through the auction process. During the auction of any asset, a Seller has a price in mind of what he'd like to sell for and a Buyer has a price in mind of what he'd like to buy for. As a buyer, by being honest with the auction representatives about your level of interest in the property, we can pre-prepare the Seller for the actual sale result several days prior to the auction, therefore increasing your chances of buying the property for your price.

UNDERSTANDING THE SELLER

As a Buyer you should understand the Seller's level of motivation. In the case of an Able auction, our Sellers are always clear in their intentions to sell. At Able we select our customers carefully. Our Seller's aren't just giving the process a shot. Our Sellers have made substantial financial investments in the marketing effort and in preparing due diligence information for the sale. For smaller properties this may be an investment of fewer than ten thousand dollars. For large and/or extraordinary properties requiring national and/or international exposure, this marketing investment may be tens of thousands, or hundreds of thousands of dollars. Either way, large property or small property, the Seller is demonstrating a higher commitment level to selling. Certainly a commitment to sell far beyond the act of hiring a local agent, driving a for sale sign in the front lawn and placing the listing in an MLS book.

REGISTER TO BID

Prior to any bids being accepted by the Auctioneer, you must be register to bid for the property. For a live auction, Able will require you to sign a bid certification that states that you have received, read completely and understand without question the Property Information Package. You may register to bid on the property at an open house, at our offices, by fax, or in person at the registration desk just prior to the live auction. For some properties a deposit is due upon registration and for other properties, there is no deposit requirement at registration. This will be made clear in the Property Information Package. For a Fax Bid or Two Bid auction and other electronic types of auctions conducted by Able, a written bid is required along with the bid certification. In this case your registration would not be accepted without a written bid. This information would be made clear in the Property Information Package.

DEPOSIT REQUIREMENTS

Make sure that you have the required deposit amount accessible upon short notice, or on hand. Some auctions require a certified deposit with registration prior to the auction. Some auctions only require a deposit from the high bidder immediately following the auction and contract signing. Sometimes this amount needs to be certified and other times it does not. The deposit terms are always listed clearly in the Property Information Package. Make sure you read the deposit terms and ask an auction representative if you are not clear what the requirements are.

BIDDING PLAN

Assuming you have some understanding of the property's value and a clear understanding of what you are prepared to pay for the property, don't be afraid to open the bidding at the auction with a strong beginning bid. One of the hardest parts of the auction for the Auctioneer is getting the 1st bid. By being the first bidder with a strong opening bid you will command respect from the Auctioneer right from the beginning of the auction. Most people at an auction will value the property similarly. However, the buyer is the 1st person to that number on that day. Further, your strong opening bid will set the pace of the auction quickly and others bidding against you may be intimidated by your bidding strategy.

BID ASSISTANTS

You will see bid assistants at all Able real estate auctions. These people are there to answer your questions during the auction and to assist you with bidding. If you are unsure where the bid is or what the auctioneer is asking for, any bid assistant can help you. Don't be afraid of these people, they are just at the auction to help you.

ENDING THE AUCTION

Following the auction, if you are the high bidder, you will immediately sign the agreements of purchase and sale and provide a deposit for the specified amount if one was not due upon registration. In a confirmation auction, if the property has not already been declared sold to you, the Seller has (typically) 48 hours to accept or reject your written offer. With Able, 95% of the time the property gets sold as a result of the auction.