



## Frequently Asked Questions

### 1. Why would someone sell real estate at an auction?

The seller retains control over the terms of the sale and can achieve market value within a fairly short period of time. Smart sellers understand that “time is money,” and by reducing the time to sale, the seller reduces any carrying costs he may incur by holding the property.

### 2. Who can attend an auction conducted by Hartman Auction Group?

Anyone is welcome to attend an auction, but registration is required if the attendee wishes to participate in the bidding.

### 3. How is an auction conducted?

The auction is usually conducted on site. Bidders must register prior to the beginning of the sale and obtain a bidder’s card. The auction is generally conducted with open bidding. Typically the bidder calls out his bid. Hartman Auction Group has bid assistants available at the auction to assist you with your bid.

### 4. What is required to register as a bidder for an auction?

You must register and have bidder’s card in order to bid. You may register on the day of the auction. To be able to register, you must bring:

- a. A valid, government issued photo ID
- b. Certified funds (usually cash or a cashier’s check) in the amount specified in the auction brochure; the amount can also be obtained by calling Hartman Auction Group at (772) 872-6045.
- c. **Additionally, if you are bidding on behalf of someone else, you will need a notarized power of attorney. Call Hartman Auction Group for a copy of the POA form.**

If you are the high bidder at the sale, you will be required to make an earnest money deposit on the day of the sale, a portion of which must be cash or certified funds. Hartman Auction Group will use the certified funds you brought to the auction toward the required down payment.

Some auctions do have specific requirements for registration and so you are encouraged to review the terms and conditions for the specific auction you are planning to attend.

**5. What forms of payment are accepted at a Hartman Auction Group auction?**

In order to bid, the prospective bidder must bring certified funds (usually a cashier's check) in the amount specified in the auction brochure. If the bidder is the successful high bidder, the remaining portion of the non-refundable down payment, if needed, may be paid by personal check.

**6. What is the difference between an *absolute auction* and a *reserve auction*?**

If an auction is advertised as "absolute" then the property is sold to the highest bidder regardless of price on the day of the auction. If the auction is a "reserve" auction, then the property is sold to the highest bidder subject to the seller's approval. The seller retains the right to accept or reject the final high bid price.

**7. Why is it beneficial to a buyer to purchase real estate at an auction?**

The buyer can name his own price and be guaranteed he is paying a fair market value. He can make an offer and receive an immediate response. The buyer also knows the terms of the sale, so long negotiations are eliminated. Finally, the sale date and closing date are pre-set.

**8. Why is it beneficial to a seller to sell real estate at an auction?**

The seller retains control over the terms of the sale and can achieve market value within a fairly short period of time, reducing any carrying costs he may incur if he continues to hold the property. Hartman Auction Group also provides the seller with an individualized, focused, and well-conducted marketing plan for the property which increases the number of potential buyers and the likelihood of obtaining the best price for the property. Finally, the buyer pays most of the costs associated with a sale.

**9. If more than one property is being sold at the auction, can I buy more than one property?**

Yes, you may purchase as many properties as you like. However, you must bring the necessary certified funds for each property you plan to purchase. Please see terms and conditions for details.

**10. Will I be able to inspect the property before the auction?**

All property is sold "as is" so it is important for potential buyers to do their own inspections. Generally, special preview days are set prior to the auction for potential buyers to inspect the property. The preview dates may be found in the auction brochure or obtained by calling Hartman Auction Group at (772) 872-6045. The property is also available for inspection just prior to the sale on the day of the auction. Individual inspections, other than those posted, may be arranged by calling Hartman Auction Group.

**11. Will my real estate broker be compensated?**

Hartman Auction Group appreciates the involvement of real estate brokers and offers broker compensation for all of their auctions. However, the broker needs to register his/her buyers at

least 24 hours prior to the sale and must be present at the sale. Additionally, it is not necessary to have a real estate broker represent you in order to bid.

**12. If there are liens or back taxes on the property, who will pay them?**

Unless otherwise stated in the terms for the specific auction, there are no back taxes or liens against the properties. The property is conveyed by special warranty deed, and title insurance is provided with the property.

**13. If I am the successful high bidder at an auction, how much money will I be required to put down as a deposit?**

The successful high bidder is required to put down ten percent of the total contract price. The total contract price is defined as the bid + the 10% buyer's premium. The deposit is non-refundable. The certified funds that were required for registration are applied to the down payment. Any additional funds required for the down payment may be provided by a personal check.

**14. Will additional deposits be required before the closing?**

Unless the terms of the auction specify otherwise, the initial deposit made on the day of the auction is the only deposit required.

**15. If I change my mind after purchasing a property, will my deposit be refunded?**

Once you are declared the high bidder you will sign a cash contract with no contingencies as well as put down a 10% non-refundable deposit. You will not get your deposit back if you decide not to follow through with the sale. The sale is final, and the deposit is non-refundable. You must be prepared to close on the date set forward in the contract. A copy of the contract is available by contacting Hartman Auction Group.

**16. If I am the successful high bidder, is the final price that I bid going to be what I will pay for the property?**

There is a 10% buyer's premium added to final bids to determine the actual purchase price. For example, if the final bid price is \$100,000, your purchase price is \$110,000. Please factor this into your bidding.

**17. If I am the successful high bidder at an auction, will financing be available?**

Seller financing may be available at some sales. However, typically financing will not be available. If you need financing, you should arrange it prior to the sale. All sales at an auction are final. If you are the successful high bidder, you must have all of your funds procured and be prepared to close on the day set forth in the purchase agreement.

**18. If I am the successful high bidder at a real estate auction, what will I need to do on the day of the auction?**

You will be asked to provide the certified funds you brought to the auction and any remaining funds for the deposit. The auctioneer, or a member of the Hartman Auction Group staff, will then help you complete the Purchase & Sale Agreement for the property. You may ask to view a sample Purchase and Sale Agreement on the day of the auction or may request a sample from Hartman Auction Group by calling (772) 872-6045.

**19. Will I need to sign a contract on the day of the auction?**

Yes, the successful high bidder must sign a contract on the day of the auction. The contract is an “as is” contract and may not be modified. A copy of the contract is available for review prior to the auction sale.

**20. Who can help me if I don’t understand the contract?**

It is very important that you are informed about the sale of real estate at auction and that all your questions and concerns are answered before you attend an auction. You may obtain a sample Purchase and Sale Agreement from Hartman Auction Group by calling (772) 872-6045. You may wish to have your legal advisor review and explain the agreement prior to the sale, but no additions or changes to the contract will be allowed.

**21. Will I be able to negotiate the terms of the contract?**

The terms of the Purchase and Sale Agreement are not negotiable.

**22. When will the closing take place after the sale?**

The closing typically takes place within 30 days from the seller’s acceptance of the agreement unless otherwise stated.

**23. Where will the closing take place?**

The place for the closing has generally been identified before the auction takes place. When you sign the Purchase and Sale Agreement, you will be provided with the location for the closing.

**24. What costs will I be expected to pay at the closing?**

The buyer is expected to pay all closing costs. These typically include any documentary stamps, recording fees, and title insurance. Additionally, the current year’s taxes are the responsibility of the buyer as well.

**25. Who can answer any questions I have about the auction process or the particular auction that I am interest in attending?**

The staff at Hartman Auction Group is always willing to answer questions about a particular auction or the auction process. Please call (772) 872-6045 for assistance.