



The Gavel Is A Powerful Tool

By the year 2008 one in every three properties will go to auction.

Auction Presidential Advisory Group in place to strategize for NAR.

**More and more auction companies in place
(Caution: most will not pay agents).**

Agents are at risk of being left behind.

Auctions are often misunderstood and overlooked.

**Today's Auction Forum will provide you the foundation
to make auction a viable part of *your* real estate business.**

Auctions Do For Real Estate

What a 4th Of July Sale Does for a Retailer

1. Retailers do sales to DRAW PEOPLE to them
2. Retailers do sales to COMBAT COMPETITION
3. Retailers do sales at CHALLENGING TIMES
4. Retailers do sales to MAKE MONEY
5. Retailers KNOW that CONSUMERS WILL SPEND MORE WHEN THEY HAVE THE PERCEPTION OF GETTING A DEAL

(“I saved so much on that suit, I think I’ll buy 2.”)

Compare the Strategy (Auctions vs. Retail Sales)

- Your listing is **ONLY WORTH** what the market is willing to bear
(Auction is the best appraisal you can get!)
- Auctions are beneficial in creating a competitive frenzy
(The appeal of “getting a deal” creates competition.)
- Auction will draw the market to the property; once there, it will speak.
(No one’s going to fall in love with and have to have what they never see.)
- Over and over again auctions instill a sense of urgency that may lead to the consumer spending more than expected
- Auctions offer the seller a **SPECIFIC** date and time to sell
- With auctions, “all sales are final” (no contingencies)

Auctions Are NOT New To You

Definition of Auction: “to sell to the highest bidder through a bidding process – the act or process of bidding”

- The real estate market was very competitive a few years ago creating bidding frenzies
 - Agents and sellers used the competitive edge to maximize the return
 - Buyers waived all contingencies, offered more than the asking price and waived inspections to be competitive
- “Escalation” situations are nothing less than silent auctions without the benefit of live bidding**

Traditional Brokerage vs. Auction

Traditional Sale

- Pricing is based upon history
- Primary method of “moving” the listing is lowering the price
- If it doesn't sell when the seller wants it to, they BLAME THE AGENT
- In a sluggish market the seller will be faced with many concessions with (almost) everything being negotiable
- In a traditional market no one knows when the property will sell

Auction Sale

- Auction is based upon the future
- Auction doesn't “guess”; it brings forth the market for the seller to consider
- The *market* fails the seller NOT the agent. Market needs to be determined before the agent is replaced.
- No contingencies, no negotiating, 30-day closing
- Auction has a pre-determined offer/sale date (AN END!)

What Can Auctions Do?

- Build interest
- Draw prospects
- Create urgency
- Define reality
- Prepare sellers
- Gauge your efforts

Although this auction example is not typical, the auction brought forth 400 calls, 200 showings and 64 registered bidders...and in *THIS* market!



Brand Your Business

- Offer EVERY viable method of buying and selling to your clients
- Be prepared for all market conditions
- Stand out from the crowd with this unique sales method
- Have an option for difficult properties that you may be refusing today
- Use the auction method when there are no comps. to support your *best guess* list price – let the market speak for itself
- Present the auction option before you lose the difficult listing to another agent (the next guy usually gets the reduction and gets it sold!)
- GET prepared for *This Next Round In Real Estate* - **IT'S HERE.**

GET YOUR AUCTION DESIGNATION!

What Can You Do?

- Offer your sellers EVERY viable method of selling...they deserve to know from YOU about all of their options.
- Get trained on the process – education is key.
- Begin presenting auction on your initial meeting with the seller.
- Know when to hold them...know when to fold them...know when to walk away...know when to run.

Enjoy your business again!

Going...going...GONE!

...about Val

Val is a 23-year business veteran currently in her fifth year of real estate. Val became a Certified Auction Specialist and began incorporating auction into her business almost three years ago. Val has served as National Auction Coordinator for Keller Williams Realty for 2+ years, acting as liaison to the auction company and listing agent on all Keller Williams auction sales nationwide.

Today auctions account for 100% of Val's real estate business.

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