



AUCTION DIVISION

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SELLER'S GUIDE TO RUSSELL REAL ESTATE SERVICES AUCTION RESERVE REAL ESTATE AUCTION WITH A SUGGESTED STARTING BID!

Why AUCTION?

"Auction" is one of the most powerful words in marketing. For centuries people have been attracted to auctions to purchase livestock, artwork, jewelry - anything you can think of including real estate. Buyers are drawn to auctions by the possibility of getting a great deal, maybe getting a "steal", because there's no set sale price, only what the highest bidder is willing to pay. But the auctioneer works for the seller. It's his job to make sure the seller gets the best possible price and the buyer doesn't "steal it!"

How is our Auction different?

A Russell Real Estate Services Auction - *Reserve Real Estate Auction (RREA)* with a Suggested Starting Bid is not a "live" auction, but an aggressive sales tool designed to produce more interest in your property, typically immediately resulting in more showings. More showings produce more offers, resulting in a faster sale of your property while still achieving the fair market value.

As a form of Reserve auction, the seller does not commit to a list price. Instead, an advertised "suggested starting bid price" is published which is below the current market price for all comparable properties, and buyers are encouraged to submit bids at or above the advertised price, with the seller retaining the right to bid, to negotiate and to accept or reject any or all bids.

Benefits of a *Reserve Real Estate Auction*:

- There are no up-front fees for the seller.
- The seller is not required to accept any offer at any price
- The seller can cancel the auction at any time.
- The Auction law allows the seller to retain the right to bid anonymously to protect their price position in the auction (Reserve Auctions Only!).
- The advertised end date and the understanding that the Seller may accept an offer at any time discourage buyers from waiting to bid if they really want the property.
- The competition produces the highest possible bids and the seller may continue to negotiate the price after the competition ends.

Using **RREA** typically achieves the sale of real estate quicker than the conventional "list and sell" method. With no set asking price and a pre-determined end of the offer, interested buyers participate because they feel they have more control over their bid, but they realize someone else could purchase the property if they don't act NOW.

Why must I use an Auctioneer to perform an Auction?

Ohio law requires that an agent of the seller of real estate possess an Ohio Auctioneer's License to perform sales in which no list price is published and which solicit an advancement (increase) in the Bid (offer) amount. Our auctioneer is fully licensed as a real estate agent and auctioneer.

A Reserve Real Estate Auction reduces the cost and risk to the seller.

Our Auction is designed to offer the seller the advantages of a live auction without the risk of the seller's substantial marketing funds. The seller retains the right to refuse the highest and best offer produced.

Reserve Real Estate Auction Marketing is designed for the Seller who wants to avoid the appearance of distress in today's market.

Today, too often the appearance of financial distress that a "live" auction produces can cause motivated sellers to avoid the live auction format. Our "Auction" is designed to utilize the realtors' Multiple Listing Service (MLS) to market the property to agents. It also relies upon extensive internet marketing*. An auction sign at the property is not required.

*National Association of Realtors (NAR) Research (2010) indicates that 92% of home buyers are using the internet to find their next home with over 1 in 3 finding the home they purchased online.

A Reserve Real Estate Auction is designed to produce offers.

Our "Advertised Suggested Starting Bid Price" encourages buyers to view the property and make offers. Too often, as properties don't sell, the list price must be reduced, often many times, before an offer is submitted. Extended market time typically reduces the property's market value and every price reduction creates a lower possible sale price. Rather than putting the seller through the TIME, frustration, apprehension and COST of continual price reductions, the "Advertised Suggested Starting Bid Price" starts low and encourages many more buyers to be involved, producing multiple competitive offers.

A Reserve Real Estate Auction maximizes the on-line home searches that Today's Buyers use.

The "Advertised Suggested Starting Bid Price" appears in the same on-line price searches as do less expensive homes, which means that more buyers are exposed to the auction properties. More Buyers mean more showings for the property and more opportunities to get bids. Once competitive bidding begins, the price Buyers will pay goes up. In today's market, most Buyers are looking for a "great deal" and they plan to spend less than they can really afford. Our Auction exposes these Buyers to properties they'd really like to own, but haven't looked at yet. Once they see these properties, they aren't satisfied with the lower priced competition - so they "Buy Up". That's why our Auctions consistently produce bids that are well above the "Advertised Suggested Starting Price"

Reasons you should use the Reserve Real Estate Auction method to sell your property.

- It is fast. Market time is reduced with no need for Price Reductions.
- You can make plans with confidence. You will know your contract and closing dates.
- Buy your new house and sell your current house quickly so you can avoid expensive holding costs.
- Sellers can buy a new house first to get the house they want at the best price and best financing conditions knowing that they can sell their current house quickly.
- You can avoid the long-term headaches and constant intrusions of showings and open

houses.

- You can avoid the worry of "will it ever sell?" which is a major concern in the current market.
- In a weak market, you can avoid the property value losses which are part of waiting to sell.
- Every effort is made to produce a Non-Contingent offer. Buyers are encouraged to inspect the property before making their offers. Buyers are encouraged to obtain a full pre approval letter from their lender to avoid financial contingencies.
- Your property can be sold "As-Is." The "highest and best" offer should take property condition into consideration to arrive at the price offered. Removal of all contingencies before acceptance of the offer is encouraged.*

*The seller retains the right to refuse an offer that contains contingencies. Our objective is to produce offers and create competition among the buyers. Ultimately, the Seller will determine which offer is best. The seller may accept an offer for a higher price which contains contingencies, rather than one for a lower price with no contingencies."

Is your house a good candidate for a *Reserve Real Estate Auction*?

Most properties are good auction candidates, but some are better than others. Specifically, some sellers benefit more from this method. The best candidates fall into the following groups:

- Properties which have been listed for an extended time without receiving offers. Typically these properties need a marketing change - a more aggressive approach to encourage new showings and offers'.
- Vacant houses. Owners who hold these properties experience massive losses from holding costs, equity opportunity losses, potential damages, and loss of property value. These sellers should sell as quickly as possible. (Ask the Auctioneer for a Holding Cost Analysis.)
- Estates. Usually estate houses are vacant, so the estate or the heirs suffer the same losses described above. In addition, most estate homes need updating and repairs to be salable. If completed, these investments seldom repay the money spent. Because *Reserve Auction* properties can be sold "As-Is," these properties can be sold for a better net income to the sellers.
- Unique homes. Lakefront, riverfront, homes with extensive acreage, and expensive showplaces all benefit. Typically, these properties are difficult to price and may stay on the market for a long time. Maximum exposure is critical.
- Seller needs a quick sale. Relocation, divorce, medical issues, financial crises, etc., all benefit from the speed, ease, and "As-Is" nature of auction sales.

Our *Auction* Can Save You A Lot of Money.

If you are among those sellers whose property is vacant, an Auction may save you thousands of dollars. True holding costs (principal, interest, property value loss from extended market time, loss of the income potential from equity, insurance, utilities, taxes, maintenance, and homeowner fees typically add up to AT LEAST ONE PERCENT (1%) PER MONTH OF THE MARKET VALUE OF THE HOME (\$1,000 per month for each \$100,000 in value). If your property is listed for an extended period you may lose a great deal of money. An Auction can reduce your market time, thus reducing those expensive holding costs.

A Russell Real Estate Services Reserve Auction typically requires no up-front investment by the seller, as do "live" auctions.

Why Choose Russell Real Estate Services and Auctioneer Marco Marinucci?

When you choose Auctioneer Marco Marinucci, and Russell Real Estate Services, you can be confident that you are working directly with highly trained and experienced auctioneers and Realtors, licensed in both fields by the State of Ohio. Your concerns will always be addressed by the Realtor®/auctioneer.

We are deeply involved in your success. Our reputation is at stake with every transaction, and in our business, reputation is everything. Unlike our auction competitors, we make every effort to involve the thousands of local realtors in the auction process, increasing the scope and effectiveness of our marketing campaigns.

Our goal is to sell your home for maximum dollar with the least inconvenience to you. We stress "active" marketing to sell your property, doing all of the hard work and taking the time it takes to actively sell your property. Our Auction is an aggressive tool we use to meet your needs. When it comes down to it, you want the most active, aggressive sales team working for you. Don't you?

Ultimately, your choice should come down to this. We are here to serve your needs. We'll be honest with you and we'll do everything we can to help you achieve your goals. When you choose our services you can be confident that you are working directly with highly trained and experienced auctioneer and Realtors licensed by the State of Ohio. Your concerns will always be addressed by a team that's here to serve you.

For questions or additional information, please contact:

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