**COMPARE AND CONTRACT AUCTION vs LISTING**

1. Sales Method:
   * Auction: An auction involves a public event where interested buyers bid on the property. The property is usually sold to the highest bidder. The process typically has a fixed timeline, with a specific date and time for the auction.
   * Traditional Listing: Selling with a traditional listing agent involves listing the property on the market, marketing it to potential buyers, and negotiating offers. The property is typically sold through private negotiations.
2. Timeframe:
   * Auction: Auctions have a set timeframe, usually lasting a few weeks or months from the date the property is listed. The sale is concluded on the auction day, providing a definitive timeline for both the seller and potential buyers.
   * Traditional Listing: Selling through a traditional listing agent can have a more flexible timeframe. The property **may be on the market for several weeks or months**, depending on market conditions and buyer interest. The closing date is typically determined through negotiation.
3. Transparency:
   * Auction: Auctions are transparent as all interested parties participate in a competitive bidding process. The auction process allows buyers to see the bids placed by others, creating a sense of transparency and fair competition.
   * Traditional Listing: While traditional listings are transparent to some extent, buyers may not be aware of other offers on the property. **Negotiations happen privately** between the buyer and seller, and the **final sale price may not be transparent to all parties involved**.
4. Pricing:
   * Auction: The auction process can create a sense of urgency and competition among buyers, potentially driving the price up. However, the final sale price is determined by the highest bidder, which may or may not meet the seller's reserve price (the minimum price they are willing to accept).
   * Traditional Listing: With a traditional listing, the seller and listing agent work together to determine an initial listing price. The price may be adjusted based on market feedback and negotiations with potential buyers. **The final sale price is typically influenced by market conditions and negotiation skills.**
5. Marketing:

Auction: Auctions often involve targeted marketing campaigns to attract potential buyers. These campaigns may include advertisements, direct mailings, online listings, and outreach to interested parties. The goal is to generate interest and maximize attendance at the auction event.

* + Traditional Listing: Selling with a traditional listing agent also involves marketing efforts, but the strategies may differ. The property is listed on multiple listing services (MLS), online platforms, and may include **open houses and staging to attract buyers**.

1. Certainty of Sale:
   * Auction: Auctions provide a level of certainty as the sale occurs on a specific date, and the highest bidder is typically obligated to complete the purchase. The seller knows the property will be sold on the auction day, assuming the reserve price is met.
   * Traditional Listing: While traditional listings offer the opportunity to negotiate with potential buyers, there is **no guarantee of a sale** until a purchase agreement is signed. The process can sometimes involve contingencies, inspections, and negotiations that may introduce uncertainties.

It's important to note that the suitability of auctioning a residential property versus selling with a traditional listing agent depends on various factors such as the property type, market conditions, seller's goals, and buyer demographics. Consulting with a real estate professional can help determine the most appropriate approach for a specific situation.

1. **Sale Price**: By utilizing the Accelerated Method of Marketing (auction) bidders at an auction know they will be paying Fair Market Value for the home they are bidding on. Sellers appreciate the fact that the Market determines the price, not a listing agent bent on landing a new listing by giving a false high price estimate of value.
2. **Time on the Market**: With an auction, the day of the sale can be predicted with 99% certainty and sellers can move on with their lives unrestrained by the thought of their home lingering on the market. In a listing situation, if the home is overpriced based on Fair Market Value, it will not sell and people perceive Days On Market (DOM) as a negative, thinking “there must be something wrong with the home”.
3. **Multiple Offers**: Rather than a very hidden process of reviewing multiple offers with a listing agent and not allowing buyers to revise their offer, auctions are super transparent and bidders regularly look each other in the eyes to see who is willing to PAY THE MOST! It is both nerve racking and exhilarating at the same time, but promises the seller the highest possible price.

1. **Transparency**: Every bidder knows how much is being offered at any given moment, and they have the opportunity to up their bid. They know who is bidding against them, “sizing up” the competition and bidding in an open and transparent process, equal and fair to all.
2. **Marketing and Exposure**: Auctions are a timed event. Auctioneers are trained professionals who have countless hours of training and real world experience to market a property so that the most bidders possible will be there on auction day. Most listing agents put a home on all the “normal” channels and hope for the best (if the home is priced right……) The #1 thing that Auctioneers bring to the table to generate interest and bring bidders is the word….AUCTION!!
3. **Stress and Uncertainty**: While many people, including auctioneers, experience anticipation of auction day, knowing that it will sell and for the highest price is a very calming thing to know.
4. **Financial Risks**: Listing agents don’t ask sellers to fund marketing budgets because they don’t do much marketing. Auctioneers are professionals at knowing their market, knowing where to spend advertising dollars to bring the most bidders and to create an exciting auction event. The seller, though, is the owner of the property and it is standard for sellers to finance a marketing budget, usually laid out in advance by the Auctioneer, showing the seller exactly how their property auction will be marketed.
5. **Negotiation Power**: In an auction setting, it is the Bidders who negotiate, in an open and transparent manner so that everyone is fully aware of what is going on. The seller does not need to rely on a listing agent who has never taken a negotiation course to walk the seller by the hand through a non-transparent process that may even be detrimental to the seller!
6. **Reputation and Perception**: With over 13 years of experience selling real estate at auction, John C Froelich, CAI AARE is one of the top 0.1% of all trained auctioneers in America. John has sold everything from residential homes at auction, commercial buildings and land at auction, and even a $14 million dollar hotel deal right here in Cleveland.
7. **Post-Sale Considerations**: JF Marketing Ltd has partnered with Ohio First Land Title Agency for the last decade and their expertise and experience with auctions is unsurpassed. You can expect the closing and transfer of ownership to be smooth, complete and actually enjoyable.

**WHAT YOU CAN EXPECT FROM AN AUCTION**

1. The property will be marketed for 3-4 weeks as detailed by the auction company.
2. The right auctioneer/auction company will bring quality bidders with sincere interest in the property to the auction event. Bidders will pay a fee to enter the bidding process.
3. Live and online bidding will be an advantage to the seller and is encouraged.
4. The actual auction itself will take approximately 30 minutes from start to finish.
5. Documentation is simple and transparent. Contracts will be signed at the conclusion of the auction and deposits will be taken and placed in a state-required Trust Account.
6. A title search will be initiated upon the signing of an auction contract. Experience has proven that it is better to know in advance about any cloud on the deed before the bidding starts!
7. Open house dates will be promoted so that bidders have every opportunity to inspect the property and make up their minds as to the true market value of the property.
8. Properties are sold “As is, where is”. This is auction speak for what you see is what you get. BUT – it also follows that total disclosure on the part of the seller is imperative and required in order to fulfill the As Is portion of the previous statement. The process depends on the transparency of all parties involved.
9. The estimated marketing budget for a property of this stature will be approximately 1-1.5% of the anticipated sale price. A typical minimum budget for a residential home would be $3,000. This budget is to insure that every potential bidder is aware of the event and generates maximum participation.
10. Being “As Is” helps the seller in that no monies for repairs, staging, landscaping need be spent in order to accomplish the desired goals of the seller. Typically, these costs far outweigh the cost of the advertising budget, thereby being an actual savings for the seller compared to a listing contract.