



Real estate and Auction Services for Virginia, Tennessee and the Southeast

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Real Estate Auction Questions and Answers

1. *Why is the Seller auctioning the property?*

The Seller has made a prudent and informed decision to offer the property at auction to effect a sale in a shorter period of time than a traditional sale reducing carrying cost to keep and maintain the property.

2. *What are the advantages of a real estate auction?*

The auction states a definite time and place of when the property will be sold. Buyers know in advance the terms and conditions of how to purchase. Open, competitive bidding provides the seller the assurance they are receiving a fair price and current market value of the property.

3. *This is my first real estate auction. How do I participate in the auction?*

Buying property at auction or in a private sale is very similar. The auction provides in advance the term of how to bid, required deposits to bid, dates to close and specifics to inform the buyer of how to complete the purchase.

4. *What is the 5% Buyer Premium?*

The Buyer Premium is a 5% fee charged the buyer upon acceptance of the high bid. Example: high bid price is \$50,000 x 5% = \$52,500 total purchase price.

5. *Do I have to purchase the property if there is a title problem?*

No. Real estate auctions like private sales require the seller to provide the buyer clear title to the property and is clearly stated in the auction purchase agreement. If there is a title problem the issue is either resolved in a short time period or the deposit is returned to the buyer.

6. *How do I get a mortgage and buy at the auction?*

Buyers desiring financing should meet with their banking representative prior to the auction to assure they qualify for the loan amount they require. The auction is treated as a cash transaction and is not contingent on the buyers ability to acquire financing.

7. *What about property inspections?*

Buyers are urged to personally and closely inspect the property or employ professional personnel on their behalf and then bid accordingly.

8. *How do I bid at the auction?*

The auction requires a 10% deposit. Checks for Virginia and Tennessee are considered local and are accepted at the auction. Bidders from other states are to present a \$5,000 cashier check (made payable to yourself) with the balance paid of 10% paid by check. Cash is also acceptable.

9. *How do I have settlement?*

Local attorney's will prepare the settlement documents, prepare the deed of conveyance, record the deed and the complete the customary closing procedures.

10. *How do I prepare to bid?*

Become informed and educated about the property. Read the Auction Terms and Conditions, Homeowner documents, and the Auction Purchase Agreement in advance. If there are clauses that are unclear contact an auction representative to clarify, or have your attorney review prior to the auction.

11. *Who is Damascus Realty & Auctions?*

The broker/owner/auctioneer is Russell McBride. He has been licensed since 1980 as a real estate broker and 1978 as a real estate auctioneer. He has conducted thousands of auctions throughout the southeast.