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Commercial auctions: The accelerated marketing process

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The accelerated marketing process combines traditional/modern distribution channels to provide synergy through an expansive advertising program of "spot lighting" an asset or portfolio for sale. The process often removes the paradigm of pricing, creating maximum competition, which equals maximum value.

Open Outcry: This is the most traditional and recognized method of accelerated marketing. Terms are set by the seller, presale marketing and due diligence are conducted beforehand, and the event takes place on a predetermined day, date, time, and location. Bidders are prequalified with certified funds to bid, and the event is open and conducted live in a competitive environment. Also, our specially designed, real-time online component is available to accommodate buyers who are unable to be present at the event.

Sealed Bid: Mirrors the same strategies and presale efforts of the open outcry auction, but offers are submitted in a Sealed Bid format to a certain location on a predetermined day, date, and time. Offers are opened in a closed-door environment and reviewed by the seller for the price, with terms of the offering preset by the seller. Provides for more control over the transaction and is usually best suited for hard-to-value assets. Seller has flexibility to request "best and final" offers from those qualified offers in the competitive price range.

Online Auction: The utilization of modern technology provides the opportunity for bidders worldwide to competitively bid online. The differentiator between the real-time online component, connected with the open outcry auction, and this type of auction is the option to choose an online-only auction. It would commence on a given day, date, and time, and then conclude on a later day, date, and time which has been predetermined.

Simulcast Auction: The newest technology. It is a combination of both open outcry and online. This method allows a registered bidder to participate in a live auction from a remote location. The buyer hears and sees the auction. They are capable of entering a bid and it is immediately presented to the auctioneer and the bid increases.

Bidding scenarios in the accelerated marketing process are: Absolute, Minimum Bid, and Reserve.

Absolute: There is no reserve or minimum bid and property is sold to the highest bidder regardless of price. An absolute sale is the strongest calling card. It attracts purchasers from the greatest geographic area, since buyers can justify their time and efforts to inspect, bid, and buy when they know there is no question the property will be sold.

Minimum bid: Stated as such in the presale advertising that any price at or above the minimum bid will be accepted. Must be a very aggressive number, e.g., 40%-50% of current appraised value or last asking price, to be effective and to create the required buyer momentum process necessary for a successful sale.

Reserve: Simply stated, allows the seller to either accept or reject the highest offer, "as to price,"

received-the least desirable in today's marketplace.

Benefits and Seller Advantages: Seller dictates terms of the transactionâ€”not the buyer. Real estate commissions are paid by the successful purchaserâ€”not the seller. Global market penetration spurs maximum competition, creating maximum value. Accelerated Marketing offers the ability to move a full portfolio of assets at one sale. Accelerated marketing offers the ability to sell the "note" of underperforming assets or the actual property with equal facility. The terms of the offering are predefined, and qualified bidders competitively bid at a preset date and certain time. Purchasers are prequalified by establishing significant escrow requirements, proof of funds, and capability to perform. An aggressive closing period is demanded, usually 15-30 days. The entire sales process is accomplished in a 60-90 day period, enabling the seller to dispose of an asset quickly and efficiently. This is an "as is," "where is" transaction with no contingencies, including financing and nonrefundable escrow deposits. Due diligence is conducted pre-auctionâ€”not post-auction. The brokerage community is encouraged and noticed for earning commissions.

Agent Advantages: Although fees and commissions are paid differently in an accelerated marketing sale, the GCI is comparable to a traditional sale commission. Close your transaction and receive your commission within 90 days of contract. With the ability of an accelerated marketing program, agents can market themselves to an ever-growing base of "special asset managers" that desire this service.

Accelerated marketing (auction) sales are the most effective tool for the sale of commercial property and personal property, in the current market. With correct market penetration, any property or portfolio can be sold and closed within 90 days. We have the tools, to effectively explain the accelerated marketing process and close the deal. Please let us know if you have any further questions regarding the accelerated marketing of real property.

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