

Buyers FAQ

It seems as though more properties today are being offered using bidding platforms known as accelerated sales. Why is that?

Sellers choose accelerated marketing methods due to the costs of owning a property (e.g. real estate taxes, insurance, association dues, etc.) are mitigated by a quick sale. The process of an accelerated sale provides an environment in which sellers can enjoy an expedited transaction.

Where is additional information located for the properties?

Extensive property information, as available, is posted online in the property data vault for that particular asset. This information can assist interested prospects and brokers with beginning their due diligence and buyer momentum process. For further information contact our accelerated sales team

What does it mean to buy the properties in 'as is' condition?

At our accelerated sales, buyers purchase the properties “as is” with regard to the condition of the properties. Buyers must rely entirely on their own information, judgment, and inspection of the properties. The Sellers will provide clear and marketable title to the properties. Buyers purchase the assets in their “as is” state of condition at the time of their purchase. It is important and strongly recommended for all interested prospects to fully inspect the condition of the properties in which they have an interest prior to bidding.

How do I inspect and preview accelerated sale properties and perform a property inspection?

Most of our improved properties are open for inspection on designated dates and times for interested prospects to tour and inspect the property. Additionally, our listing broker representative for that property will be on site to assist and answer any questions regarding the property. Please feel free to bring your consultants with you to the previews.

What is a Buyer's Premium?

Buyer's Premiums are added to the bid price to determine the total purchase price. Example: Six Percent (6%) Buyer's Premium. If your bid was \$1,000,000 on a property, then the total purchase price paid would be \$1,060,000 (\$1,000,000 plus \$60,000 Buyer's Premium). In order to purchase the property for \$1,000,000 you need only to bid \$943,396 so when the 6% (\$56,604) is applied, your total purchase price paid would be \$1,000,000.

Do I need to pre-qualify with you or a lender in advance?

If a buyer chooses "special funding" they must pre-qualify with a lender in advance. This provides them with a commitment letter/proof of funds. Remember that the bid deposit on bidding day and full escrow payment you submit is not contingent upon obtaining financing.

What do I need to do to bid at the accelerated sale?

Preview dates will be set for each property. At this time, interested buyers should complete their due-diligence. Once you have determined that you wish to bid you will be required to:

- a) Register with your full contact name and other important information
- b) Sign the terms and conditions of sale
- c) Post and make the required bid deposit (earnest money)
- d) Visit online bidding site and place your bid

What happens if a high bidder defaults and fails to close on an accelerated sale property?

The defaulted bidder loses their full bid deposit (earnest money) per the terms of the asset purchase and sale agreement. We will immediately notify the backup bidder in order to secure a new purchase and sale agreement at the backup bidder's highest bid amount. If not successful, the property is made available to all other registered bidders and the open market.

Can I make a pre-emptive bid or offer on a property prior to the accelerated sale?

Yes. We will write and present on the seller's pre-approved asset purchase and sale agreement any reasonable presale offers to the owner for consideration. We strongly recommend that you make your best offer at this time.

What are the types of accelerated sale you conduct?

Absolute Accelerated Sale: An absolute sale means the property is advertised and sold to the highest bidder regardless of price with no minimums and no reserves.

Reserve Accelerated Sale: Seller sets a NON published minimum price in which they are willing to accept. The property sells to the highest bidder once the reserve has been met

Minimum Bid Accelerated Sale: The published minimum bid is advertised, disclosed and represents the amount at which the seller has committed to sell the property.

Sealed Bid Accelerated sale: Potential buyers submit their sealed bid to agent. The seller then chooses the most desirable offer.

What is a Sealed Bid Accelerated Sale?

A sealed bid accelerated sale mirrors the same processes as a traditional accelerated sale. The major difference is that all bidders must submit their initial bid in a sealed envelope or online all in accordance with the terms and conditions of the Sealed Bid Accelerated Sale. The initial bids are then opened and reviewed by the seller as to conformity and compliance with the terms and conditions of sale. Frequently, the highest bidders in a competitive price range are invited to a private, live accelerated sale, with the highest “sealed bid” amount received being the opening live bid.

What about the title? Will I buy a property with unpaid back taxes or liens?

With very few exceptions which would be prominently noted, our accelerated sale properties are sold with good, insurable title having no liens, judgments, mortgages, or back taxes. If for some unforeseen reason a title cannot be cured, the bid deposit (earnest money) is refunded to the Buyer; however, buyers must refer to the terms and conditions for each accelerated sale prior to bidding.

What are the Terms and Conditions of the sale?

The Terms and Conditions for each accelerated sale govern the sale process. They include and highlight information on the buyers and sellers responsibilities in the transaction such as the required bid deposit (earnest money), the date the property will close, buyer's premium amount and other key facts. You should always familiarize yourself with the terms and conditions prior to the accelerated sale and placing a bid. The Terms and Conditions are posted with other important information in the document vault for that property or offering. You should also note that at an accelerated sale, any announcements made by the agent on the day of sale take precedence over any previously published information or marketing materials.

How will the property be conveyed if I am the successful bidder and purchaser?

Generally, our properties are conveyed to the new purchaser at closing by Warranty Deed, free and clear of liens and encumbrances. Title insurance is available and is usually a cost paid for by the new purchaser unless otherwise noted. Again it is important to read the Terms and Conditions of each accelerated sale for more detailed specifics. Closing costs are primarily governed by the state in which the property is situated.