

The Harcourts Auctions

GUIDE TO
BUYING



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WHERE IT ALL BEGAN.

We made the gigantic leap from Australia to the US.

Upon moving to the United States, we realized the traditional way to sell real estate was limiting for being the largest real estate economy in the world. If you are a buyer, you are only given one way to buy a house.

What we quickly realized in an oversaturated real estate market, was that to be competitive one must have multiple angles to sell a home which benefits both parties: sellers and buyers. Therefore, we saw the United States as a tremendous opportunity to bring our Auction Platform to a real estate economy that had previously only seen Auctions as distressed properties instead of our proven concept suitable for your everyday to high end houses.

Therefore, we have brought our experience from other parts of the world, where auctioning homes is the proven standard and are adapting it to the United States marketplace. Our Auction platform empowers agents and sellers all over the world to provide their clients with the highest value for their homes while providing buyers with a new level of transparency in an otherwise hidden process-- which should be the new standard.

RETHINK REAL ESTATE.

We are not getting rid of traditional real estate. Rather, we are providing a new innovative personalized solution. Our auction platform steers you away from distressed homes and works towards your everyday, luxury home.

Mission

We want you to feel at home starting now, as we personally navigate you through the auction process. We are committed to offering personalized, passionate, innovative guidance through every step. Whether you're a first-time homebuyer or a seasoned seller, our mission is giving you the blueprint for absolute success. We are measured by your complete and utter peace of mind.

Vision

We aspire to be the leading name in home auctions in the United States and globally. We seek to completely redefine and reinvent auction by bringing an unparalleled level of expertise to every sense of the word. Built on transparency, trust, and a continuous drive for success, we will vastly surpass all others in our field.



OUR VALUES



Complete Transparency

Absolute honesty and clear communication are essential to us. Our seamless and straightforward auction process is crafted so you feel complete peace of mind from start to finish. We don't just want you to feel secure; we want you to feel at home.



Guaranteed Results

We are dynamic and we are continually evolving to ensure we consistently deliver positive results. To us - results translate into much more than monetary value. Results are about you. Your complete satisfaction is absolutely essential.



Proven Performance

Our platform is one you can trust with complete confidence. We've helped clients from all over the world successfully buy or sell homes with our proven auction platform, generating more than \$4 billion in total property value. Built on more than 125 years of success, we bring a level of unparalleled skill and experience. But don't take our word for it: let us show you.

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We are excited to introduce Harcourts Auctions Guide to Buying at Auction. Included in this guide, we will cover the benefits of Buying at an Auction, how our successful process works and how to get started today.

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MEET BEN BRADY.

Director of Auctions

“Those who build great companies understand that the ultimate throttle on growth for any great company is not the markets, or technology, or competition, or products. It is one thing above all others – the ability to get and keep enough of the right people.”

When we say Ben is the leading auctioneer in the country - we aren't joking. Before transferring to California, Ben was calling more auctions than any other auctioneer in the country - selling more than \$4 billion's worth of property over the past five years.

Ben has been immersed in real estate for most of his life. At age 15, he started working as a personal assistant to the business owners of three Harcourts offices on the East Coast of Australia. His ambitious attitude drove him to become a qualified agent. Soon, his "SOLD" signs were spreading from neighborhood to neighborhood.

Motivated to continue to progress, he soon became sales manager of one of Harcourts Australia's biggest offices. He was awarded the REIQ Rookie Auctioneer of the Year his first year auctioning. In 2010, he was the youngest ever finalist at the

Harcourts Australian Auctioneering Championships. The same year, he also earned his place to compete in the Australasian Auctioneering Championships; a competition only available to the top 10 auctioneers throughout Australia and New Zealand. In 2013, he was nominated as a finalist for Australia Auctioneer of the Year.

Despite his continually growing list of achievements, his number one passion continues to be Harcourts. Continually striving for success, he is motivated by the belief that the sale or purchase of property is one of the most important decisions a person will make. He's looking forward to meeting you.

BUYING THROUGH AUCTION.



Buying a home can be a daunting experience, but it doesn't have to be.

We recognized a lack in transparency in a traditional real estate sale so we had to do something about it. We don't want you to be left out or have deals go behind your back, so we decided to create a buying process that lets all parties involved see the price at all times.

Our mission is to make buying a home easy and transparent.

We know buying a home, let alone through the auction process, may scare you a bit. At Harcourts Auctions, we are committed to providing you with as much information as possible to ensure you are comfortable every step of the way.



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BENEFITS TO BUYING THROUGH AUCTION



Know the Closing Date

You might be wondering, “why auction?” There are many reasons to choose auctions as opposed to traditional real estate. First, you know the closing date beforehand. Also, the purchase agreement signed at auction is exclusive of contingencies. Once it’s signed, is binding.



Purchase Prior to Auction

As a buyer, you can submit offers on an auction property before auction day. In other words, if you submit an offer that’s attractive to a seller, the seller may accept your offer prior to the auction.



Have Confidence

By taking a property to auction, the seller is putting a date on the sale of the property. Therefore, buyers can have complete confidence knowing the seller is committed.



See What Others Are Bidding

At auction, you call bids in a transparent environment where you can see all offers in real time. Auctions create an open arena that eliminates the uncertainty of a long negotiation period. You see exactly how much money it will take to be the highest bid instead of wondering why your offer wasn’t accepted. If other bidders surpass the amount you’re willing to pay, you’re under no obligation to keep bidding.



Avoid Competition

Buyers who bid at auction are doing so on an “as is” sale not subject to any contingencies. Because of this, bidders may find they actually have less competition for the purchase of the property than if they seek to purchase via the traditional method. Some buyers aren’t prepared to complete their due diligence or are unable to purchase without the inclusion of a finance contingency.



Pay Fair Market Value

Bidders determine the purchase price representing true market value through competitive bidding. When you’re bidding, you can see what others are bidding and tailor your bid accordingly.



Level Playing Field

As a potential buyer, you take part in a fair competition and are on the same terms as all other registered bidders. You know the closing date in advance. You know that you’re bidding with no contingencies. You know your competition, and you know exactly what other potential buyers are willing to offer.



No Hidden Surprises

Buyers receive and have access to comprehensive information and disclosures on the property via a property information package. All reports and disclosures - traditionally completed by the buyer in escrow - have been completed in advance by the seller.

THE BUYING PROCESS.

Our proven buying process will lead you to your dream home without the worry or confusion.

At Harcourts Auctions, we developed an innovative process to allow the buying process to be more transparent. We invite you to learn more about the auction experience by following the three key stages in our buying process: Pre-Auction Preparation, Auction Day, and Post-Auction.



Pre-Auction
Preparation



Auction day



Post-Auction



PRE-AUCTION PREPARATION

Before the property goes live on the market for auction, we work with the seller to set the bidding to start from amount, deposit amount, close time and complete all disclosures and reports. Be sure you pay attention to the calendar, so you're fully aware of the schedule for the entire process. We make it our mission to ensure buyer peace of mind.

5 STEPS

STEP 01

Know the Terms

Familiarize yourself with the Terms and Conditions of sale before you bid. Terms and Conditions vary slightly for each property.

STEP 02

Visit the Property

Make sure the property is right for you. Get to know it. Drive through the neighborhood at different times of day. Your Harcourts agent will hold open houses throughout the campaign. These are perfect opportunities for you to visit and receive all the information you need.

STEP 03

Do Your Research

Standard auction Terms of Sale are not subject to any contingencies, and are sold on an "as is" basis. The Harcourts agent will make comprehensive property information and disclosures available; however, you're required to complete your own due diligence and be able to close escrow within 30 days after the auction.

STEP 04

Arrange the Deposit

Deposit terms vary from property to property. Because of this, pay close attention to the auction terms and conditions as the deposit will often be required to be paid on the day of the auction or before.

STEP 05

Register to Bid

Most importantly: don't forget to register. You can obtain all paperwork from the listing agent prior to auction. You can even register someone else to bid on your behalf if you aren't able to make it to auction day. Normally, registration must be completed and submitted the business day prior to auction day.



AUCTION DAY

HOW TO BID

Upon arrival and confirmation of your registration, you'll be handed a bidding paddle. This helps the auctioneer clearly identify you in the crowd. Before the auction starts, the auctioneer will give everyone plenty of warning and clearly explain where the auction will take place. Make sure you stand in a clear area where you feel comfortable and can sufficiently hear the auctioneer. Don't forget to stand where the auctioneer can see you.

BIDDING ADVICE

When you're ready to make a bid, remember to hold your bidder paddle number high and call out your bid in a loud and clear voice. You can call out an exact amount. For example, you can call out "\$570,000" or indicate the amount you want to increase the previous bid by. For example, you can say, "Another \$20,000." If the auctioneer calls the incorrect amount or misinterprets your bid, call out immediately. Correct the auctioneer and clarify your bid. The auctioneer can reject any bid or suggest another amount. Don't be disheartened by this. The auctioneer is present to facilitate the sale of the property. It is their responsibility to maintain structure and momentum and achieve the best outcome.

BIDDING TIPS

TIP 01 Don't Strategize Too Much

Harcourts conduct thousands of property auctions all over the world every week and each one is different. Try not to get caught up in worrying about what may happen or how the bidding may unfold. Focus on what you are there to do and that is purchase the property. Don't be afraid of being the first person to bid. This will show the competition that you are serious about purchasing the property.

TIP 04 You May Be Asked to Increase Your Own Bid

Don't be deterred if at some point in the auction, the agent or auctioneer asks you to increase your own bid. This may occur as your current bid may not be at a price at which the seller will accept. Therefore, you may need to increase your own bid if you wish to purchase the property.

TIP 02 Bid With Confidence

Sometimes bidders may sit back and wait. They want to 'get a feel' for what is about to unfold. More often than not, it is the bidder that bids with confidence and without hesitation that walks away with the keys to their new home. If someone bids, retort straight away with another bid. You have nothing to lose and everything to gain. Show the competition your passion to purchase the property.

TIP 05 What If the Property Doesn't Sell at Auction?

In most auctions that Harcourts Auctions facilitate, there are interested parties who are unable to bid under auction terms and conditions. These parties are normally waiting in hope that the property doesn't sell at auction so they are able to make an offer on the property subject to contingencies. After the auction terms and conditions are expired, all parties will have this opportunity. Therefore, if you do not buy the property at auction, you risk falling into a larger pool of buyers and will be placed into a multiple offer situation. If you can bid under auction terms and conditions, give it your best shot at the auction as it is the most transparent and certain way to buy and, in most cases, holds less competition.

TIP 03 Set Yourself a Base Limit

If you are going to set yourself a limit make sure that limit has some flexibility. As strange as that may sound, all too often buyers miss out on their dream home for as little as \$1000.00, when the winning bidder is also at their limit. In a very short time you will be happy for bidding that little bit extra to win the bid and purchase the property.



POST-AUCTION

The three stage process to auction means there is always a chance of a 'post-auction' purchase. Post-Auction will arise if the property has not sold prior to or on auction day. If none of the submitted offers or bids meet the seller's reserve price the seller has a couple of options. The Seller can either competitively price the property on review of buyer feedback throughout the campaign or extend the auction date. These options will arise depending upon a number of reasons including the seller's circumstance and level of buyer interest. Post-Auction, regardless of the seller's decision, will still allow the buyer an opportunity to purchase in a transparent manner including review of all disclosures and reports. Keep in mind although it may be your strategy to hold off until after auction day, this could leave you disappointed. Often post auction will mean a lot more competition for buyers. The best strategy is to make your interest known early.



SUCCESSFUL BIDDERS

THE SUCCESSFUL BIDDER

Once the Auctioneer announces that **"we have reached reserve price"** or **"we are on the market"**, this indicates that the seller's reserve price has been reached or surpassed. At this point the highest bidder is deemed to become the successful purchaser of the property. Bids will still be accepted from this time and during the first, second and third/final calls, but as soon as the Auctioneer calls the word **"SOLD"** and the gavel falls, the highest bidder will be the lucky purchaser. When bidding at an auction, remember that if you are the successful bidder you will be required to immediately sign the Residential Purchase Agreement and pay the deposit.

PAYING THE DEPOSIT

Should you be the successful bidder at auction, you will be required to pay the deposit immediately. Details regarding the deposit amount will vary between properties; however, the details will be clearly displayed throughout the marketing of the relevant property. If you intend on bidding at auction, please contact the listing agent prior to auction day to ensure you are aware of all requirements regarding the deposit as, in most cases, a cashier's check of a specified amount will be required upon auction day.





HOW TO GET STARTED.

Thank you for taking the time to learn about our Auction Process.

If you have any questions about our Auction Platform, feel free to give us a call, we would be happy to sit down and go over it with you.

Visit our website as an additional resource to gain access to our key materials, recent case studies and frequently asked questions.

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