

# A U C T I O N ADVANTAGE

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A QUARTERLY NEWSLETTER  
FOR THE AUCTION CONSUMER

## Six weeks to a successful home auction is typical

Many homeowners are choosing to sell their homes by auction in today's slowing real estate market, and a typical timeframe is six weeks to a successful auction. This is the period from first contact with the auctioneer through auction day. Here is what happens in each week: **In week 1**, the auctioneer reviews the property and discusses with the seller the type of auction desired (reserve or absolute). The auctioneer makes recommendations to the seller regarding how to market the property. Deed, title, liens and other paperwork are checked.

**In week 2:** Advertising is ordered; auction site plans are determined.

**In week 3:** A pre-auction seminar for prospective bidders is organized, and agreements are made with traditional real estate brokers who can refer buyers to the auction. Auctioneers offer a brokerage agreement that would allow brokers a commission if they bring a buyer to an auction.

**In week 4:** The pre-auction seminar can be held this week for novice bidders. Open houses begin this week. In addition to the primary purpose of showing potential bidders what they might be buying, an open house gives the auctioneer a barometer of how successful the auction will be.

**In week 5:** During this week, an initial evaluation of the marketing campaign is made based upon the response at the open house and calls requesting bidders' packets. Interested and qualified bidders are being identified and their deposits to bid are placed in escrow accounts.

**In week 6:** Final details like site preparation and posting additional signs to the auction site are being done. Bidders are contacted to make sure they have any questions answered. The auction is then held on the set auction day with confidence that the bidders and all parties are prepared for a successful event.

## Auction Fun Facts

- Revenues in the live auction industry grew by 5.3% in 2007 over 2006, continuing a growth trend of recent years.
- An "auction preview" is an open house when the public is invited to inspect property for sale at auction, prior to the sale.
- Use our auction website to see the upcoming list of live auctions, and to sign up for emailed notices of auctions.
- A large part of the bidding crowd at art auctions are dealers, decorators and collectors.
- Most bidders of real estate must put down a deposit and be pre-qualified for a loan to ensure they have the ability to pay.
- At a charity auction, be ready for the auction to begin while the dinner salad is served, early in the evening.
- An auctioneer will recommend to the seller the best location to hold the auction, and will explain why it is best.
- Introduce yourself to the auctioneer so he or she can recognize you and your bid easier.

## First-ever auction website with MLS-style service debuts

A new website now enables the public a detailed search for homes and other real estate at auction in a method like the Multiple Listing Service that has been used by traditional real estate brokers for many years.

The website address is [www.auctionMLS.com](http://www.auctionMLS.com). All the real estate listed there is set for auction. Visitors to the site can search for auctions of single-family homes, townhomes, vacant land, commercial and farm properties. You can search by auction date, region, building style, number of bedrooms, foreclosures, and other factors.

Most traditional MLS listing services today do

not allow postings of real estate offered at auction because the listings require the property to be listed at a specific price. At auction, the bidders set the price. This lack of a searchable database for auction properties led the National Auctioneers Association to establish this new website.

NAA's launch of [www.auctionMLS.com](http://www.auctionMLS.com) also comes at a time when USA Today newspaper is starting a new real estate auction section each Friday called "Auction Mart." The public is getting more exposure to auctions through many

► **MLS, continued on page 2**

## Pancho Villa's guns sold at auction

Three guns linked to Mexican revolutionary Pancho Villa were auctioned for nearly \$29,000 recently near Fredericksburg, TX.

Villa's Remington single action revolver with his real name, "Doreteo Arango," engraved on the barrel sold for \$18,000. A rifle that Villa reportedly dropped in the Rio Grande during a skirmish with opposition forces sold for \$7,500, and a pistol owned by Villa's bodyguard was sold for \$3,450.

Besides the guns, a Spanish-made sword belonging to Villa sold for \$7,500.

Another gun that once belonged to "Calamity Jane" sold for \$11,000 in the same auction. The pocket pistol, which comes in a leather case and bears the moniker "Martha Jane Cannary," the frontierswoman's real name. A double-barrel shotgun once owned by female outlaw Belle Starr sold for \$17,000.

The auction featured about 1,000 Old West items, including weapons that belonged to Old West lawmen.

In 1916, Villa led a group of irregular fighters in a brief raid into Columbus, New Mexico, in what is considered the last battle against foreign forces on U.S. soil. Eighteen Americans were killed, prompting an unsuccessful manhunt for Villa. He made his peace with the Mexican government in 1920 but was assassinated in 1923 at the age of 45, likely out of fear he would rise up again.

### MLS, continued from page 1.

mediums, including cable television, newspapers and Internet sites.

For example, many types of auctions are being broadcast this month on the Auction Network at [www.auctionnetwork.com](http://www.auctionnetwork.com). An auto auction, police department property auction, civil war relics auction, and jewelry auction are among the highlights.

The network has production underway for many unique events featuring live interactive auctions, pre-produced auctions, and profiles of dynamic auction personalities.

Auction Network is an entertainment platform where buyers meet sellers and those on the



Bones the quarter horse was bought at auction.

## Horse from auction brings joy to children at camp

WASHINGTON, Pa. (AP and NAA) -- Bones, a male horse believed to be older than 30, was bought at a recent auction and has regained his health after being abandoned by his previous owner. He is now bringing joy to children who attend a riding camp.

His new owner, Lori Reich, saw potential in Bones and bought him in Cranbury, NJ. Reich runs a riding camp for children. She said Bones has gained 100 pounds since she bought him.

"He's starting to feel good," Reich said.

Bones, believed to be a quarter horse, is loved by the children who attend the camps.

When Bones first arrived, 11-year-old Toni Valentini said she had never seen a horse so skinny. But the fact that he was neglected "Makes you love him even more," she said.

Although he's probably too old to ever be ridden (a horse's life expectancy is typically about 35 years), Reich said they decided to bring him home and he is used now to teach the children grooming skills.

When the vet, farrier and dentist come to treat Bones, the campers made an intrigued audience.

The experience has taught the campers a handful of lessons some, like grooming, are practical. Others, like compassion, can only be taught under certain circumstances.

"They've learned that it's not all just fun," Schmidt said. "They sure have respect for animals."

In fact, the children banded together to raise money for the horse. They invited their families for a day of pony rides, games, food and more. They raised money to pay for Bones' food, medicine, blankets he needs in the winter.

Horse auctions across America offer varied breeds and types of horses, from very young to old animals like Bones, and even auctions of wild horses captured from herds managed in the open West. Horses from auction are often purchased for different purposes, not just to be ridden.

sidelines are highly entertained. Unlike static shopping channels, Auction Network's programming is colorful, active and interactive--the first 24/7 programmed network dedicated to all things auction.

With auction media coverage on this website and

on [www.auctionMLS.com](http://www.auctionMLS.com), the public is getting more auction conveniences than ever before. Many consumers are well-aware of MLS services, and do their own searching on MLS lists on the Internet, so they will be familiar with the process and can easily use [www.auctionMLS.com](http://www.auctionMLS.com).

# Internet auctions are drawing bigger crowds to live auctions

WAYNESBURG, PA (AP and NAA) – Internet auction sites like eBay are making more people interested in live auctions, helping draw more buyers to the live events.

Although Auctioneers initially considered the Internet a threat, its growth and development of searchable websites like AuctionZip have contributed to a boom in the live-auction industry, with one-time rivals forming partnerships that produce bigger audiences for sellers.

Buyers emboldened by success on eBay and other sites are seeking live sales in search of lower prices -- and the thrill of competing in person.

"I don't know where the auction industry would be without the Internet," said Auctioneer Kevin Teets, of Fairmont, WV. "The Internet has educated the buyers. It's educated the sellers. It's opened a lot of these small sales up."

Tommy Williams, CAI, an Oklahoma real estate Auctioneer and president of the National Auctioneers Association, said "The Internet has been the greatest thing that ever happened to the auction industry," said. "It made us reinvent ourselves."

Auctioneers were slow to embrace the Internet because it was considered competition, said Ina Steiner of Natick, MA, editor of AuctionBytes, a trade publication for online merchants.

But now, even rural residents often have sufficient Web service to compete and sellers realize that customers have choices far beyond eBay. There are specialty sites like Bid4Assets for real estate and IronPlanet for construction equipment.

"General consumers, they go to sites like eBay," Steiner said. "But they might go to Google. Google's the great equalizer. If an auction site is savvy and has a listing optimized for Google, people can find them."

The intersection of live and virtual auctions

project. In 2002, he persuaded San Francisco-based eBay to partner on live Web auctions.

Live Web auctions are auctions held live over the Internet, accepting bids from people sitting at their computers around the world. This enables those who could never travel to the onsite auction

to be able to participate, which often raises the number and level of bids, making sellers happy.

At the time, eBay had 25 million users; today it boasts 275 million. Ellison has ventures with 638 auction houses worldwide and annual sales approaching \$100 million.

"A lot of our auction houses that we started doing business with were on their knees," he said. "Some have said to me: 'You guys have absolutely saved our bacon.'"

promises nearly limitless opportunity, and a few companies have already found niches by pairing traditional auction houses with the online world.

Julian Ellison moved from London to New York in 1999 to launch LiveAuctioneers, a Webcasting

The changing world also creates opportunity for individuals, and the NAA is beginning to see more women and minorities entering the profession.



*"The Internet has been the greatest thing that ever happened to the auction industry."*

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A U C T I O N   A D V A N T A G E   -   S P R I N G   2 0 0 8

# New book shows auction buyers, sellers how to succeed

The Complete Idiot's Guide to Live Auctions became available nationwide on April 7.

A new book that became available nationwide April 7 gives detailed information for buyers and sellers on how to succeed at auction.

The Complete Idiot's Guide To Live Auctions, written by the National Auctioneers Association, explains in simple terms the bidding strategies, types of auctions, fees, auction procedures and other details that auction attendees need to know to be successful.

The book will be valuable to all people involved in auctions, from novice buyers to bankers selling properties at auctions.

The book is now available in all major bookstores, on Amazon.com and other outlets. The book is another in the highly-successful series Idiot's guides that explains business and personal topics in step-by-step manner so beginners can understand and so veterans can learn updated information.

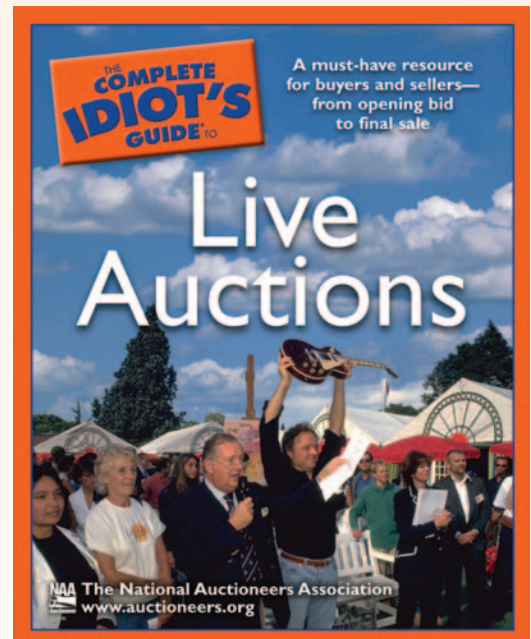
This live auction book contains insider stories from auctioneers on how auction work. Chapter 1 tells how live auctions differ from other sales and what draws bidders to auctions. Chapter 2 tells the myths and misconceptions that still exist about auctions, such as "All auctioneers talk fast."

Chapter 3 explains the roles of auctioneers, ringmen, clerks, bidders and all people at auctions. Chapter 4 describes the auction settings, from an auction house and barn to outside locations. Chapter 5 explains how to find auctions and decide to attend, including details on catalogs and previews.

Chapter 6 explains how live auctions work, from registering at the door to understanding the Terms and Conditions, to bidding and final checkout and item pickup. Chapter 7, highlights technology at live auctions today, including big video screens, live Internet broadcasts, and live cameras at auto auctions.

Many auction enthusiasts will turn right to chapter 8 of the book to find out how to bid. This chapter explains the several types of live bids, how to be sure of the quantity you are bidding on, house rules of bidding, the strategies of bidding, how to read your competition, how bid in synch with the ringman and auctioneer, and how to determine how much you should bid.

Part two describes how to buy successfully at each major type of auction (art and Antiques, Personal Property, Estate, Real Estate, charity,



The Complete Idiot's Guide to Live Auctions

Automobile auctions, farm and livestock auctions. Part three tells how sellers can be successful, from evaluating an auctioneer to signing a contract and following through auction day.

The book also includes a glossary of auction terms, resources (organizations, websites, publications) and sample forms (bidder registration card, consignment form).