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Auction Glossary: Learn to Talk Auction Like a Pro

Absentee Bid	A procedure which allows a bidder to participate in the bidding process without being physically present. Generally, a bidder submits an offer on an item prior to the auction. Absentee bids are usually handled under an established set of guidelines by the auctioneer or his representative. The particular rules and procedures of absentee bids are unique to each auction company.
Absentee Bidder	A person (or entity) who does not attend the sale but submits, in advance, a written or oral bid that is the top price he or she will pay for a given property.
Absolute Auction	An auction where the property is sold to the highest qualified bidder with no limiting conditions or amount. The seller may not bid personally or through an agent. Also known as an auction without reserve.
"As Is"	Selling the property without warranties as to the condition and/or the fitness of the property for a particular use. Buyers are solely responsible for examining and judging the property for their own protection. Otherwise known as "As Is, Where Is" and "In its Present Condition."
Auction	A method of selling real estate in a public forum through open and competitive bidding. Also referred to as: public auction, auction sale or sale.
Auction Listing Agreement	A contract executed by the auctioneer and the seller which authorizes the auctioneer to conduct the auction and sets out the terms of the agreement and the rights and responsibilities of each party.
Auction With Reserve	An auction in which the seller or his agent reserves the right to accept or decline any and all bids. A minimum acceptable price may or may not be disclosed and the seller reserves the right to accept or decline any bid within a specified time.
Ballroom Auction	An auction of one or more properties conducted in a meeting room facility.
Bid	A prospective buyer's indication or offer of a price he or she will pay to purchase property at auction. Bids are usually established by the auctioneer.

Bid Acknowledgment	A form executed by the high bidder confirming and acknowledging the bidder's identify, the bid price and the description of the property. Also known as Memorandum.
Bid Assistants	Individuals who are positioned throughout the attendees at the auction to assist the auctioneer, spot bidders and assist prospective bidders with information to help them in their buying decision. Also known as ringmen, bid consultants, bid spotters, or groundsmen.
Bid Caller	The person who actually "calls," "cries or "auctions" the property at an auction, recognizing bidders and acknowledging the highest bidder. Commonly known as the auctioneer.
Buyer's Premium	An advertised percentage of the high bid or flat fee added to the high bid to determine the total contract price to be paid by the buyer.
Due Diligence	The process of gathering information about the condition and legal status of assets to be sold.
Hammer Price	Price established by the last bidder and acknowledged by the auctioneer before dropping the hammer or gavel.
Minimum Bid Auction	An auction in which the auctioneer will accept bids at or above a disclosed price. The minimum price is always stated in the brochure and advertisements and is announced at the auctions.
Multi-Property Auction	A group of properties offered through a common promotional campaign. The properties to be auctioned may be owned by one seller or multiple sellers.
Tie Bids	When two or more bidders bid exactly the same amount at the same time and must be resolved by the auctioneer.

