



FREQUENTLY ASKED QUESTIONS

Familiarity leads to smooth transactions. We want you to be familiar and comfortable with LASTBIDrealestate.com and the online auction process and make sure that all your questions are answered so that your experience buying real estate at online auction is a positive one. We are asked many questions by buyers and sellers and have put together this list so that you have the answers and familiarity you need to be an informed, confident bidder and we can provide you with a smooth transaction, meeting and exceeding all your expectations!

WHAT'S THE DIFFERENCE BETWEEN AN ONLINE REAL ESTATE AUCTION AND A TRADITIONAL REAL ESTATE AUCTION?

Online auctions are very similar to traditional auctions with venue being the only major difference. Bidders still register, they still make a deposit, they can still inspect the property but all bidding is done via the internet instead of to an auctioneer at the property. It offers many conveniences for both buyers and sellers.

HOW DO I REGISTER?

Registration is simple. Just go to our website and click the Registration link. You will be asked for some information to create your profile, username, and password. Once you have completed this process, you are able to bid.

DO I NEED TO REGISTER FOR EACH ONLINE AUCTION?

You need only to register once for our online auctions. At that time you will be chose a username and password which is good for each online auction. Occasionally, on high profile properties, we may require pre-approval for bidding but you will not need to re-register.

IS MY INFORMATION SAFE?

Yes. Our system is fully encrypted and personal information and credit card information are kept in completely different systems. We do not sell our lists to anyone. Your contact information will only be used by our staff if you are the high bidder.

WILL I AUTOMATICALLY BE PLACED ON ANY LISTS BY REGISTERING?

No. You must choose to receive notifications about our auctions. This can be done when you register on our online system or by calling our office and requesting to be added to our postal mail lists.

CAN I INSPECT THE PROPERTY?

All properties have pre-arranged public inspection times at which occasion you are welcome to bring any inspectors or advisors you wish. Times are published on our website for each property.

HOW DO I PLACE A BID?

Once you have registered and have your username and password, simply click on the Bid Here link for the property. You should review the terms of the auction and accept them and then you are able access the bidding screen. You may enter your maximum bid and allow the computer to bid for you if someone else bids, or enter the next incremental bid and watch the progress of the auction yourself. The choice is yours.

WHAT IS A BID INCREMENT?

A bid increment is the required raise in bid price. For example if the current bid is at \$50,000 and the bid increment is \$1,000, the next acceptable bid would need to be \$51,000 or more.

CAN I BID ON MORE THAN ONE PROPERTY AT A TIME?

Yes. However it is important to note that each auction is singular in nature, not contingent on any other sale of property and if you are the high bidder on multiple properties, you will be responsible for the purchase of each property.

CAN I CANCEL MY BID?

No. Bids are final in nature and non-retractable.

CAN SOMEONE ELSE BID FOR ME?

Yes. However to do so, they must have a document which appoints them as an Attorney-in-fact or be a legal agent for you. It is not legal for anyone to receive compensation for such services unless they are a licensed real estate broker.

CAN I LEAVE A PROXY OR ABSENTEE BID?

Our system is setup so that bidders may leave an unrevealed, absentee bid on the property up to 3 days prior to the auction in the event that they will not be near a computer on auction day. On auction day, the computer opens that bid and enters it on behalf of the bidder as if they were sitting at their computer. As other people bid throughout the day, the computer will enter more bids on a person's behalf up to the maximum bid amount they have entered.

HOW LONG DOES THE AUCTION LAST?

Most of our online real estate auctions last 10-12 hours with bidding starting at 8 am and usually running until 6-8 pm in the evening.

WHEN DOES THE AUCTION END?

Ending times are stated in the bidding area for each property. Our system is a dynamic bidding, anti-sniping type system meaning that if someone bids within the last 10 minutes of the auction, the auction will go into overtime and will extend ten minutes past the stated end time. If someone bids within the overtime period, the auction will extend another 10 minutes and so on until there has been 10 minute overtime period without bidding activity. The key to the dynamic bidding feature is that the auction extends from the preset closing time in 10 minute intervals, not 10 minutes from when you placed your bid. We believe this is the most fair system for bidders and sellers alike, making sure no one loses an opportunity to bid within the last few seconds of the auction and assuring that the seller that all bids have been received. All posted closing and current times are approximate and figured in Grand Rapids, MI time. The auction company does reserve the right to close early or extend auctions at any time at its discretion.

IS THIS AN ABSOLUTE AUCTION?

No. We strive hard to offer properties which we are confident will sell. We screen our sellers to make sure that they are motivated. However, most properties have bank committees, lenders, courts, or trustees which must approve the transaction or short sale if that is the case. Due to these circumstances along with the many other issues associated with a real estate transaction, properties are sold subject to acceptance or rejection of the high bid by the seller.

IS THERE A RESERVE OR MINIMUM PRICE?

No. We do not generally have a stated minimum or reserve price which must be met. Properties are sold subject to confirmation of whatever the high bid is by the seller.

WHAT IS A BUYER PREMIUM?

A buyer premium is a transaction fee added to the high bid, paid by the buyer, as part of the Auctioneers compensation. Regulations require that this premium is added to the high bid to establish the purchase price. For example, a bid of \$100,000 and buyer premium of 10% results in a purchase price of \$110,000. The buyer premium is not your deposit or down payment.

I WAS THE HIGH BIDDER, NOW WHAT HAPPENS?

You will be contacted by a LASTBIDrealestate staff within 24 hours to coordinate execution of the Buy/Sell agreement and other purchase documents and the down payment on the property. We will then contact the seller for confirmation of the sale and coordinate their execution of the Buy/Sell agreement within 3 business days. Your down payment will be deposited in escrow. You will have 30 days to arrange closing on the property.

HOW DO I KNOW WHAT THE PROPERTY IS "WORTH"?

There are many indicators of value but the true measure of any property's value is in what a buyer feels the property is worth to them. Some people use Equalized Values or Appraisals or comparable property sales to determine value but many factors are not always addressed in these figures such as sentimental value, environmental concerns, adjoining land owners, changes in market conditions, 1031 exchange needs, and a host of other factors all of which can have positive or negative influences on value. An auction with competitive bidding is the purest form of price discovery and indicator of value.

DO I GET GOOD TITLE?

Yes. All properties are transferred by deed with insurable title. Most properties will come with a warranty deed. Occasionally, some properties will come with another type of deed such as a covenant deed or trustee's deed.

DO I GET TITLE INSURANCE?

Yes. Title insurance is provided to the buyer by the seller at the seller's expense.

WHO PAYS TAXES?

Taxes due prior to the auction are paid by the seller. Taxes due after the auction are paid by the buyer.

HOW MUCH IS MY DOWN PAYMENT?

Each property is different but most properties require a deposit of \$5,000 or 10% of the purchase price, whichever is greater. Any down payment requirements different than that will be noted in the additional announcements for the property.

IS THE DOWN PAYMENT DEPOSITED?

Yes. The down payment is held in escrow until the closing at which time it is forwarded to the appropriate closing agent.

CAN I USE A CREDIT CARD FOR THE DOWN PAYMENT?

No. Due to final nature of a real estate auction, down payments must be in the form of cash, check, or other verifiable funds. In addition, most lenders treat credit card down payments as borrowed funds and will not allow them when financing a real estate transaction.

IS MY DOWN PAYMENT REFUNDABLE IF I CAN'T CARRY THROUGH?

No. There are no contingencies to the transaction including financing, perk tests, surveys, etc. You should make sure you will be able to fulfill your obligation to the transaction prior to bidding. If you are not sure you can carry through, DO NOT BID – you will lose your down payment. Your down payment is however refundable if the seller is unable to provide clear title or fulfill their obligation to the transaction.

IS A SURVEY AVAILABLE FROM THE SELLER?

No. Any surveys desired or required by a lender are the responsibility of the buyer at their sole cost and are not a contingency of the sale.

DO YOU HAVE MORE INFORMATION ON THE PROPERTY?

All information we have is published on our website. If it is not there, we do not have it.

ARE THERE ANY CONTINGENCIES TO THE SALE OF THE PROPERTY?

No. Properties are sold as-is, without contingency for financing, inspections, surveys, perk tests, other property sales or purchases, or any other contingency.

CAN I USE A BANK TO FINANCE MY TRANSACTION?

Yes. We recommend getting pre-approved by your financial institution however as inability to get financing is not a contingency of the auction and you will lose your down payment.

HOW LONG DO I HAVE TO COMPLETE THE TRANSACTION?

Down payments and completed buy/sell agreements are due within 24 hours. Buyers have up to 30 days after the auction to close on the property.

DO I GET KEYS?

Keys and access to the property are provided at closing. If you have a professional (appraiser, inspector, etc) who needs to enter the property, they should contact our office to coordinate access to the premises.

CAN I DO A 1031 EXCHANGE?

Yes. We can work with you to help accommodate a 1031 property exchange. You should consult your tax advisor to see whether the property you are interested in qualifies for your circumstances.