

## **GLOSSARY OF AUCTION TERMINOLOGY**

### **Absentee Bidding**

An absentee bid is a written bid left for an item at an upcoming auction for a bidder who cannot attend the auction. The auctioneer or their staff will then bid on the item for the bidder.

### **Absolute Auction**

An auction where the property is sold to the highest qualified bidder with no limiting conditions or amount. Also known as an “auction without reserve.”

### **Appraisal**

A formal evaluation of the fair market and/or insurance value of a given property.

### **As Is**

Property is sold with all existing faults and imperfections, warranties or guarantees as to the current condition. Alternatively known as “as is – where is” and “in its present condition.”

### **Auction**

A method of selling property in a public forum through open and competitive bidding.

### **Bid**

A prospective buyer’s indication or offer of a price they are willing to pay to purchase property at auction.

### **Bidder Number or Paddle**

An object displaying the number assigned to a bidder when he or she registers at the auction. To place a bid, simply raise your bidder number until the auctioneer acknowledges you. If you win that auction, your bidder number is recorded alongside your bid.

### **Bidder’s Choice or Buyer’s Choice**

When announced by the auctioneer, this is a method of sale whereby the successful high bidder wins the right to choose an item or item from a grouping of items. After the high bidder’s selection, the remainder of items is put up for a second round of bidding, with the high bidder in round two choosing an item, until all items are sold.

### **Buyer’s Premium**

A Buyer’s Premium is a percentage of the hammer price and will be added to each purchase to reach the final sale price. Buyers premiums may vary from one auction to another.

**Clerk**

An individual employed by the auction company to record what is sold and to whom it is sold and for what price.

**Conditions of Sale**

The legal arrangements for a sale that are stated by the auction company or auctioneer to which the buyer must agree in order to bid and purchase item at auction. Also known as "Terms & Conditions".

**Consign**

To enter a contract with the auction company to sell assets at public auction or private sale for a fee based on a commission/percentage of the final sale price.

**Estate Auction**

Auction of property or properties owned by one or multiple sellers (living or deceased), the auction may take place at a gallery or on location.

**Estimate**

Each lot is given a low and high estimate, representing the opinion of experts about the range in which the lot might sell at auction. Estimates are based on the examination of an item and recent auction records of comparable pieces.

**Fair Market Value**

Price established through the competitive bidding process with a willing buyer and seller.

**Hammer Price or Winning Bid**

The winning bid for a lot at auction. It is the price upon which the auctioneer's hammer falls, determining the sale price, but does not include the buyer's premium.

**Live Auction**

An auction that takes place with, "in person" live bidding.

**No-Sale Fee**

A marketing/handling fee paid by the seller of property offered at a reserve auction when the property does not sell. (See "Withdraw/Pass")

**Online Auction**

An auction that takes place over the internet using an online platform to place your bids.

**Phone Bidding**

A type of bidding in which a potential buyer makes prior arrangements with the auction company for a staff member to bid for them while the potential buyer is on the telephone

**Preview**

Specified date, time and location that personal property is available for prospective buyers to view.

**Reserve or Minimum Acceptable Price**

Reserve price is the confidential minimum price agreed upon between the consignor and the auction house. If bidding ends before the reserve is reached, the property will not be sold.

**Seller's Commission**

A commission paid by the consignor to the auction house, which is deducted from the hammer price.

**Terms and Conditions**

The rules of the auction and certain aspects of the Purchase & Sale Agreement that are published, read and agreed upon by potential bidders prior to an auction sale. Also known as "Conditions of Sale".

**Withdraw / Pass / No Sale**

Failure to reach the reserve price or insufficient bidding.