

Annual Real Estate Auction Industry

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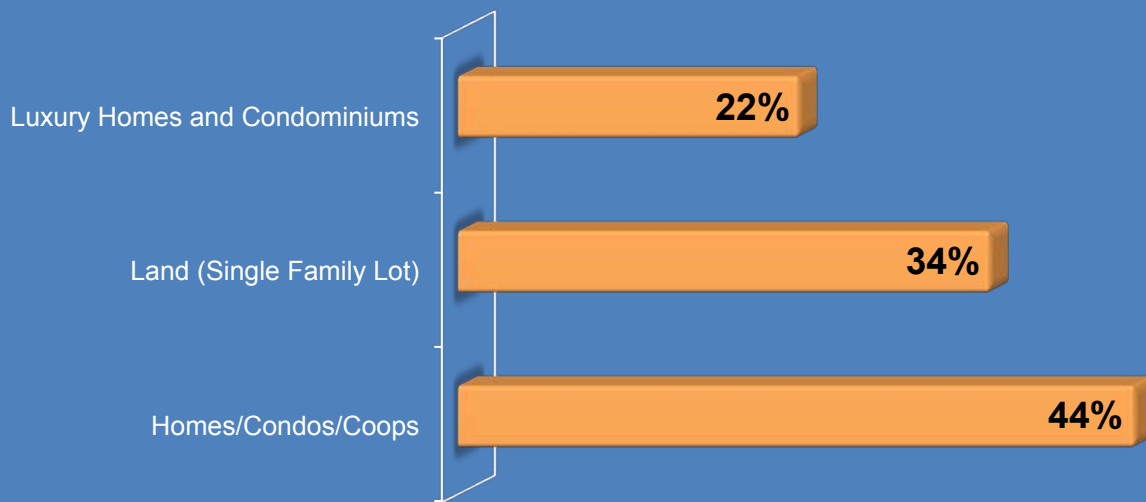
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Real Estate Auctioneers nationwide were surveyed with a variety of questions covering their industry activity in 2011 and projections for 2012. The following is a summary of their responses as reported to us.

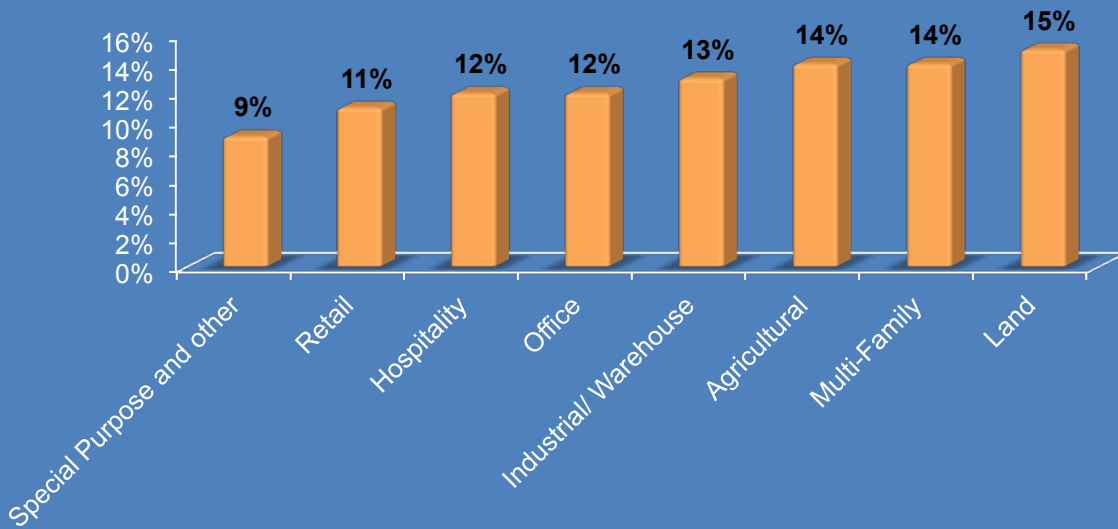
TOP 3 most FREQUENT types of RESIDENTIAL properties brought to AUCTION:

Respondents to our survey report that Single Family Homes, Condominiums and Coops led the auction industry as the most frequent residential type of property brought to auction last year. Land (Single Family Lot) rated second. Residential Homes and Condominiums in the Luxury category (over \$1,000,000) were the least frequent residential property type auctioned in 2011.



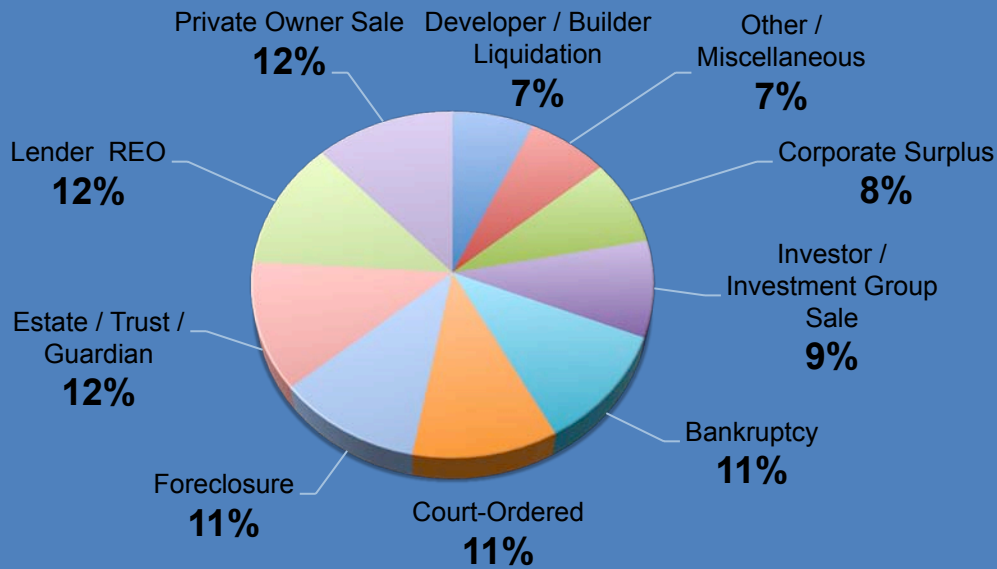
TOP 3 most FREQUENT types of COMMERCIAL properties brought to AUCTION:

Land was the most frequent commercial property type brought to auction last year as reported by respondents. Agricultural and Multi-Family properties came in second by a narrow margin. Special Purpose and Retail properties were reported as the least frequent commercial property type brought to auction in 2011.



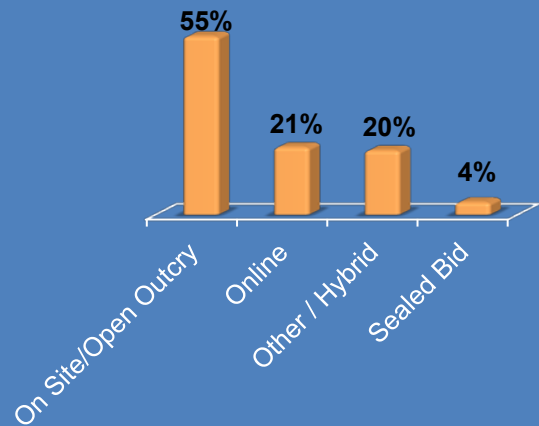
TOP 3 TYPES of AUCTION:

The majority of respondents indicate that Private Owner Sale, Lender REO and Estate/Trust/Guardian were tied for first place as the most frequent type of auction sale they conducted last year, followed closely by Foreclosure, Court-Ordered and Bankruptcy sales. Developer/Builder Liquidation sales rated as the least utilized type of auction sale in 2011.



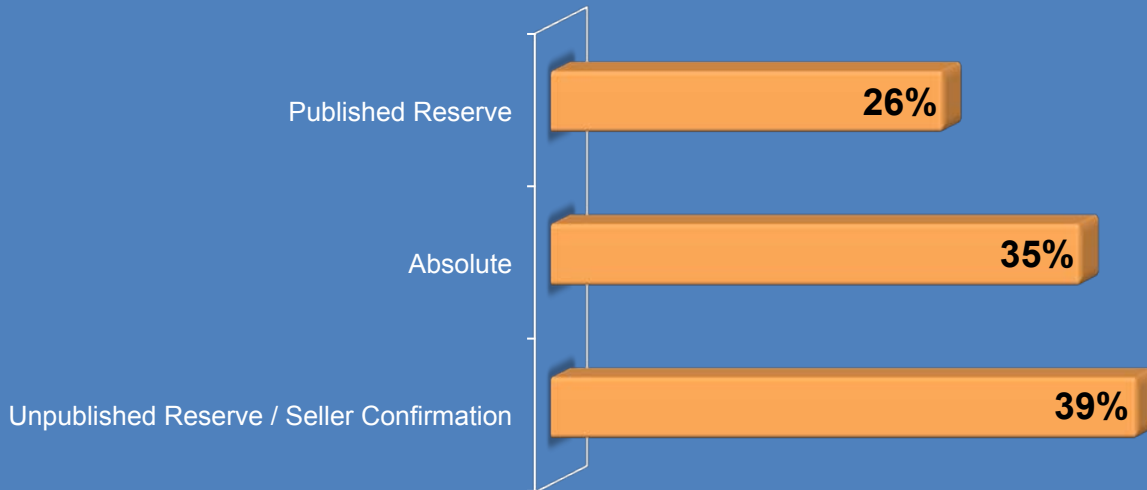
PERCENTAGE of auction TYPES conducted:

On-Site/Open Outcry Auctions were reported as the most common style of real estate auctions conducted in 2011. Though leading by a wide margin, this type of auction is down 11% from 2010. Online auctions came in second, showing that more companies are capitalizing on the lucrative accessibility of the Internet. Hybrid/Other came in third place, a 9% increase from 2010. Sealed Bid auctions were the least common style of auction conducted last year by respondents.



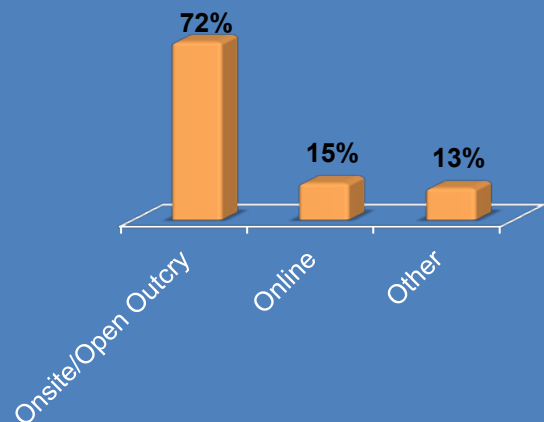
Auction FORMAT used most FREQUENTLY:

Respondents indicate that the most frequently utilized Auction Format they employed during 2011 was Unpublished Reserve/Seller Confirmation, followed by Absolute Auctions. Published Reserve came in third as the least frequently used auction style facilitated by respondents for their auctions last year.



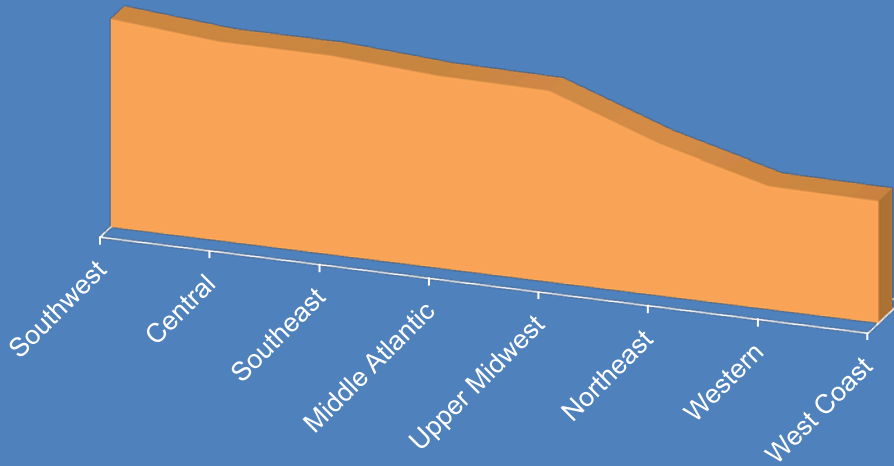
STYLE of auction SALE proven to be the most SUCCESSFUL:

Respondents report that the Onsite/Open Outcry was the most successful Style of Auction Sale by an extremely wide margin, coming in at 72%. Online Auctions rated second at a much lower number of 15%. This was followed by Other styles of Auctions.



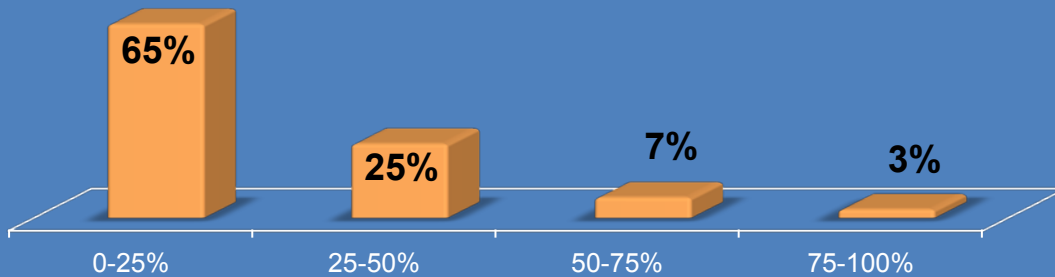
Area of the COUNTRY with the HIGHEST amount and LOWEST amount of auctions:

The Southwest, Central and Southeast regions of the country were reported by respondents as having the highest amount of real estate auctions in 2011, followed by the Middle Atlantic and Upper Midwest states. The West Coast region had the least amount of auctions conducted.



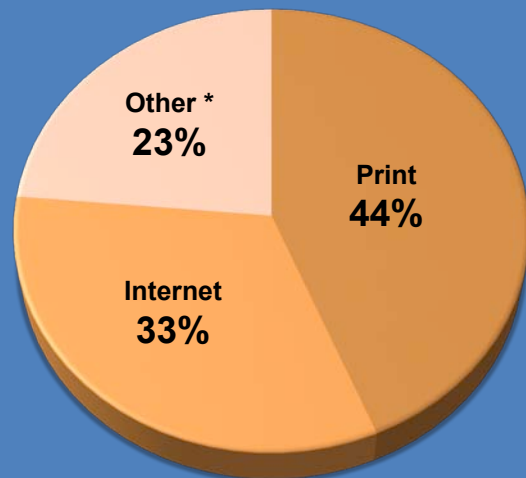
PERCENTAGE of properties auctioned where the buyer was REPRESENTED by a BROKER:

The majority of respondents report that less than 25% of their real estate auction buyers were represented by brokers in 2011, a somewhat low result considering that most auction companies welcome broker participation and on average, brokers receive a 2-3 percent commission on real estate auctions. The majority of respondents also report that the representation of a broker did not increase nor decrease the success of the auction.



PERCENTAGE of ADVERTISING dollar allocation:

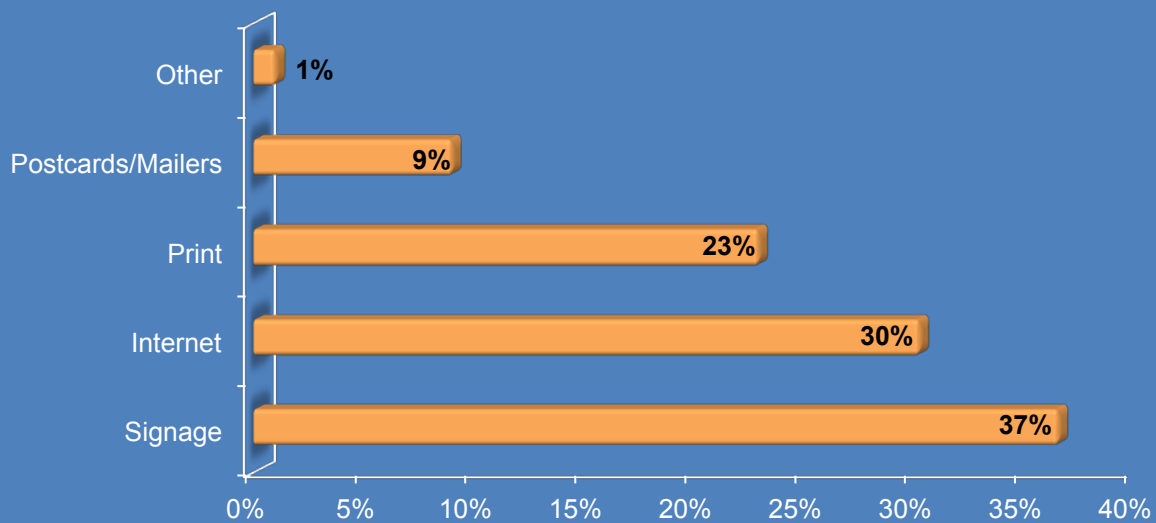
Once again, Print (newspapers, trade magazines) represented the most frequently used medium for real estate auctions to be advertised in 2011. This was followed by Internet advertising which includes banner ads, email campaigns, listings on industry sites, customized microsites, blogs and social network marketing. Other forms of advertising such as signage, PR, direct mail, etc. came in third at 23% of their budget.



* e.g. Signage, PR, Direct Mail, Radio, etc.

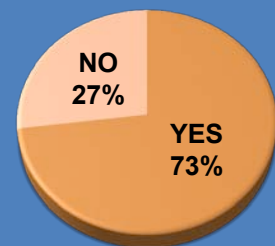
Form of ADVERTISING that was most EFFECTIVE:

Despite Print coming in first as the most frequent type of advertisement utilized, Signage proved to be the most effective form of advertising at 37% in 2011. Internet advertising ranked second at 30%, with Print trailing in third place at 23%. Postcards/Mailers followed at 9%. Considering these numbers, we may see Print advertising in a different ranking on budget allocation for 2012.



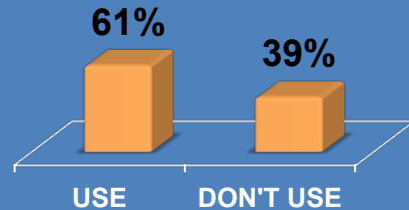
Use of SOCIAL NETWORKING such as Twitter, YouTube and/or Facebook to promote AUCTIONS:

Real Estate Auctioneers are seeing the importance of Social Networking, with a solid 73% reporting that they utilized Networking options such as Twitter, YouTube and/or Facebook to promote auctions in 2011.

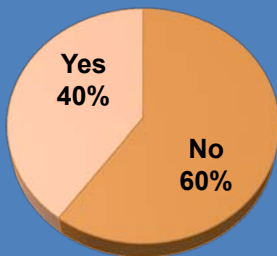


Use of GOOGLE Adwords or some other AD NETWORK to promote auctions:

The majority of respondents utilized Internet ad network solutions such as Google Adwords to promote their auctions in 2011, further evidence that more industry professionals are becoming Internet-savvy to heighten their visibility.



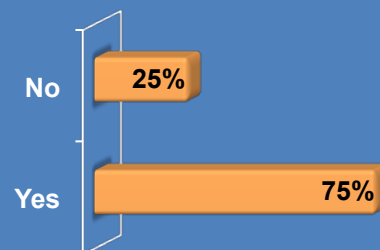
Percentage offering a MOBILE version of their WEBSITE:



The majority of respondents did not yet offer a mobile version of their company website in 2011. With the increased functionality and applications of mobile devices, we expect this number to increase in 2012.

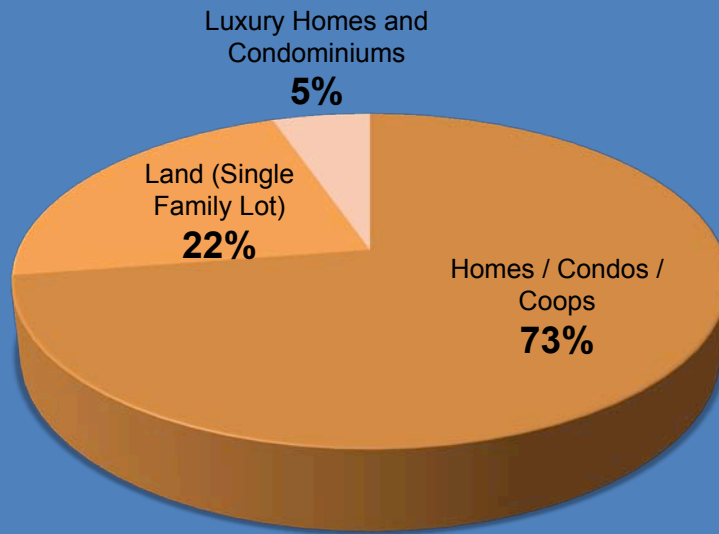
Percentage offering ONLINE BIDDING:

The majority (75%) of respondents report that they offered online bidding last year - more than 50% of those used 3rd party systems.



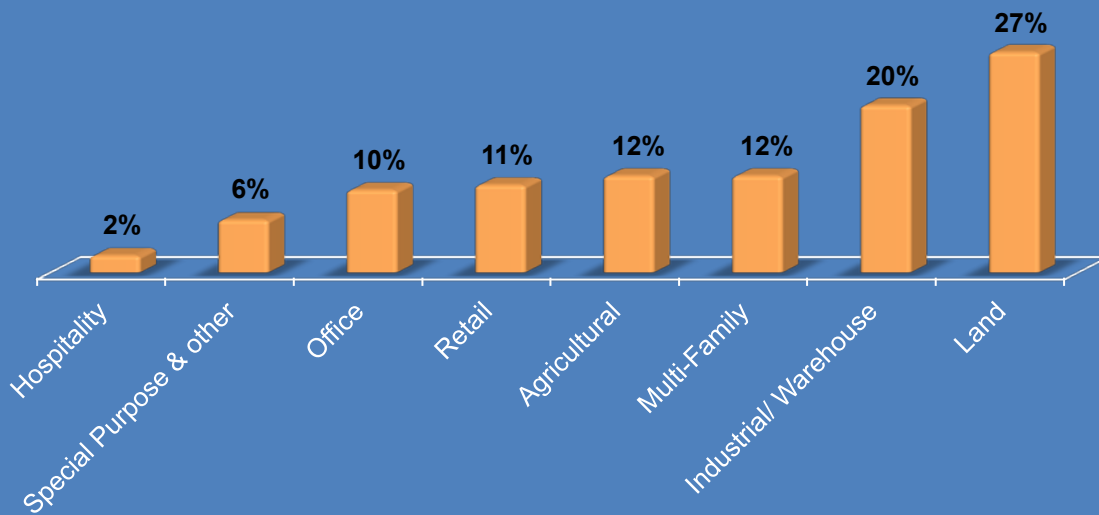
What will be the most FREQUENT RESIDENTIAL asset type brought to auction in 2012?

By a wide margin, results from our respondents show that they predict Homes, Condominiums and Coops to be the residential asset type most frequently brought to auction in 2012. This was followed by Land (Single Family Lot), with Luxury Homes and Condominiums coming in last.



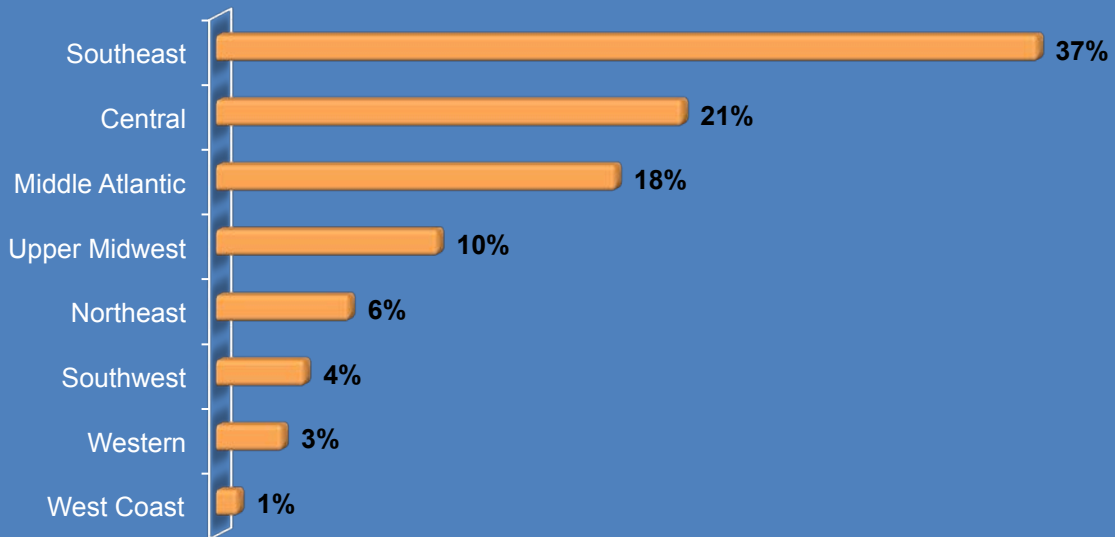
What will be the most FREQUENT COMMERCIAL asset type brought to auction in 2012?

Our respondents report that they predict Land will be the commercial asset type most frequently brought to auction in 2012, followed by Industrial/Warehouse properties. Hospitality Properties were predicted as the least frequent commercial asset type to be brought to auction this year.



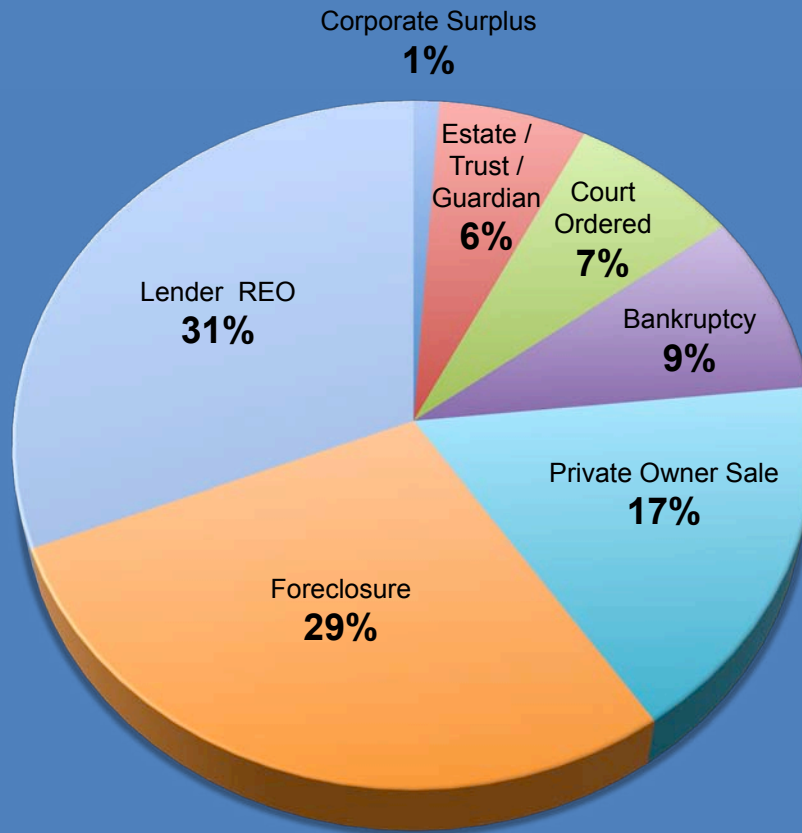
Which AREA of the COUNTRY will have the highest amount of auctions in 2012?

The Southeast is again predicted by respondents as having the highest amount of auctions this year, with the West Coast forecasted as having the lowest amount of auctions.



What PROPERTY TYPE will be the most FREQUENTLY auctioned in 2012?

Respondents predict that Lender REO will be the most frequently auctioned property type in 2012. Foreclosures were forecasted as the second most frequent, and Private Owner Sale came in third.



In Closing

PropertyAuction.com would like to thank all those who participated in our survey. We hope these findings convey beneficial information to our colleagues in the real estate auction industry. Our goal continues to be to provide our clients with the highest caliber of service in advertising and promotion to make 2012 an even more successful year.