

AUCTION GLOSSARY, A-Z

ADVERTISING: Non-personal, paid communication directed toward the general public or, in some cases, specific prospective client groups. Usually used in the auction world to provide information about the item, place, contents, and arrangements of an auction

AGENT: A person who attends an auction and bids for someone else who is actually the purchaser.

APPRAISAL: An estimate, for a fee, of what real or personal property might bring if sold at auction or, if used for insurance purposes, what it would cost to replace. Can either be a verbal opinion or written document, although only the latter is valid for legal purposes as probate.

AS IS: The “caveat emptor” (let the buyer beware) phrase of the auction business. Most items sold at auction are sold “as is” in that the buyer is responsible for examining and judging the property for his/her own protection and the auctioneer does not offer warranties.

AUCTION: The method of sale of personal or real property to the highest bidder.

AUCTIONEER: The agent of the seller who, for a fee, conducts the auction, recognizing the bidders and acknowledging the highest bidder who becomes the buyer

AUCTION BLOCK: The podium or raised platform where the auctioneer stands while conducting the auction.

BANK LETTER OF CREDIT: A letter from a banker certifying that the person named is worthy of a given level of credit. Often requested from prospective bidders or buyers who are not paying with currency at auction where they are unknown by the auctioneer or those managing the sale.

BID: A prospective buyer’s indication or offer of a price he/she will pay to purchase property at auction. Bids are usually in standardized increments established by the auctioneer, such as \$5, \$10, \$15, or with real estate \$5,000, \$10,000, \$25,000.

BIDDING LIMIT: The top price the bidder sets in his/her own mind that he/she will be willing to pay for a given property.

BIDDING NUMBER: The number issued to each person who registers at an auction. When that bidder buys an item, the auctioneer’s staff notes the bidding number, the item is purchased, and the price.

BIDDING PADDLE: A paddle-shaped device with a number printed on it that is the same number assigned to the potential bidder when he/she registered for the auction. The participant bids by raising his/her paddle.

BUYER’S PREMIUM (BUYER’S FEE): A percentage (usually 10%, but varying) added to the purchase price (“hammer price”). Paid by the buyer for services of the auctioneer to assist the seller by reducing costs.

BUY-BACK: An item that is withdrawn from the sale because it does not attract the reserve price established by the seller. See “reserve.”

CASHIER: The employee of the principal auctioneer or auction firm who, working from the auction clerk’s records, collects all the proceeds from the auction, disperses the receipts, and submits a complete report of the auction to the seller.

CHOICE: The privilege extended to the successful bidder to select, for the price he/she bid, one or more of the identical or similar items from the group of such items that has been presented at auction.

CLERK: The person employed by the principal auctioneer or auction firm to record what is sold, to whom, and the amount of the highest bid.

CLERKING SHEETS: 3-part NCR type sheets or computer generated single sheet listing the goods to be sold in numbered order 6-10 item (lots) per sheet

COMMISSION: The fee charged to the seller by the auctioneer for providing his/her services; usually a percentage of the gross selling price of the property and established by contract (the listing agreement) prior to the auction.

CONDITIONS OF SALE: The legal terms that govern the conduct of the sale, including acceptable methods of payment, terms, buyer's premiums, delivery, storage, reserves, etc. Usually included in published advertisements or announced by the auctioneer prior to the start of the auction.

CONSIGNMENT: Property turned over to an auctioneer by its owner or those representing the owner to be sold on a commission based and usually under specific conditions.

ESTATE SALE: The sale of property left by a person at his/her death. May be sold "on site," at an auction house or gallery, or at a location that allows proper display and bidder crowds.

FAST KNOCK: A technique used to stimulate excitement and/or reward cooperative bidders. The auctioneer asks for a low opening bid and suddenly "knocks it down" to the first bidder. Also, the "deaf ear."

GALLERY ("AUCTION ARENA" OR "AUCTION CENTER"): The permanent place of business where the agent, or auctioneer, displays and sells property that is usually on consignment. Although previously used only to describe display areas for works of art, now often used interchangeably with "auction house."

HAMMER PRICE: The price established by the last bidder and acknowledged by the auctioneer before he drops his hammer. The purchase price.

LAYOUT: The sequence in which property will be sold at auction, allowing for logical groupings of similar items and stimulations of bidder interests.

LOT: A property or group of properties that may be assigned a single number in a catalog and offered at one time at the sale.

ON-SITE: The auction of single or multiple properties are sold at the location of the property or by caravan that drives to a number of properties over a given time period.

PHANTOM BID: A non-existent bid "acknowledged" by the auctioneer to give an illusion that encourages other bidders to raise their own bids. An improper practice that is illegal in many jurisdictions.

PREVIEW AND INSPECTION: The showing of property prior to its presentation at auction; arranged by the auctioneer and/or owner to allow prospective bidders to inspect and evaluate property.

RESERVE: The minimum price that a seller is willing to accept for a property sold at auction. Sales "with reserve" are advertised or announced as such in advance of the auction or bidding.

PROFESSIONAL RINGMASTERS: Employees of the auctioneer who are usually positioned through the crowd of bidders on the 'auction floor" to help the auctioneer spot bidders and to help control and influence the crowd. Ringmen often wear special attire (caps, vest, etc.) so they can be identified easily.

ROOMS: When an auction is conducted at a point of assembly (single or multiple properties) at a hotel ballroom, grange hall, or any other indoor facility.

RUNNER: An auction company employee, who delivers lots (purchased merchandise) to successful bidders, runs errands and relays bids to the auctioneer.

RUNNING BIDS: The unethical practice of raising bids through the use of price enhancing tactics, such as phantom bids.

SILENT AUCTION: A procedure often used at charity or benefit auctions prospective bidders write in their bids on sheets bearing the numbers of the prospective items. Each bid must be higher than the one before it. Often used for lower quality merchandise.

SPOTTERS: Auction company employees or volunteers who assist the auctioneer by observing bids and relaying them to him/her.

TIE BIDS: When two buyers bid exactly the same amount at the same time. Resolved by the auctioneer who may try to get one bidder to move higher or re-auction the property.

WITHDRAWN: The removal of lots from an auction due to damage, specifications from the seller, failure to reach the reserve price, or insufficient bidding.