

Multi-Par Auction

What is it?

A Multi-Parcel Auction divides properties into multiple tracts, allowing a property to be sold in 3 ways: in its entirety, as individual tracts, or as any combination of tracts. This style provides maximum flexibility by giving buyers the option to only bid on the tracts of interest, while generating the greatest value and transparency for the seller.

How does it work?

In a Multi-Par Auction, Round 1 of the bidding begins by establishing a starting bid for each tract, done so in standard auction format. Once the high bids are established on all tracts, Round 1 ends.

In Round 2, buyers will have the opportunity to raise bids on any desired combination of tracts in the predetermined auction-increments (typically \$1,000). If a buyer wants to purchase all tracts, the buyer must have the high bid on each tract. A bid, on a combination of parcels, can be broken up as buyers raise the bid on individual parcels, resulting in a total bid that is greater than the original combination bid.

Overall, bids are placed with the auctioneer. As new raise-bids and tract-combinations are established, the Multi-Par Auction tally-board is updated to reflect: all combinations, the respective high bids, and the “back-in-bidder” amounts. The auction will continue until there are no more raise-bid requested.