RPM Tips & Tricks:
Multi-Par: Multiple Parcel Real Estate Auctions

Background

A special branch of auctioneering for the real estate crowd is known as Multiple Parcel, or 'Multi-Par' for short. With Multi-Par, several parcels (tracts) of land are individually sold. Then, eager buyers may bid on one or more of the parcels in any combination imaginable. In this way, the consignor and auctioneer receive the maximum amount of proceeds possible. The trick in Multi-Par is to calculate and display the bid amount required to 'steal' the bid for the affected lot(s), and to accurately keep track of the winning bidders and their associated parcels. A 'leader board' displays the parcels-for-sale, top bidder(s), and color-codes parcels that the leaders have successfully bid on.

AuctionRPM offers a full-featured Multi-Par bidding system, including all data entry functions, leader board, automatic calculation of minimum bid raises, both per-acre and total-price. Site survey maps may be scanned using a flatbed scanner or opened using picture files. After winning bids have been received, results are easily and quickly recorded into AuctionRPM (' RPM').

How does Multi-Par work, anyway?

First Pass:

Individual parcels are sold to create baseline prices. Let's assume that five parcels are offered. Here are the opening winning bids:

Tract	Total Bid	Per Acre	Acres	Bidder#	Winners
1	44,000	2,200	20	103	*
2	37,500	2,500	15	101	*
3	11,500	2,300	5	110	*
4	2,000	2,000	1	104	*
5	5,700	1,900	3	101	*

Second Pass:

The bidding floor is opened to 'Multi-Par' bidding. Bidder 104 wants tracts #3, #4, and #5. The minimum bid is calculated as follows:

Calculate total of bids for all three tracts (3,4,5):
$11,500.00 + $2,000.00 + $5,700.00 = $19,200.00
Calculate total number of acres for all three tracts (3,4,5):
5 + 1 + 3 =   9
Calculate Price Per Acre:
$19,200.00 / 9 = $2,133.33 per acre
Calculate Required Increase:
Multiply Price Per Acre by minimum bid increment (assume 5%):
$2,133.33 x 0.05 = $106.66
Add Price Per Acre to Required Increase:
$2,133.33 + $106.66 = $2239.99

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Therefore, minimum bid for tracts #3, #4, and #5 is $2,239.99.
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Clerk accepts a winning bid of $2300.00 per acre (Bidder 104) for the three tracts.

Bid History and Current Winners

Tract	Total Bid	Per Acre	Acres	Bidder#	Winners
1	44,000	2,200	20	103	*
2	37,500	2,500	15	101	*
3	11,500	2,300	5	110	
4	2,000	2,000	1	104	
5	5,700	1,900	3	101	
3,4,5	20,700	2,300	9	104	*

Third Pass:

Bidding Floor Action: Bidder 110 wants tract #3 back, and does not care for tracts 4 and 5. Here are the calculations:

Examine the current combo that has the tract that he wants (the 3,4,5 combo).

From the combo price, subtract the original tract #4 bid:
    $20,700.00 - $2,000.00 = $18,700.00
From this, subtract the original tract #5 bid:
    $18,700.00 - $5,700.00 = $13,000.00

Therefore, the total current Bid For tract #3 is $13,000.00.
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Calculate Price Per Acre for tract #3 alone:
    $13,000.00 / 5 acres = $2,600.00 per acre
Calculate Required Increase:
      Multiply Price Per Acre by minimum bid increment (assume 5%):
      $2,600.00 x 0.05 = $130.00
Add Price Per Acre to Required Increase:
    $2,600.00 + $130.00 = $2,730.00

Therefore, minimum bid for tract #3 is $2,730.00.
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Clerk accepts a winning bid of $2750.00 per acre (Bidder 110) for tract #3.

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Bid History and Current Winners

Tract	Total Bid	Per Acre	Acres	Bidder#	Winners
1	44,000	2,200	20	103	*
2	37,500	2,500	15	101	*
3	11,500	2,300	5	110	
4	2,000	2,000	1	104	*
5	5,700	1,900	3	101	*
3,4,5	20,700	2,300	9	104	
3	13,750	2,750	5	110	*

Fourth Pass:

Bidding Floor Action: Bidder 105 wants tracts #4 and #5. Here are the calculations:

Calculate total of bids for tracts 4 and 5:
$2,000.00 + $5,700.00 = $7,700.00
Calculate total number of acres for tracts 4 and 5:
    1 + 3 =   4
Calculate Price Per Acre:
    $7,700.00 / 4 = $1,925.00 per acre
Calculate Required Increase:
    Multiply Price Per Acre by minimum bid increment (assume 5%):
    $1,925.00 x 0.05 = $96.25
Add Price Per Acre to Required Increase:
    1,925.00 + $96.25 = $2,021.25

Therefore, minimum bid for tracts #4 and #5 is $2,021.25.
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Clerk decides to accept a winning bid of $2,100.00 per acre (Bidder 105) for tracts #4 and #5.

Bid History and Current Winners

Tract	Total Bid	Per Acre	Acres	Bidder#	Winners
1	44,000	2,200	20	103	*
2	37,500	2,500	15	101	*
3	11,500	2,300	5	110	
4	2,000	2,000	1	104	
5	5,700	1,900	3	101	
3,4,5	20,700	2,300	9	104	
3	13,750	2,750	5	110	*
4,5	8,400	2,100	4	105	*

Fifth Pass:

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Bidding Floor Action: Bidder 102 wants tracts #1 and #2. Here are the calculations:

Calculate total of bids for tracts 1 and 2:

$44,000.00 + $37,500.00 = $81,500.00

Calculate total number of acres for tracts 4 and 5:

20 + 15 =   35

Calculate Price Per Acre:

$81,500.00 /35 = $2,328.57 per acre

Calculate Required Increase:

Multiply Price Per Acre by minimum bid increment (assume 5%):

$2,328.57 * 0.05 = $116.42

Add Price Per Acre to Required Increase:

$2,328.57 + $116.42 = $2,444.99

Therefore, minimum bid for tracts #1 and #2 is $2,444.99.

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Clerk decides to accept a winning bid of $2,500.00 per acre (Bidder 102) for tracts #1 and #2.

Bid History and Current Winners

Tract	Total Bid	Per Acre	Acres	Bidder#	Winners
1	44,000	2,200	20	103	
2	37,500	2,500	15	101	
3	11,500	2,300	5	110	
4	2,000	2,000	1	104	
5	5,700	1,900	3	101	
3,4,5	20,700	2,300	9	104	
3	13,750	2,750	5	110	*
4,5	8,400	2,100	4	105	*
1,2	87,500	2,500	35	102	*

Sixth Pass:

Bidding Floor Action: Bidder 111 wants tracts #2, #4, and #5. Here are the calculations:

Calculate value of tract #2 (total combined bid minus highest bid for tract #1):

$87,500.00 - $44,000.00 = $43,500.00

Calculate current value of tracts #2, #4, and #5

(Add value of tract #2 to value of the winning #4/#5 combination):

$43,500.00 + $8,400 = $51,900

Calculate total number of acres for tracts #2, #4 and #5:

15 + 1 + 3 =   19

Calculate Price Per Acre:

$51,900.00/19 = $2,731.58 per acre

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Calculate Required Increase:

Multiply Price Per Acre by minimum bid increment (assume 5%):

$2,731.58 x 0.05 = $136.57

Add Price Per Acre to Required Increase:

$2,731.58 + $136.57 = $2868.16

Therefore, minimum bid for tracts #2, #4, and #5 is $2,868.16.

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Clerk decides to accept a winning bid of 2,900.00 (Bidder 111) for tracts #2, #4, and #5.

Bid History and Current Winners

Tract	Total Bid	Per Acre	Acres	Bidder#	Winners
1	44,000	2,200	20	103	*
2	37,500	2,500	15	101	
3	11,500	2,300	5	110	
4	2,000	2,000	1	104	
5	5,700	1,900	3	101	
3,4,5	20,700	2,300	9	104	
3	13,750	2,750	5	110	*
4,5	8,400	2,100	4	105	
1,2	87,500	2,500	35	102	
2,4,5	55,100	2,900	19	111	*

Seventh Pass:

Bidding Floor Action: Bidder 101 wants tracts #2. Here are the calculations:

Calculate value of tract #2 (2,4,5 combo minus 4,5 combo):

$55,100.00 – $8400.00 = $46,700.00

Calculate Price Per Acre:

$46,700.00 / 15 = $3113.33

Calculate Required Increase:

Multiply Price Per Acre by minimum bid increment (assume 5%):

$3113.33 x 0.05 = $155.66

Add Price Per Acre to Required Increase:

$3113.33 + $155.66 = $3268.99

Therefore, minimum bid for tract #2 is $3268.99.

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Clerk decides to accept 3300.00 (Bidder 101) for tract #2.

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Bid History and Current Winners

Tract	Total Bid	Per Acre	Acres	Bidder#	Winners
1	44,000	2,200	20	103	*
2	37,500	2,500	15	101	
3	11,500	2,300	5	110	
4	2,000	2,000	1	104	
5	5,700	1,900	3	101	
3,4,5	20,700	2,300	9	104	
3	13,750	2,750	5	110	*
4,5	8,400	2,100	4	105	*
1,2	87,500	2,500	35	102	
2,4,5	55,100	2,900	19	111	
2	49,500	3,300	15	101	*

Getting Started: Schedule an Auction, Schedule the Auction

Path: Auctions – Preparation tab – Schedule an Auction – Details tab

Multi-Par (abbreviated as 'MP' in this document) is a specialized form of auction. You must schedule MP auctions separately from 'conventional' auctions. You must not attempt to add MP lots to a 'conventional' auction, or vice versa. AuctionRPM will not allow commingling by providing a setting in 'Schedule an Auction'.

Auction Type
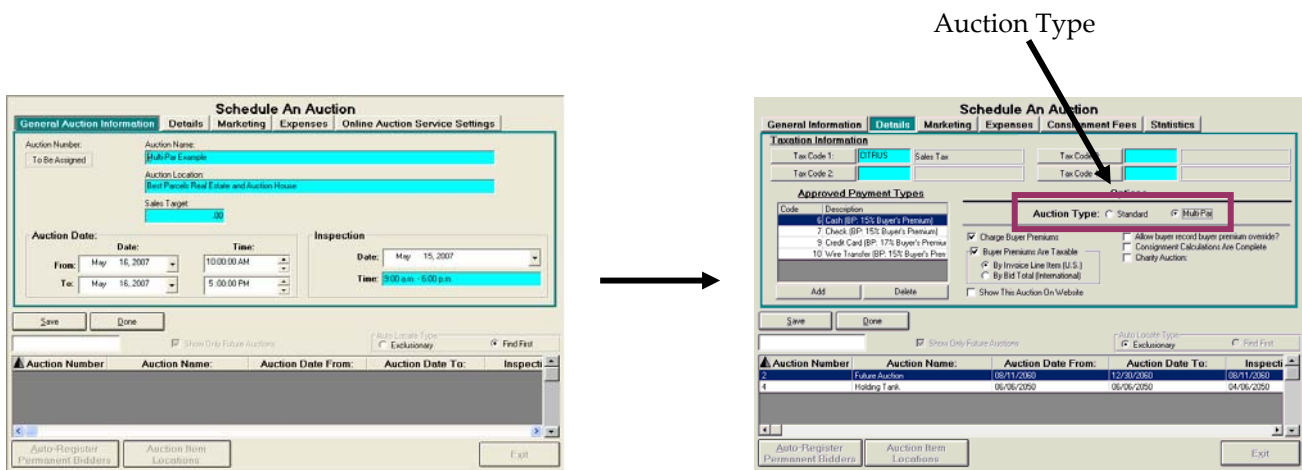
Getting Started: Schedule an Auction, Set Default Bid Incrementation

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Path: Tools – General tab – Settings & Defaults – Accounting

'Default Bid Incrementation' is a value that will 'flow' throughout AuctionRPM. It is a starting point for each new MultiPar auction. To set this value…
Determine and enter the minimum additional raise (bid Incrementation) that would be required for a new winning bidder. Bid Incrementation may be specified in a percentage or in $dollars.

In the following example, Bid Incrementation is set to 5% (click on the 'Bid Incrementation' button):

Set Bid Increment

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Getting Started: Loading the Site Survey (Tract Map)

Path: Multi-Par – Preparation tab - Multi-Par Lot Setup

Have the tract map available, either as a document (that may be scanned) or in file form (jpeg/tiff/bmp).

1) Select the auction (near upper left-hand corner of screen). Then, select one of the following:

- Obtain Site Map by scanning:
  - o Place Site Survey into the scanner.
  - o Click on 'Capture Site Survey'.
  - o Click on Scanner. Site survey will be scanned and saved into RPM and displayed on-screen.
- Obtain Site Survey from a previously saved file:
  - o Click on 'Capture Site Survey'.
  - o Click on 'File'.
  - o Select the correct file.
  - o Click 'Open'. Site survey will be saved into RPM and displayed on-screen.

Note: To more easily see various portions of the tract map, and to aid in map drawing, use the 'zoom' feature, located underneath the tract map display box.
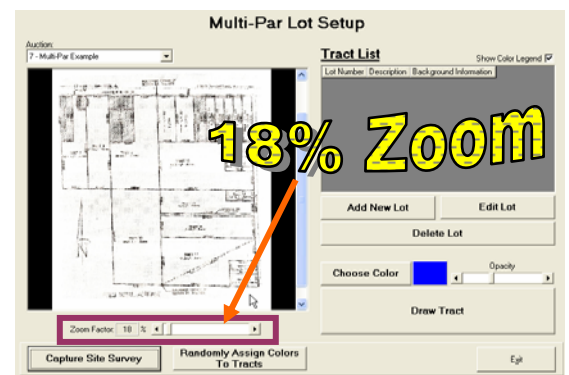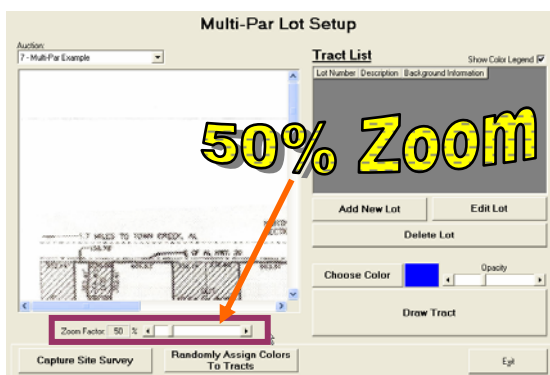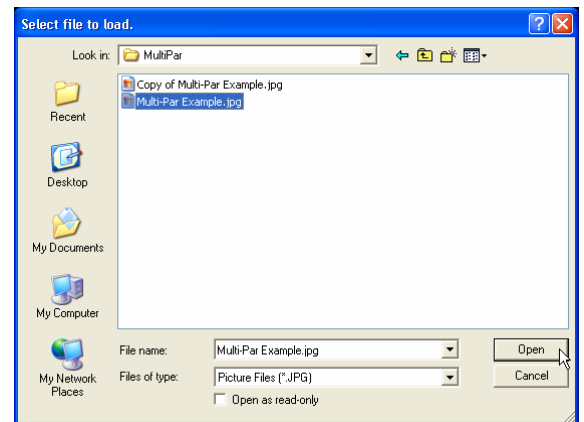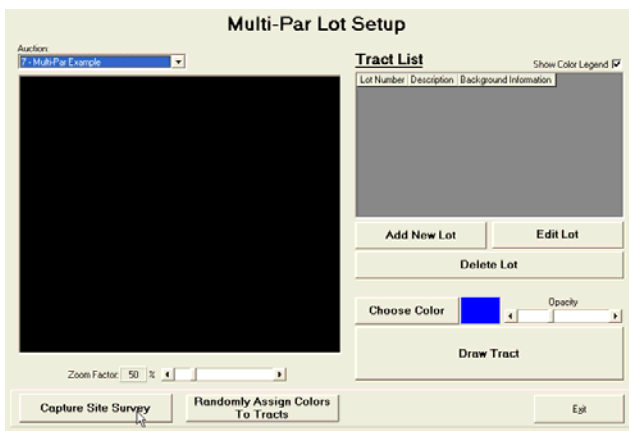
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Getting Started: Adding Auction Lots, Drawing Tract Maps

Path: Multi-Par – Preparation tab - Multi-Par Lot Setup

Note: Enter auction lots (real estate 'parcels' or 'tracts'), and draw the corresponding tract map, one at a time. Repeat until all tracts have been accounted for.

1. Click on 'Add New Lot'. RPM suggests a new lot number. If acceptable, click 'Proceed'. Otherwise, enter the appropriate lot number, then click 'Proceed'. Enter Lot information, but leave 'quantity' at '1'. 'Save' the record.

   Note: Do not use any other method to add lots to MP auctions.   Examples: Do not use 'Auctions – Preparation tab - Add/Edit Lots' or 'Auctions – Preparation tab – Inventory Master'.

2. Draw the tract map. Answer 'Yes' to the 'draw a tract' query. Zoom in or out so the tract is completely visible. Then, click around the tract edges until the tract has been completely drawn. There is no need to click on any particular side, just at the corner edges. See illustration, below. When finished, click 'Finish Tract Drawing'. If desired, click on 'Choose Color' and select a new color. Tract will fill in with the new color.

Multi-Par: Multiple Parcel Real Estate Auctions
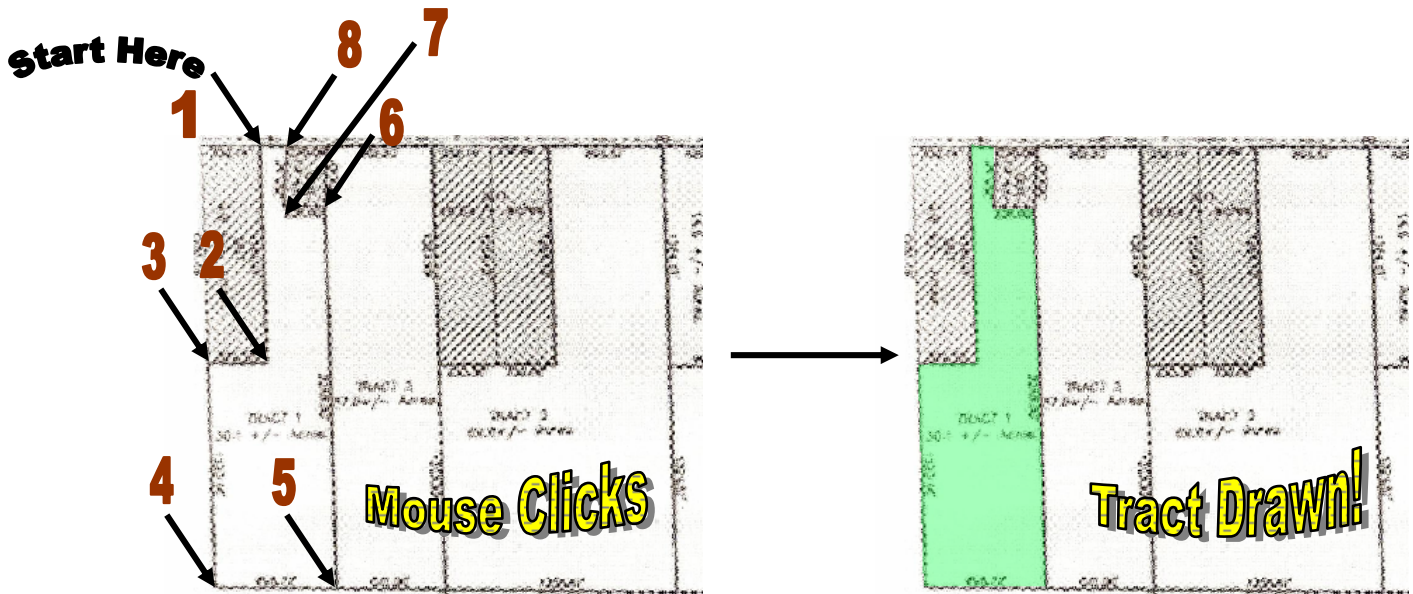
3. Add and draw the remaining tracts. To change tract colors, click-to-highlight the tract in the Lot List (right-hand pane). Click on 'Change Color' and choose the new color.

   FYI: If you wish to let the computer select Tract colors, click 'Randomly Assign Colors To Tracts'. Each click will assign different colors.

Note: To delete MP lots, use only 'Delete Lot' button in 'Multi-Par Lot Setup' screen.
   Do not use 'Auctions – Day Of Auction tab – Pre-Lotted Bid Entry' or 'Auctions – Day Of Auction tab – Non-Lotted Bid Entry'. If deleted using either of the latter two methods, the program may no longer function correctly.

At The Auction: Let's Sell

Path: Multi-Par – Day Of Auction tab – Multi-Par Bid Entry (and Multi-Par Audience Lot View)

Note: Please register at least three bidders for this auction. For purposes of this tutorial, three bidders from the RPM sample database are being used. These include 'Buyem At Hyam Purchasing Co.' (bidder #1), 'Buyer, Joe' (bidder #2), and 'Smith, Suzy' (bidder #3).

In the Bid Entry area (four turquoise boxes), enter the 'Lot Number', 'Bid by Quantity (price per acre)', 'Quantity' (number of acres in the tract of interest), and 'Bidder #'. Use either TAB or ENTER to navigate the entry fields. In our example, please enter the following:

- Lot List: '1'
- Bid by Quantity: '$1000.00'
- Quantity: '30' (acres)
- Bidder #: '1'

Additional entries:

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Lot#	Bid/Qty	Qty	Bidder#
2	1200	37	2
3	1250	59	3
4	1000	14	2
5	1000	14	2

Joe (bidder #2) wants the combination of tracts 1 and 2. The clerk enters '1,2' into the Lot List then <tabs> or <enters> out. RPM applies the bid Incrementation and displays the minimum bid ($1165.97/acre) for Joe to get the properties.

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Joe bids $1200.00/acre, and, for now, owns lots 1, 2, 4, and 5.   Shown below: Left: the clerking screen. Right: Multi-Par Audience Lot View screen (projects leading bid results to the audience).

Suzy has her eyes fixed on lot 1. The clerk finds that a minimum bid of $1260.00 is required for Suzy to steal lot #1 only. Suzy bids $1300.00. Tract #2 reverts back to bidder #2, and Suzy wins tract #1.
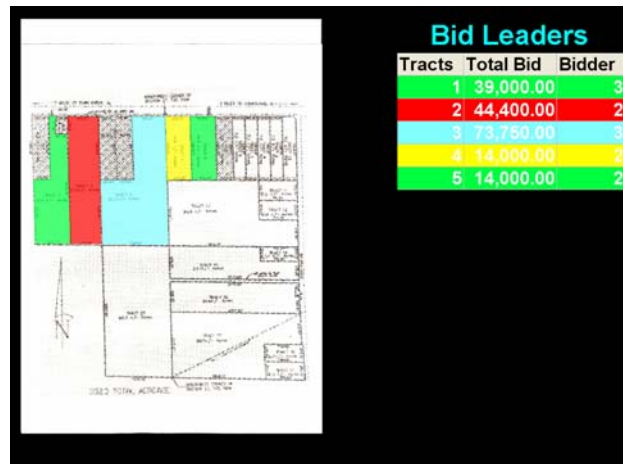
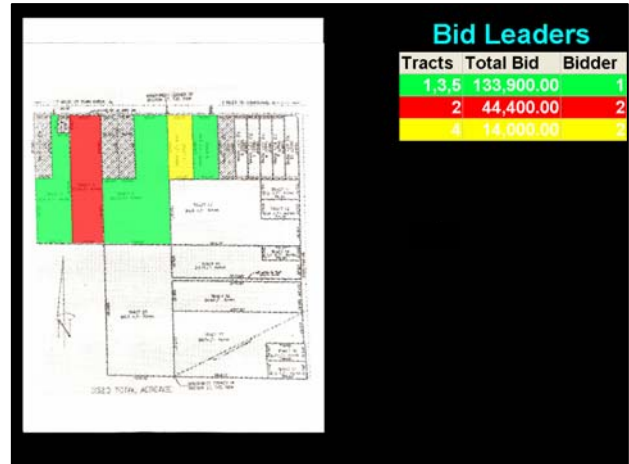# *Multi-Par: Multiple Parcel Real Estate Auctions*

Not to be outdone, Buyem at Hyam wants Lot#1, 3, and 5. RPM calculated that a bid of $1292.11 per acre was the minimum required bid. Buyem bid $1300.00 per acre.

Deleting Previous Bids

Since each succeeding bid is (potentially) based on a chain of previous bids, the ability to delete any but the most current bid would be inappropriate. Therefore, 'Delete Bid History Record' will delete only the last recorded bid. If more previous bids are erroneous, delete one bid at a time, until the offending bid has been removed. Then, as necessary, add back any succeeding bids.

Closing the Auction

Since Multi-Par style auctions are so dynamic in nature (and to quote from the famous New York Yankee, Yogi Berra), "It ain't over 'til it's over. And when it's over, IT'S OVER!"

Therefore, winning bids are only posted after the 'Close This Auction And Post Bids' button is clicked. Until then, it's anyone's ballgame!

Bidder Checkout

After the bidding has been completed, winning bidders check out as they would any other RPM auction. There are no differences due to type of auction.

Multi-Par Bid Calculator: Help for Potential Bidders

How much is that parcel in the window? I do hope that parcels for sale! (or, was that 'doggie'?). Anyway, clicking on any parcel number, or combination of parcel numbers, in the upper pane will display how

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much the minimum bid would be for the entered parcel(s). This takes the guesswork out of Multi-Par bidding.

Note: When using this screen, the appropriate 'Bid Incrementation Code' must first be entered.

Multi-Par Bid Calculator

Multi-Par Example

Click on a tract in the list below to see the minimum opening bid for that tract.
Click on more than one to see minimum bid for that combination.
Click on 'Clear Selections' to start over.

Tract #	Description	Quantity
1	30 Acres – Williamsburg Tract # 30211775	30
2	37 Acres – Williamsburg Tract # 30244324	37
3	59 Acres – Williamsburg Tract # 33221987	59
4	14 Acres – Williamsburg Tract # 33344096	14
5	14 Acres – Williamsburg Tract # 44385766	14

Clear Selections

Lot List
2,3,4,5

Minimum Per Acre:	1,298.11
Minimum Total Bid:	160,965.64

Exit

Printing the Bid History Report

Path: Multi-Par – After Auction – Print Bid History Report, or
Multi-Par – Day Of Auction tab – Multi-Par Bid Entry - Bid History Report

For a printed 'transcript' of bid history, click the 'Bid History Report' button from either location.

AuctionRPM - Report Generation

Multi-Par Bid History

Auction Number: Multi-Par Example - Best Parcels Real Estate and
Auction House

Lot List	Total Winning Bid	Bid Amount	Quantity	Bidder Number	Status
1	30,000.00	1,000.00	30	1	
2	44,400.00	1,200.00	37	2	Winning Bid
3	73,750.00	1,250.00	59	3	
4	14,000.00	1,000.00	14	2	Winning Bid
5	14,000.00	1,000.00	14	2	
1,2	80,400.00	1,200.00	67	2	
1	39,000.00	1,300.00	30	3	
1,3,5	133,900.00	1,300.00	103	1	Winning Bid

Grand Total Of Winning Bids
192,300.00

Save Report   Load Report   Zoom   Zoom Factor: 95   Page   Current Page: 1   of 1   Print   Exit