



PARAMOUNT^{REALTY} USA
LUXURY & COMMERCIAL AUCTIONS

View from 785 Fifth Ave, #15A, New York
Auction November 2021

MISSION STATEMENT

We **help sellers** reach the widest audience possible, create urgency, and maximize value quickly via our auction strategies and **collaborate with listing agents** to empower them to sell more and sell faster.



Mansion in Main Line, PA
Sold for \$9,750,000 — Highest sale price in 10+ years in Lower Merion Township

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Sold: Timeshares at The St Regis, New York, NY



Waterfront Castle in New York
Last Ask \$14,750,000



Penthouse with Private Pool at Acqualina in Sunny Isles (Miami-Dade County), FL
Last Ask \$12,900,000
Listing Broker Compass

SELECT LUXURY TRANSACTIONS

Here are some examples of our success with listing agents and sellers for properties located throughout the U.S.

Sold: [Townhouse](#) with **Compass** last ask \$7.5 Million (East 10th St, NY)
2,000 unique visitors to website, 66 direct inquiries, 17 tours, 12 bids

Sold: [Mansion](#) last ask \$11.9 Million (Main Line, PA)
Highest sale price in 10+ years in Lower Merion Township

Sold: [New development condominium](#) for \$2 million with **Ryan Serhant** (East Village, NY)
First ever online auction by a condo developer in Manhattan

Sold: [Luxury coop](#) for \$6.3 Million for **Brown Harris Stevens** (785 Fifth Ave, NY)
Sold 60% above reserve and 30% above average \$/sf in building

Sold: [Estate home](#) for \$1.8 Million with **Douglas Elliman** (Lloyd Harbor, Long Island)
Sold by auction in 30 days for 98% of last ask

Sold: [Penthouse](#) for \$600,000 with **Brown Harris Stevens** (Midtown, NY)
Sold above reserve

Sold: [Ranch](#) with \$45 Million replacement cost (Taos, NM)
Highest sale price of the year in the state

Sold: [Country home](#) for \$2 Million (Greenwich, CT)
On market for 3 years, sold by auction in 30 days

Sold: [New penthouse](#) for \$5.1 Million with **FIP Realty** (Aventura/Miami-Dade County, FL)
Sold above reserve

Click [here](#) for a 1-minute video showcasing our luxury portfolio.



Penthouses at One Hanson Place in Brooklyn, NY
Sold for \$11,500,000

SELECT COMMERCIAL TRANSACTIONS

Sold: [Multifamily](#) for \$7,000,000 with Compass (East Village, NY)

Sold: [Industrial Building](#) for \$3,500,000 with Fine & Company (Chicago, IL)

Sold: [Bulk Condo Package](#) for \$11,900,000 (Queens, NY)

Sold: [Multifamily Building](#) for \$6,000,000 (Brooklyn, NY)

Sold: [Commercial Office Building](#) for \$2,840,000 (Brooklyn, NY)

Sold: [Mixed-Use Building](#) for \$3,000,000 (New York, NY)

Sold: [Development Site](#) for \$10,500,000 (Staten Island, NY)

Sold: [42 Unit Development Site](#) for \$3,000,000 (Westchester, NY)

Sold: [Multi-Purpose Ranch](#) for \$6,000,000 (Taos, NM)

Sold: [Retail Development Site](#) for \$750,000 (Long Island, NY)

Sold: [Mixed-Use Development Site](#) for \$5,000,000 (Brooklyn, NY)

Sold: [Fully-Approved Development Site](#) for \$675,000 (Long Island, NY)

Sold: [Mixed-Use Building](#) for \$7,000,000 (New York, NY)



Industrial Warehouse in Chicago, IL
Sold for \$3,500,000
Listing Broker Fine & Company

WHAT IS AN AUCTION?

An auction is an effective process used to sell, for fair market value, assets such as stocks, automobiles, collectibles, and more. The highest bidder in a competitive bidding process purchases the auctioned property at the high bid price.

For centuries, the great auction houses have employed auctions to sell art, antiques, jewelry, rarities and luxury goods.

Since 2009, Paramount Realty USA has done the same for luxury, special, and commercial property.

Our team has over \$2 billion in real estate auction experience and our firm has collaborated with sellers and listing agents to auction approx. 800 properties by private auction throughout the U.S.

Our firm has achieved numerous record-breaking prices and milestones for the sale of real estate in multiple markets.



Country Home in Greenwich, CT
Sold for \$2,000,000 — On market for 3 years, sold by auction in 30 days



PARAMOUNT REALTY USA

SALES DATA & REACH*

Experience/Sales

\$2 Billion	Experience of our team with auctions for real estate/mezzanine interests
2,000+	Number of properties auctioned by team
777	Number of properties auctioned by Paramount since 2009
637	Number of properties sold by Paramount since 2009
82%	Percentage sold
50	Average days of marketing per auction
Types	Luxury/non-luxury residential, commercial, development sites and more

Distribution

75,000+	Number of subscribers receiving our weekly auction newsletter
32.2%	Newsletter open rate (63% above 19.7% industry average)
2.5%	Newsletter click rate (47% above 1.7% industry average)

Website (prusa.com)

222,000	Average annual website views
3+ minutes	Average time on page (200% above industry average of approx. 1 minute)
All 50	Number of US states that have visited website
61	Number of countries of website visitors (73% from U.S.)
50	Number of languages of website visitors (77% English)

*As of July 2023

THE PARAMOUNT ADVANTAGE

- 1 Prominent national firm with significant auction experience.
- 2 Formats include Sealed Bid, Online and In Person auctions.
- 3 One of few firms in the US that provides both luxury and commercial auction expertise.
- 4 Specialize in Sealed Bid auction strategy, which is a superior approach for luxury and commercial property.

WE MAXIMIZE VALUE FOR SELLERS BY:

- 1 Using every resource and marketing channel to reach the widest audience.
- 2 Leveraging the compelling “auction” message to create urgency on behalf of buyers.
- 3 Creating competitive bidding environments to generate the highest price.



New Development Condos in Tribeca, New York, NY
Sold for \$10,000,000
On market for 2.5 years, sold by auction after 38 days

BENEFITS FOR SELLERS



Townhouse in East Village, New York, NY
Sold for \$7,000,000
Listing Broker Compass

Why sell by auction?
What values do we add for sellers?

1. More Exposure

Our marketing strategies are more effective and reach a wider audience than any other approach.

2. More Compelling

An “auction” is a captivating message that gets more attention than traditional listings.

3. More Traffic

Since auctions are compelling, our process generates more traffic, both online and physically through the property.

4. More Control

The seller sets timeline and terms of sale.

5. More Offers

More traffic translates into more offers.

6. More Clarity / Maximize Market Value

Our process generates more bids, feedback and market information to sellers, which helps them better understand value.

**When you deliver all of the above, you have maximized value.
That's what we do.**

WE LEVERAGE AUCTIONS TO HELP LISTING AGENTS:

1

Sell More
Listings

2

Sell More
Quickly

3

Keep Full
Commissions



Penthouse in Aventura, FL
Sold for \$5,100,000
Listing Broker FIP Realty

BENEFITS FOR LISTING AGENTS

Why should listing agents offer auctions to their seller-clients? What values do we add?

1. Some sellers simply **prefer** auction, so agents should offer the option.
2. Those sellers are **more likely to sell** by auction.
3. Those sellers **sell faster** by auction.
4. Listing agents **save real time** by showing less and negotiating less.
5. Listing agents are **3 times more likely to earn full commissions** because over 75% of our transactions are direct!
6. Listing agents can leverage auctions to **win exclusives or extend term of exclusives**.
7. Listing agents generate **more leads** by auction.
8. Perhaps most importantly, our process, particularly when implemented together with a good listing broker, **proves to a seller that we have maximized value**—and that's precisely how to increase likelihood of sale.



Senderos Canyon, Bel Air, Los Angeles, CA.
Minimum Bid \$39,000,000 – Largest undeveloped site in Bel Air
Listing Broker Compass

BENEFITS FOR BUYERS

Why buy at auction?
What are the benefits?



Coop in New York, NY
Sold for \$1,675,000
Listing Broker Douglas Elliman

1. Buyers know the seller is serious and committed to selling at certain price and terms.
2. Buyers typically know seller's reserve price, so they know they are not wasting their time.
3. Buyers can often bid on their own terms.
4. When seeing other's bids, buyers take comfort knowing that they are not overpaying.
5. Auctions streamline the buying process and eliminate lengthy negotiations.
6. Auctions reduce time to purchase property.
7. Unlike other firms, we do not allow sellers to participate (i.e., "bid up" the price).
8. Buyers may access comprehensive due diligence information for each property.

COLLABORATIONS

Proud to have worked with top agents at some of the best firms in the U.S.

COMPASS

Brown
Harris
Stevens

 Douglas Elliman



corcoran

Nest Seekers
INTERNATIONAL

BERKSHIRE
HATHAWAY

AND MORE!



Luxury Home in Hewlett, NY
Sold for \$5,850,000
Listing Broker Douglas Elliman

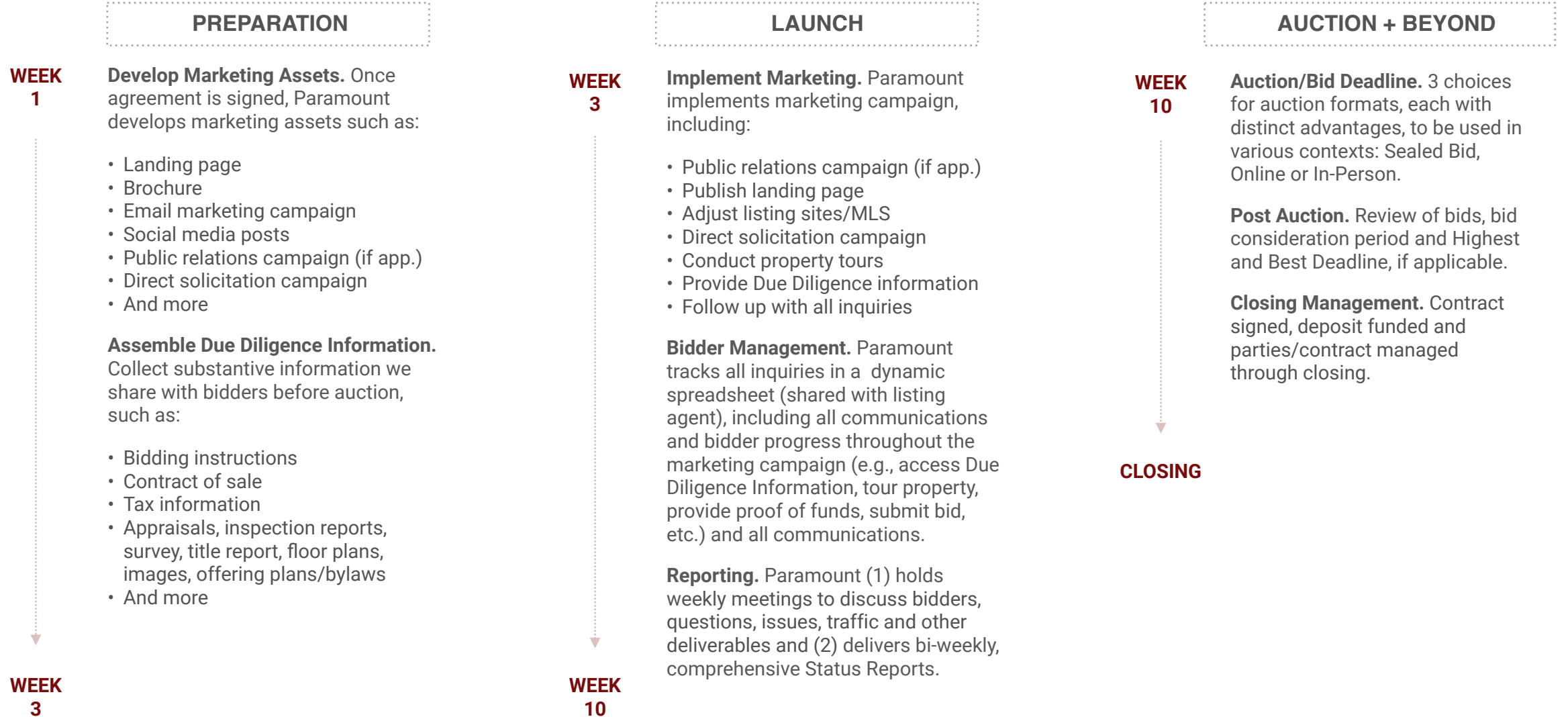
MECHANICS

How do we work with Listing Agents and Sellers?

- 1. Listing agents keep their listing agreement and fee structure in place exactly as-is.** Not only is there **no cost** to listing agents, but listing agents are much more likely to keep the full commission because 75% of our past approx. 800 transactions involved no outside broker. If your firm has an Enterprise relationship with Paramount, you could actually earn referral fees from Paramount – please ask your manager.
- 2. Sellers sign a separate agreement with our firm.** This effectively treats us as a co-exclusive agent, authorizes us to promote the marketing and sale of property by auction, and charge an additional fee, known as a “buyer’s premium.”
- 3. We collaborate with listing agents** to implement an auction campaign to (a) reach a wider audience, (b) create urgency and (c) maximize value quickly.

Here’s how it works...

PROCESS & TIMELINE



APPROACH

What do we do?

1. **We reach a wider audience** because (a) in an auction, the higher “list” price is adjusted to a lower “minimum bid” or “starting bid” price, triggering more activity from listing sites and other marketing, (b) we send all upcoming auctions to our significant and proprietary database of approx. 75,000 buyers and agents, (c) we engage in aggressive direct solicitation, and (d) we often generate publicity about our auctions. It’s typically a 45-60 day process.

2. **We create urgency** because our messaging is more compelling: the word “auction” is captivating and the date associated with the auction creates a deadline. The combination triggers much higher engagement than traditional listings.

3. **We maximize value** by leveraging these strategies to create competitive bidding environments in online, sealed bid and in-person auctions.



Luxury Ranch in Taos, NM

Sold for \$6,000,000 – Highest residential sale price of the year in the state

APPROACH: OUTREACH

How do we reach buyers? We leave no stone unturned.

Our goal is to reach buyers through as many marketing channels as possible; here are some of our principal strategies:

1. Digital Listings: We post our properties on our website, prusa.com (which receives approx. 222,000 annual visitors) and typical listing sites (e.g., StreetEasy and Zillow). While this is the main tool used in traditional brokerage, it is only one of many of our tools.

2. Our Subscribers: We feature the property in our weekly e-newsletters sent to our proprietary database of high-net-worth individuals, private equity professionals, developers, investors, agents, attorneys and others (current size of database is approx. 75,000).

3. Public Relations: We leverage the unique nature of our “auction” process to generate [publicity](#), which reaches many more potential bidders than traditional strategies do. Past publicity includes major media such as The Wall Street Journal, The New York Times, Bloomberg, Crain’s, Robb Report, People Magazine, CNBC, Architectural Digest, NY Post, Fox News, CNN, The Real Deal and more.

4. Direct Solicitation: We aggressively solicit engagement and bids, particularly from the brokerage community.

5. Social Media: We promote the property and auction to our social media audience.

6. Listing Agent Partner: We partner with listing agents to provide sellers with the best of both worlds: traditional and auction approaches.

We leave no stone unturned – by the time we complete our process, sellers are confident that we have exhausted every avenue to maximize value.



New Development Condominium in New York, NY
Sold for \$2,000,000
1st online auction by condo developer in Manhattan
Listing Broker Ryan Serhant

APPROACH: LEVERAGING PUBLICITY

MANSION GLOBAL
ONLY THE EXCEPTIONAL

Derek Jeter's New York
Castle Is Headed For The
Auction Block

THE
WALL STREET
JOURNAL.

Designer Oleg Cassini's
Townhouse to Ask Roughly
\$50 Million

AD
ARCHITECTURAL DIGEST

Andy Warhol's Former New
York City Building Is Going to
Auction

NEW YORK
POST

High-Fashion Publicist To
Auction Townhouse By St.
Patrick's Cathedral Designer

The New York Times

Trump's Childhood Home
Goes Back on the Auction
Block

Robb Report
MAGAZINE FOR THE LUXURY LIFESTYLE

This LA Penthouse Starred in
'Westworld' and 'Homeland.'
Now It's up for Auction.

NEW YORK
POST

Paramount & Ryan Serhant
to Host First Ever Online
Auction of Condo by NYC
Developer

THE
WALL STREET
JOURNAL.

A Hedge-Fund Manager is
Auctioning His \$35 Million
Philadelphia Dream Home

APPROACH: EDUCATE

“An educated consumer is our best customer”¹
because uncertainty only generates discounts.
So how do we educate buyers?

Tours/Access: Properties are made available for physical inspection on multiple occasions in advance of the auction, so buyers have ample opportunity to visit the property along with third-party experts.

Due Diligence: We make substantive due diligence information available for review virtually by bidders in advance of auction, so buyers are informed before submitting bids.

Proactive Follow Up: Our team is proactive and follows up with every single inquiry to address open questions, whether pertaining to the property or auction, and solicit participation/bids.

Since uncertainty and unanswered questions generate discounts, we address all questions and provide all relevant diligence to buyers as early as possible.

¹ Sy Syms



Waterfront Contemporary in Merrick, New York
Sold for \$2,200,000 – Highest sale price in the town in 3+ years
Listing Broker EXIT Realty



Townhouse in East Village, New York, NY.
Last asking \$5,800,000, sold by auction in 17 days for \$6,634,000
(15% above the last ask)

AUCTION FORMATS

How do we sell? What kinds of auctions do we offer?

Our process culminates in a competitive bidding environment where market value is generated in 1 of 3 auction formats:

Online and In-Person Auctions

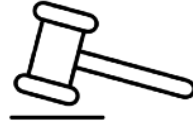
These two competitive, open formats are most effective when there is known or quantifiable demand for the subject property and when market value is more readily discoverable. *For example, a typical 2-bedroom condominium in Manhattan worth \$1-2 million.*

Sealed Bid Auctions

This format allows for bidders to submit written offers by a stated deadline and is most appropriate for unique, difficult-to-value, and special properties, where value is truly subjective (i.e., “beauty is in the eyes of the beholder”). *For example, a \$10 million home in a \$2 million neighborhood.*

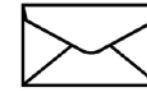
See next slides for more on each format.

AUCTION FORMATS



ONLINE AND IN-PERSON AUCTIONS

- We implement 2 types of online auctions: Live auctions (where bidding take place in real-time over a few minutes) or Timed auctions (where bidding takes place over a set period of time, such as 48 hours)
- Bidders see and know what other bidders are bidding
- Bidders must bid on terms set forth in advance by seller
- These formats help maximize value by forcing bidders to bid their maximum in a transparent environment



SEALED BID AUCTIONS

- Bidders must submit their bids digitally or in writing, “in the blind,” by the bid deadline
- Bidders do not see or know what others are bidding
- Bidders can bid different prices and different terms
- This is best way to maximize value when value is subjective
- This can be successful even if there’s only one bidder



French Style Manor in Lloyd Harbor, NY
Last asking \$1,290,000 for 9 months, sold by auction in 30 days for
\$1,260,000 (98% of last ask)
Listing Broker Douglas Elliman

TIMING

When is optimal for an auction strategy?

Anytime: Since some sellers prefer auction, listing agents can suggest auction anytime.

Near expiration of exclusive: Agents should **always** offer auction near expiration of term (e.g., 30-60 days before expiration) because that's when sellers consider their options, including hiring another broker.

"Stale listing" or dissatisfied seller: If property has been on market too long, or if seller expresses dissatisfaction with traffic, quantity/quality of buyers or offers, or anything about existing approach, agent should suggest an auction approach.

Sellers should be advised that there's no sense just switching agents, which will inevitably generate the same outcome. **Change your strategy, not your agent.**

Note that proceeding with auction will also often **earn listing agent a 3-to-6-month extension** to match the term of auction agreement.

ECONOMICS

How does pricing work in an auction and what is our fee?

Traditional listings typically provide for higher listing prices and buyers usually offer less. If a listing does not sell, the list price is typically reduced until it approaches a “market” price.

Auctions, however, provide for lower “starting” or “minimum” bids, which trigger greater activity — just like any traditional price reduction often accomplishes. But the fact that the new price in an auction context is a **floor** means pricing goes **up** from there. It’s a compelling strategy to sell real estate (and most other assets). **Don’t reduce the ask, set a minimum bid!**

Fee: In auctions, buyers pay a “buyer premium” in addition to their bid price to arrive at the total purchase price. Paramount also collects a listing fee to implement the process. Other agent fees remain the same (the listing agent is paid pursuant to its listing agreement and splits its fee with a buyer-broker, if applicable).



Multifamily Building in Brooklyn, NY
Sold for \$6,000,000

COMPARISON

	Traditional Strategy	Auction Strategy
Likelihood of Sale	Average	Higher
Time to Sell	Unknown	Less! Usually 45-60 days
Direct vs Co-Broke	Only 25% Probability of Keeping Full Commission	75% Probability of Keeping Full Commission (3 Times Average)
Number of Showings	Unlimited/unknown	Limited (Usually 3-5)
Showing Schedule	Unknown	Scheduled in Advance
Marketing Approach	Reactive	Proactive
Impact of Marketing	Average	Compelling
Level of Efficiency	Average	Higher
Terms	Negotiable	Less Negotiation; Set by Seller
Level of Urgency	Average	High

CASE STUDY: LUXURY ONLINE AUCTION

785 Fifth Ave New York, NY
Sold for \$6,300,000

We held a luxury auction for a client referred by Brown Harris Stevens for a residence at the highly prestigious 785 Fifth Avenue.

Online bidding soared past the \$3.9 million reserve price and **closed 60% higher** at \$6.3 million. At close to \$3,000 per square foot (for a coop), our auction price reflected a **30% premium** to the ~\$2,200 average sales price per square foot achieved at 785 Fifth Avenue by some of Manhattan's most successful agents.

Click [here](#) to see actual footage of our auction and [here](#) for property information.



CASE STUDY: COMMERCIAL AUCTION



**Governor's Office of
Storm Recovery**



Paramount Realty USA served as sole and exclusive auctioneer for the New York State Governor's Office of Storm Recovery and **closed approximately 550 land and redevelopment properties** throughout New York City, Long Island and Upstate New York from 2015 to 2019, **generating approximately \$100 million in revenue.**

This is the largest government contract of its kind in the U.S.

Click [here](#) for a brief video of one of these auctions

ABOUT PARAMOUNT REALTY USA

Paramount Realty USA is a prominent national real estate auction firm. The team has marketed, sold or advised on over \$2 billion of real estate and mezzanine interests throughout North America by auction. The firm has auctioned luxury, residential and commercial property for high net worth individuals, private equity firms, developers, family offices, lenders, government agencies, and other owners of real estate. Visit www.prusa.com for more information.

- Our firm has achieved numerous record-breaking prices by auction.
- Team has experience with over \$2 billion in real estate and mezzanine auctions.
- Implemented most expensive condominium auction ever by a developer in US.
- Implemented first ever virtual condominium auction by a developer in Manhattan.
- Winner of largest government contract of its kind throughout US, closing 550 residential properties for approximately \$100 million by auction.
- Represent high net worth individuals, homeowners, private equity funds, developers, family offices, government agencies and others.
- Proudly work with listing agents at Compass, Douglas Elliman, Brown Harris Stevens, NestSeekers, Corcoran, Berkshire Hathaway, Daniel Gale Sotheby's International Realty and more.



Childhood Home of President Trump in Queens, NY
Sold for \$2,140,000 – 215% of fair market value for a typical single family home



PARAMOUNT REALTY USA

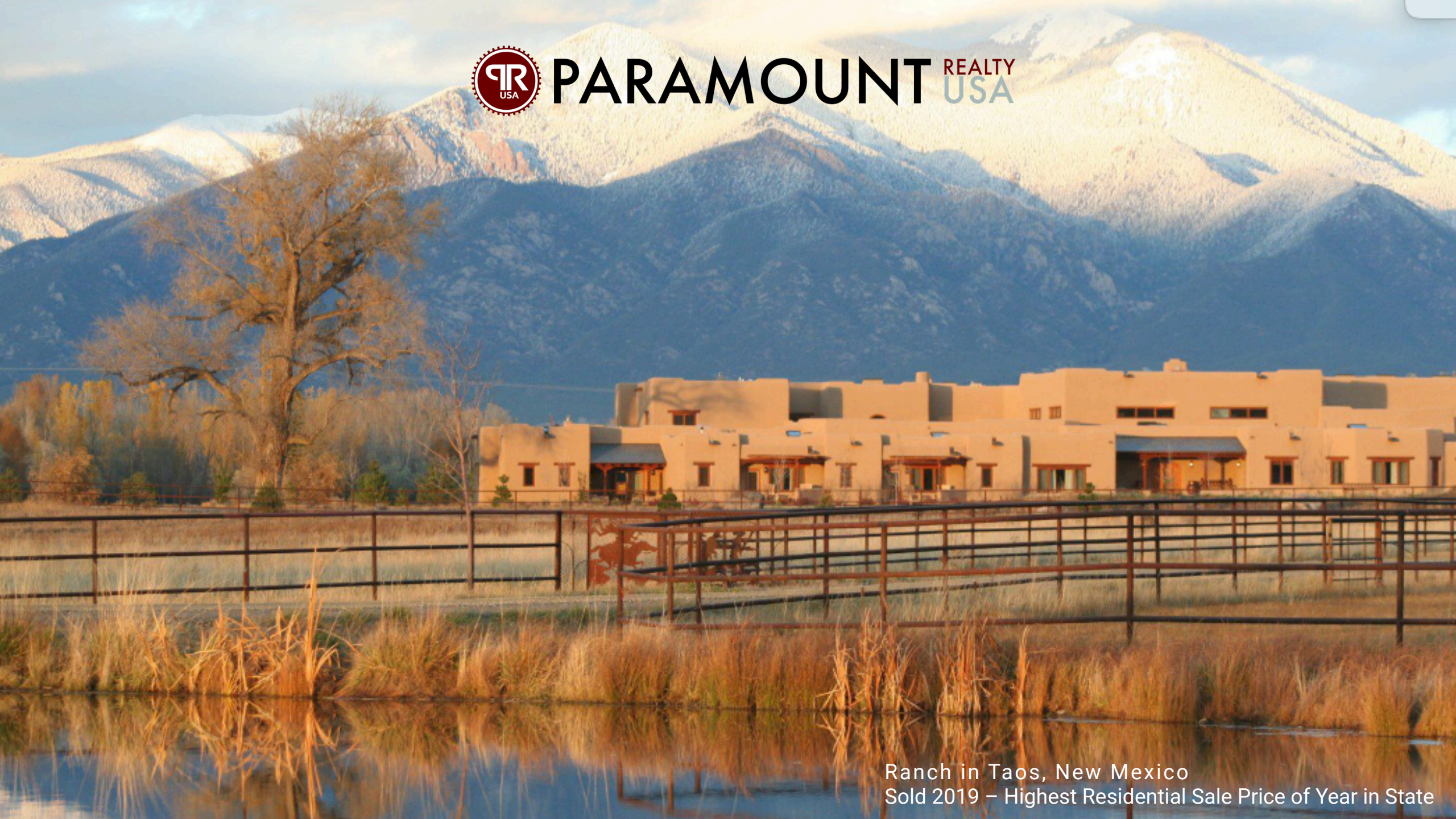
Luxury & Commercial Auctions

Submit Your Listing For Review

info@prusa.com | 212-867-3333



PARAMOUNT REALTY USA



Ranch in Taos, New Mexico
Sold 2019 – Highest Residential Sale Price of Year in State