



How to maximize value through "ballroom" multiple-property auctions

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Are you one of the many sellers seeking a way to differentiate your real property asset in today's flooded market? Tired of hearing "low-ball" offers from unqualified buyers? While history repeats itself yet again with price adjustments nationwide, savvy sellers and buyers can come to a meeting of the minds quickly utilizing a competitively achieved fair market value by employing the benefits afforded them in a multiple-property real estate auction.

"But my property is not in foreclosure!" is a common refrain. (Unfortunately, this is becoming less common today). And neither are the countless prized assets being sold at auction every day - thoroughbred racehorses, antiques, classic cars, multi-million dollar examples of art and, the largest auctions of them all, the worldwide stock markets.

The finest things in the world sell at auction, so why not a desirable home or income property?

A recent Morepace International study has concluded that the real estate auction industry has grown into an annual \$60 billion industry with no signs of letting up and all indicators forecasting sustained growth.

The auction process itself is being redefined. Now, the efficiencies of scale provided by the adaptive use of technology and cross-services packaging of the key players in a real estate sales transaction into one highly coordinated event means that sellers gain broader exposure of their assets in the marketplace. Buyers are better able to participate due to pre-qualification steps leading to the financing of their purchases. (The old model required a "cash" buyer and the transactions contained no provisions for traditional financing options).

Today, the auction transaction does not have to be totally as is, where is. Sellers are adding home warranties (free to sellers) and title work is done prior to the auction to assure the qualified buyers of a smooth transaction.

Multiple-property auctions benefit the seller. Experienced auction teams bear witness time again to the fact that buyers at multi-property auctions often have several purchase options in mind when attending an event. While they may not be successful on their "first choice" property, they often bid on several secondary choices and occasionally succeed in making a purchase, or several alternative purchases. It is important to note that their bidding participation, even during non-successful purchase attempts, helps to determine the market value of those assets being sold. Bidding represents each person's opinion of value and is expressed many times throughout the bidding sequence.

Benefits Include:

* The per-property entry fees used to offset marketing costs in the multi-property auction are typically well below those encountered by a seller conducting a solo-property auction. While both methodologies are effective and successful in facilitating sales, the marketing reach created under

the multi-property format, extends way beyond the cost-benefit metrics often imposed by single-property sellers.

* Defined selling and closing dates accelerate the overall process with precision.

* "Terms and Conditions" of auction participation, including the contract for purchase and sale used on auction day, pre-establish the rules of engagement for all stakeholders.

Prospective purchasers enjoy a multitude of buying opportunities. The ability to acquire one prized property or to assemble a fresh portfolio in a specific geographic/demographic region is more likely to be accomplished when several buying options are present. Those situations are typically found at multi-par auctions. Approved property development projects often include all permit, engineering, environmental and mapping data to the buyer - and may therefore be acquired shovel ready. (Property information packets (pips) provide a basis for expanded due diligence investigation.) A myriad of viable purchasing opportunities are present for buyers at these events and the potential for the successful redeployment of capital is hindered only by one's imagination and financing ability.

Despite the doomsday scenario often heard in the media, a professionally orchestrated real estate auction will offer motivated sellers having the ability to sell, and qualified buyers capable of completing the payment end of the deal, a transparent venue for reliably, efficiently and quickly capitalizing on that exact moment of market conditions.

The statement, "It's a buyer's market" is not what a professional auction team sees from the microphone. A well publicized multi-property auction consisting of desirable, quality real estate assets, will ultimately yield an assembly of every seller's dream situation - a marketplace of buyers!

Get ready to lock and load, 2008 will prove itself to be a very good year for motivated sellers and qualified buyers utilizing the benefits of the "auction method of marketing."

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