

The Benefits of a Real Estate Auction

By [Adrian Loepf](#)

Many situations occur that are tailor-made for a real estate auction, but most, if not all, would fit under the category "time is of the essence."

Property A is sold, and on the strength of this sale, your client purchases Property B. Now sale A develops problems in escrow and the sale cannot close. The client is now in a state of hysteria since his only hope of closing on Property B in 60 days is by closing on Property A. What do you do? Auction Property A and arrange a sale date well in advance of the closing date on Property B, stipulating that part of the terms and conditions of the real estate auction is a quick closing. This can only be accomplished with a real estate auction.

A type of situation which dictates the advantage of a real estate auction is the high divorce rate and the need to dispose of the real estate quickly. Often neither party can afford to hold a property that they previously owned as husband and wife.

When a partnership dissolves, the situation often demands an immediate sale of the assets, including the real estate. Private negotiated marketing cannot guarantee a sale within a set, short time period. A real estate auction can.

Heirs to an estate that involves real estate are usually highly motivated for a fast sale. Most states encourage a real estate auction as a method for generating the highest price in the shortest period of time. Illness, or the need for immediate cash, or the inability of the owner to hold and maintain the real estate is another reason you should recommend a real estate auction. Holding costs can be crippling. All too often, the carrying or holding costs during a private negotiated marketing effort won't be recovered in a higher selling price. Instead the price is reduced. Therefore, the sooner a property sells, the greater the bottom line dollars in pocket for the seller.

An exchange being held up waiting for a buyer on one of the legs - auction it. The real estate auction can also work especially well in a "Bull Market". The law of supply and demand, where the demand exceeds the supply, is an ideal market to expose the real estate to competitive bidding to get the maximum return. The real estate auction is highly desirable in overbuilt or stagnant markets, where no reading exists on how low prices will fall or how long the market will stay overbuilt.

The private negotiated method and auction marketing method are different. A real estate auction can most generally guarantee a sale within a short period of time, and the attention is directed to the property being auctioned. Private negotiated marketing can't accomplish this.

Clearly, real estate auctions offer owners of all types of real estate advantages that are not available with private negotiated real estate firms.

All of us in the real estate profession are salespeople first and foremost. Let's forget for a moment the fancy titles and diplomas we have earned during our years in the business. The bottom line of success in our profession is still determined by our ability as salespeople. We constantly look for sellers so we have more listings. Our next step is to find the buyers.

A professionally managed real estate auction is a method of marketing that will find the buyers crawling out of the woodwork, and it is this benefit that will enable you to gain additional sales by offering your clients the real estate auction marketing option.

Adrian has many years as a real estate educator, investor, and personal financial consultant. He has personally purchased over 50 single family houses in the past 5 years using various methods of creative real estate investing.. He shares his invaluable experience and techniques to those looking for guidance in their real estate and personal financial activities. He is currently a Certified Real Estate Auctioneer selling properties in the Tacoma/Seattle area of Washington State. For more information visit his website at <http://www.auctionsnorthwest.com>

Rich Haas, of Mankato, Minnesota is president of Continental Real Estate & Auctioneers. The company does primarily real estate auctions on a regional level, but because of the nature of the auction business, Haas said the company “gets involved with all types of auctions.” He is also president of Continental Auctioneers School in Mankato. <http://www.auctioneerschool.com/>

Article Source: http://EzineArticles.com/?expert=Adrian_Loep