

Why Sell Your Property at Auction?

By [Adrian Loepp](#)

Reason #1: It's a Quick Sale

An auction affords property owners the opportunity to dispose of property now at today's prices, rather than tomorrow's prices. Time is money. Depending on reinvestment rates, \$195,000 or even \$190,000 today is likely more valuable than \$200,000 next year.

Reason #2: High Carrying Costs are Avoided

All property incurs costs during its private negotiating marketing period — debt service, real estate taxes, insurance payments, maintenance and sometimes security. All too often, the carrying or holding costs of real estate during a private negotiated marketing program won't be recovered in a higher selling price. In effect, the sooner a property sells, the greater the bottom line dollars in pocket for the seller and/or greater the savings that may be passed on to the buyer.

Reason #3: Property Market Value can be Demonstrated

Instead of relying on the appraiser to assigning an asking price, the auction process demonstrates the value of the property to sellers and potential buyers. Selling property by the private negotiated method, you may wonder whether you couldn't have bargained higher. But if the property is sold at auction, the proof of market value is in the process itself. Moments before the final bid, another serious buyer bid just a few dollars less. The selling price is truly market driven.

Reason #4: Auctions Receive Maximum Market Place Exposure

Auction companies employ saturation marketing techniques during the four-to-six-weeks prior to the event itself. The marketing time frame is more condensed than in traditional methods and, therefore less expensive.

Reason #5: Auctions Freeze the Market

Every current buyer in the market place will be very motivated to at least investigate the property being auctioned. The market is frozen. The opportunity to make what may be a good buy, as a practical matter, forces buyers to at least wait until the auction is held. A licensed real estate auctioneer presides over the entire proceedings. The auctioneer has assistants who station themselves amid the audience to help the auctioneer spot bids, and answer all questions.

12 More Reasons Why it Makes Sense to Sell Your Property at Auction

- •Never has to worry about selling too cheap
- • Offers the Seller another option
- • Creates competition among buyers. Auction Price can exceed the price of a negotiated sale.
- • An auction generates excitement and heightened interest in Your Property

- • Exposes the property to a large number of pre-qualified prospects
- • Requires that potential buyers BE pre-qualified
- • Property is sold as is, where is and how is without contingencies
- • Accelerated sales-the property can sometimes be sold within three weeks of listing
- • Eliminates high seller carrying costs -(such as interest, taxes, maintenance)
- • Auction brings interested buyers to point of decision-they must act now or lose an opportunity to purchase
- • Auction is a true market forum-the highest buyer pays the lowest price a seller will accept
- • A seller sets the terms and conditions of the sale, maintains control of the property throughout the auction (depending on auction type), and actively participates in the sale process

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/>

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