

The #1 Reason NOT to Sell Your Property at Auction

Auctions can be a great way to sell a house. It has the advantage of bringing many buyers together in one place and get it sold in one day. However, there are times when an auction can go bad as you will soon see here....

Sellers Lose BIG

True story: In 2016, a two family home in Phoenix, NY was on the market through the local MLS (Multiple Listing Service) for \$59,900. After several weeks, the price dropped to \$57,000. When no sale occurred, it was placed in the hands of an auctioneer. On the auction day it sold for \$28,000. Great for the buyer, but what about the financial welfare of the seller? The auction selling price was 53% lower than the last MLS list price of \$57,000. What could have been done to prevent this type of loss?

Even though the more traditional method of selling a property through the MLS with an average marketing time of 40-60 days might be considered too slow for the anxious seller, it does allow control over list and final sales price.

During that marketing period, a systematic plan would be in place with scheduled price adjustments, say every 30 days. At each new price point, the property gets re-introduced and tested by the buying public. In most cases this method will ultimately end up netting the property owner much more money.

Example: Using the traditional MLS marketing approach, if the 2 family property did not sell, for the \$57,000, which it didn't, then the next steps would have been:

1. Review all buyer and agent feedback from previous showings.
2. Look more closely at the property's condition. Perhaps renovate or touch up.
3. Adjust the price 5% -10%.
4. Re-Market

This is just a quick fundamental approach to trouble-shooting a property's marketability given those circumstances. If for instance the property has not been introduced to the market as yet and you are at a cross roads of deciding between an auction vs. the traditional MLS route, just remember, in spite of what an auctioneer might tell you, my experience is that the final sales price with an auction will be less, sometimes considerably less.

You see, with a 1 day auction, you will never know if that two family home, re-marketed properly, in the MLS at a new price of \$49,900 with a fresh coat of paint would have produced a \$45,000 sale price. That's just it...you will never know.

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To schedule a property evaluation to determine which listing solution is right for you, call Adolfi R.E. at **(315) 695-6434**.