

AUCTION MYTHS

Myth #1: AUCTIONS ARE THE LAST RESORT!

If auctions are the last resort, then why are record prices for collectibles, antiques, art, equipment, stocks and real estate set at auction?

I will tell you why - because auctions create competition. No other form of selling real estate, business assets, equipment, art, stocks, collectibles, or anything else creates competitive bidding for that item.

Auctions have been deemed as last resort because sellers have overpriced the property, placed unrealistic terms, waited the market out and then turned to the auction method to "save the day". Have you ever known a property that sat on the market for one, two and even three years with an unrealistic asking price? Only to be sold at auction at fair market value?

Statistics show that when the market chooses the auction method of selling first, great prices are achieved (even records set!!).

Myth #2: AUCTIONS COST TOO MUCH!

Many sellers have issues with the marketing and advertising costs associated with conducting auctions. These costs are to cover signage, direct mail advertising, newspaper advertising, internet advertising and property information packages. This cost can many times run from hundreds to even thousands, if not tens of thousands of dollars, according to the type of property being sold.

Think about this. How many businesses go broke annually because they allocate no money for advertising. Have you ever known of anyone that had a great product; however the marketplace was not aware of the product? Isn't that what you do when you put a sign on a property and a picture in a book and wait for a buyer to come along?

Auctions, properly advertised, set records. In our fast-paced world, people must be motivated to act.

Marketing + Auctions = Results

Myth #3: AUCTIONS DON'T WORK!

Auctions do not work for non-motivated sellers. Some sellers are not willing to sell at True Market Value and are prepared to wait until the market matches the dream. Have you ever tried to buy something from someone who did not really want to sell it? Remember how you felt when you realized that their asking price was greater than your perceived value?

Auctions work because of GREED. If people do not feel like the seller is motivated, sincere and willing to invest in marketing the property, then they are not going to spend their time doing the due diligence, making the financial arrangements and attending the auction. See Myth #1.

Auctions work when you have a willing, able, and motivated seller willing to let bidders compete for their property. That competition drives the price up. This is why property that has never been marketed does better at auction. The property has never been priced to the market and the market determines the price.

Myth #4: STEVE VAN GORDON COMPANY, LLC ONLY AUCTIONS MILLION DOLLAR PROPERTIES!

While we wish this myth were true, that most certainly is not the case. Steve Van Gordon Company represents individuals, attorneys, trustees, business owners, and banks when there is a need, whether large or small. We have lived on the philosophy that no matter the value of the asset, the seller receives the same quality service from our staff.

Myth #5: REAL ESTATE AUCTIONEERS ARE NOT BROKERS OR REALTORS!

Real Estate Auctioneers must hold a broker or sales license in almost every jurisdiction and most Real Estate Auctioneers belong to the National Association of Realtors.