5 Tips for Finding A Reputable Luxury Property Auction House

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Charlotte, North Carolina (RPRN) 03/28/14 — - Advice for Homeowners Seeking to Auction Their Luxury Estate from Industry Leader Grand Estates Auction Company -

– If you are selling your luxury home, chances are you have considered auction as an option. According to a recent report from research economists at the National Association of Realtors, homes priced over $1 million are the strongest segment in year-over-year sales, growing 37.5 percent, and prices are rising. With such rapid growth in the luxury home market, buyers and sellers alike are looking for ways to establish market value and move properties quickly, with many turning to auction.

Not a new concept, luxury property auctions have been popular worldwide and with celebrities and the very wealthy in the United States for decades. Luxury property owners who are seeking expediency and transparency in selling and buying a home are choosing auction more frequently. Most luxury real estate auction companies are reputable, however there are some that may mislead clients who are new to the process. Here are several things Grand Estates Auction Company CEO Val DeVine suggests you keep in mind when choosing a luxury property auction house.

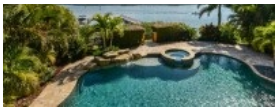
Research Closing Rates

Although it goes without saying that you should research a company that will be representing your property, there are specific things to look for in a luxury property auction company. To cut through the sales pitch and the host of concierge services they may offer on auction day, ask them to prove their closing rate. It is important to know what properties actually made it to closing day, not just the proverbial banging of the gavel and champagne toast. Verify on Zillow or another website that will give you sales history. Some less reputable auction companies will say a property is sold even when it is pending four months later. Expediency is a benefit of the auction process as most auctions typically close in 30 days. If a property is still pending 90 days later, it isn't usually sold and the auction company is still trolling for a buyer. Bottom line: "pending contract" is not same as " sold on auction day and closed in 30 days."

Talk to Past Clients

A reputable auction company will be happy to provide you with a list of references. Beware of a company that only allows you to speak to listing agents and not the actual homeowners represented. Some auction companies require clients to sign non-disclosure and non-disparagement agreements. They may also ask brokers to sign an agreement requiring them to make only positive comments about the company, the auction process, and the results. These legal trappings should not be necessary for companies that provide positive experiences and results. Ask any seller you interview if they had to sign a non-disclosure or non-disparagement agreement and insist on seeing any agreements your

broker may have to sign. Make sure both you and your broker have the opportunity to speak up if needed.



Gulf of Mexico Waterfront Auction April 1st 2014

Know What You Are Getting

Realize that the auction process provides an intensive marketing campaign in a concentrated period of time, attracting a select group of qualified and highly interested buyers. The reach can be national and even international. However, be leery of an auction company touting that brokers across the country will be going to work to sell your home. Brokers in other states usually have no interest in selling your home. They are busy trying to sell homes in their own markets. You have most likely been working with an experienced broker you trust, and they recommended auction because the traditional listing method was not providing the results you were seeking. But beware. For instance, Sotheby's brokers can only refer you to their auction affiliate and they are paid handsomely for doing so. They are forbidden from participating in auctions with any other auction house. Any good broker should be willing to provide you with the names of at least three different auction houses.

Read the Fine Print

Beware of contracts that require a law degree to review. We have heard of one company who has an agreement that even attorneys have had difficulty deciphering. Your contract should be simple and straightforward. Having to refer to different sections and subsections is a warning sign to look out! Certainly, have your attorney review any legal documents you sign, but you should be able to understand the terms prior to that final review.

Protect Yourself Against Shill Bidders

Never allow a bidder to be registered for your auction without providing secured funds. Recently there was a Texas auction that reported to have nine registered bidders, yet only one had paid the required registration fees. These registration fees play a critical role in ensuring the viability of the bidders. When an auction company tells you that this is a "known bidder" and therefore they are waiving the requirement for a registration fee, say "no." Eliminating registration fees creates an opportunity for disguising shill bidders and diminishes your insurance should the property not close. Interested qualified bidders do not have a problem paying refundable registration fees as they are typically applied to closing costs should they win the auction and are refunded if they don't. Quite simply, you have to pay to play.

Industry leader Grand Estates Auction Company has a long-standing reputation of integrity in the luxury real estate auction arena, specializing in homes valued at $1.5 million and above. Over that time, the company has demonstrated a proven track record of successfully auctioning luxury real estate properties with more than 90% of homes sold on auction day, and the highest closing rate in the industry. Established in 1999, the company was the first of its kind.

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About the author:

Grand Estates Auction Company is the first of its kind to exclusively market and auction one-of-a-kind, luxury residential real estate typically priced between $1.5 million and $20 million – in North American and Caribbean resort areas. Our mission is to provide our clients with a swift, strategic, marketing process that will achieve top dollar value for their properties with no contingencies, and to execute an aggressive, global marketing campaign to engage qualified local, national, and international buyers of luxury real estate. Established in 1999,the company has representatives in Naples Florida, Vail Colorado, Aspen, Atlanta and maintains its corporate headquarters in Charlotte NC. For more information, visit www.grandestatesauction.com .

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