

Going Once; Going Twice !

Residential real estate auctions growing in popularity both locally and across the nation.

Residential real estate auctions have not traditionally attracted much attention outside of investors or handymen looking for a good deal on a fixer-upper. But in the past few years, with the heated residential real estate market fueling record-breaking sales annually, auctioneers have seen an increasing number of bidders tossing their offers into the mix. Those bidders are not just investors. More regular people now are looking to purchase a home. The quality and quantity of homes on the block have also increased as more sellers look into a quicker sale often for more money than they would have received going the traditional route.

Nationwide residential real estate auction sales increased 8.4 percent in 2005, according to the National Auctioneers Foundation. Real estate auctions, including residential, commercial, agricultural and industrial land, accounted for more than \$58 billion in sales across the nation last year. Locally, some auctioneers have seen business jump as much as 50 percent in the past year.

Many buyers are drawn by two major factors -- speed and price, the auctioneers said. Listing a home with a Realtor and holding open houses and lengthy negotiations can take more than a year. And chances are, the asking price is going to be negotiated down. Time is spent drafting contracts, trying to get the seller to help with closing costs, pay for repairs and a laundry list of other requirements.

Auction is often cheaper for both the seller and buyer because the buyer just has to cover deed transfer fees and any related taxes and they're on their way.

"When you sell at an absolute auction, in its purest form, that is the market value of the property. "Whether someone thinks it was worth more money doesn't matter. That's what the buyer was willing to spend at that particular moment."

An absolute auction means the home is going to sell that day no matter what price is reached through the auction. Other types of auctions include selling upon confirmation, in which sellers can settle for the highest bid or chose not to sell, and setting a minimum bid level. Absolute auctions often draw the largest crowds and generally spike the price above its likely listing price.

An attorney in Xenia, said "it was that quick turnaround that attracted him". He started selling homes coming out of probate court through the auction a few years ago and now exclusively uses real estate auctions to sell the properties.

"I think the adrenaline factor comes into play," "You'll have a case where two or three people get caught up in the bidding process and that can really drive the price. These past few years have worked out really good for buyers and auctioneers across the U.S." Some countries are only selling property at auction now! No MLS.

The increased activity also has attracted many real estate agents. In the past year more Realtors representing buyers and sellers are working with auctioneers. The Board of Realtors in many states have included auctioned homes on its listing for several years now, which put the property on the radar screen of buyers who may not have previously looked to auctions.

We are now seeing Realtors in line with other bidders, throwing out offers on behalf of their client. Some Realtors are expanding their business receiving a percentage of the sales price when representing a client at the auctions or referring their sellers for an auction.

"It's quite simple, the more you do, the more you do. "It's to the point now that if I sell to a real estate investor I feel like I left money on the table." The auction process will get the price and in some cases more, its all about supply and demand ! More bidders bring more bidders . Don't let the auction process pass you by.



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