

SHOULD YOU AUCTION A GOLF COURSE?

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Whether it's a buyer's or seller's market, selling by auction is a good idea. Auctions are a powerful marketing tool. Right now it's a buyer's market. Buyers are out there. They're knowledgeable. If they are shopping for golf properties it probably means that they have succeeded in a highly competitive business.

Overall, prices paid for courses have declined since 2000. If you are a Seller who wants to maximize your selling price in today's market, your best bet may lie in assembling a group of qualified purchasers in a room; then get them to tell you in front of their competitors what they are willing to pay for your property. After that you execute a sales contract for the best offer with non refundable earnest money. The individual with the second highest offer should be encouraged to execute a back up contract. That's an AUCTION.

- It's fast (75-120 days from advertising to closing);
- It saves money by reducing holding costs;
- It cuts to the chase by eliminating a series of negotiations with would be purchasers.

Auctions simultaneously focus the attention of qualified, competing buyers on a single property. Their collective assessment of the property's worth creates a market and establishes market price.

If you are conservative you may wish to set a reserve price on your property in advance of the auction. That means that if the bids come in lower than you are willing to sell the property for you can reject all bids and keep the property. Or you may elect to negotiate with the high bidder and/or secondary bidders and try to reach a mutually acceptable agreement with one of them.

To realize the maximum impact of an auction you may wish to consider selling at Absolute Auction. "Absolute" means that the high bidder acquires the property by law. That may appear to be a gamble and there are no guaranteed outcomes. However, "Absolute" can actually create a greater incentive to bid competitively; you will probably discover that qualified buyers will quickly bid an "Absolute" property to its market price or one or two percentage points over it.

If you're prepared to be realistic about your property's value, auctions are a good strategy and an effective marketing tool. Whether the market is up or down, you will, in most cases, maximize your selling price.