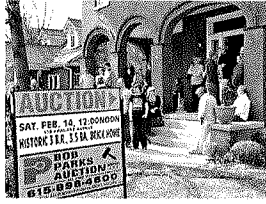


Many home sellers sold on auctions

By Bill Lewis, The (Nashville) Tennessean *8p.m. EST January 22, 2013*

Process moves faster than using a Realtor and traditional ads, homeowners say



(Photo: Gannett/The (Nashville) Tennessean)

NASHVILLE -- John Chaffin values his time and privacy, so when he decided to downsize and sell his home, he wasn't looking forward to hosting open houses and waiting for someone to make an offer.

Instead, he held an auction. (<http://www.tennessean.com/article/20130120/LIFE01/301200019/Many-home-sellers-sold-auctions>) In less than an hour, the house had a new owner and Chaffin had his money.

"You don't have to be bothered by people for three or four months. They show up at one time, and you get just as much or more than if you put it on the market," he said.

In the public's imagination, auctions may be reserved for professional investors who bid on "distressed" houses that may need repairs, said Tommy Anderson, who auctioned Chaffin's house. In reality, auctions often involve homes in good condition, and most bidders are ordinary people who intend to live there.

"That's why I have auctions on Saturday, so a husband and wife can make a decision," said Anderson, a broker, Realtor and auctioneer with Prudential Woodmont Realty in Nashville.

On any given Saturday, and often during the week, homes in all price ranges are going under the auctioneer's gavel, "from Bordeaux to Belle Meade, from \$10,000 investment houses to \$2 million luxury properties," he said.

Auctions are a cash transaction that requires payment in full within a matter of weeks, but that doesn't mean they are only for people with large bank accounts. Most buyers show up with their earnest money in hand and obtain a mortgage to cover the rest, said Bobby Colson, a broker and auctioneer with Nashville's Bill Colson Auction & Realty Co.

He advises buyers to work closely with their lender to make sure the loan is in order before they start bidding. All sales are final. "It's a cash deal," Colson said.

Bidders who do their homework won't have any difficulty, he said. And neither will someone who wants to observe a few auctions to learn what they are all about.

Auctions are getting more attention than ever today, thanks to eBay, reality TV shows like "Storage Wars," and the large number of properties that went through foreclosure during the housing downturn.

"We see all kinds of people buying at auction," said Mimi Genet, an auctioneer and agent with Bob Parks Auction Co. "First-time homebuyers, first-time investors — it's everyone."

Less hassle

Many sellers are downsizers like Chaffin. Others are going through a divorce or settling an estate. For all of them, an auction is more convenient than putting a sign in the yard and listing the property for sale, she said. And the seller doesn't have to worry about negotiating with the buyer over repairs or updates like new paint or carpet. The only potential downside is that in an absolute auction, they agree to accept the highest bid even if it doesn't meet expectations.

"You trade time for money in some cases," Genet said.

But when buyers compete during an auction, a home can sell for an unexpectedly high price.

"An auction is like getting multiple offers on your house," she said. "Whenever you get into a seller's market, which we're heading for, that's the case."

The key, Chaffin said, is to aggressively market the property. "On that day, if you have a good ad in the paper, you'll have everybody there who's interested," he said.

Unlike window shoppers at an open house, people who attend an auction are there for a purpose, said David Allen, co-owner and auctioneer at

Premier Auctions LLC.

"If 20 people show up to bid, that's like having 20 contracts," he said. "They're there to buy it."