

REAL ESTATE

Auction spurs reluctant homebuyer to take the plunge

February 27, 2018



Platinum Luxury Auctions sold a Boca Raton home after 10 years. Image courtesy of Platinum Luxury Auctions

By SARAH JONES

A recent residential sale from Platinum Luxury Auctions shows the potential for the auction format in high-end real estate, as a property that failed to sell for a decade found a buyer in two days.

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The Boca Raton, FL home was on and off the market for 10 years before the owner tapped Platinum as the auctioneer and broker. While real estate auctions are often associated with foreclosures and other troubled properties, a number of firms have proven that the format is also effective for finding luxury buyers.

"In this case, we can thank the simple psychology of 'You don't know how much you really want something until you realize someone else is going to have it instead of you,'" said Traylor Lesnock, president of **Platinum Luxury Auctions**, Miami.

"Specifically, the buyer in this case had previous interest in the property," he said. "He simply wasn't willing to purchase it - especially under any terms close to what the seller wanted - until he felt the very real threat of losing the property in front of an audience of competing bidders in an auction sale. Historically, we've actually had quite a few sales that follow this paradigm.

Property push

The Miami-based Platinum specializes in non-distressed auctions of multimillion-dollar homes.

Recently, the auctioneer was tapped by the owner of a ranch-style estate in Boca Raton that includes 6 acres of land, a barn and lake frontage. Initially listed for \$6.25 million in 2007, the home had gone on and off the market in the ensuing decade.



Estate in Boca Raton. Image courtesy of Platinum Luxury Auctions

More recently, the seller had listed the property at \$3.9 million. Platinum scheduled an auction for Dec. 16, and began a marketing campaign for the property on Nov. 13.

"Thematically, our team felt that many buyers would be surprised at everything this property had to offer, given its location and price point," Mr. Lesnock said. "In other words, we simply felt many folks would be surprised to know that a large home on multiple acres with equestrian amenities, a large pool and deck, two gated entries and lake frontage with beautiful sunset views was available in west Boca for less than \$4 million.

"The property had really experienced anemic exposure during such a lengthy listing period prior to the auction launch," he said. "To combat this lack of exposure, we developed a marketing campaign that would be sure to grab the attention of many competing types of buyers in our database: those with equestrian/farm/ranch interests, those would want multiple acreage estates, those who want privacy and security and those who want lake frontage and/or sunset views."

Within 48 hours of the auction being promoted, the home found a buyer and was under contract, with an agreed-upon sale price of \$3.1 million.



The Boca Raton property had been on and off the market for a decade. Image courtesy of Platinum Luxury Auctions

Before the seller enlisted Platinum, the eventual buyer had toured the house and was not planning to purchase it. He had moved his search to other homes.

Platinum believes that the pressure of other buyers at the upcoming auction may have spurred the buyer to action.

"While we don't over-promote the likelihood of pre-auction sales - especially with this degree of expedition - they have always been a very real part of our business model," said David Ashcroft, director of development and sales at Platinum Luxury Auctions, in a statement. "The threat of competing against a room full of qualified buyers is a very strong motivator to induce an interested buyer to take action in advance of the auction date."

The auctioneer also recently sold a property at auction after it had been listed for more than two years. Located on South Carolina's Kiawah Island, the home sold for more than \$3 million, surpassing the \$1.75 million reserve price.

Selling solutions

Leading Real Estate Companies of the World's Luxury Portfolio International adapted to changing real estate models by establishing a relationship with Concierge Auctions.

The real estate luxury auction house, hot off a record-setting quarter, has been named a provider of services for Luxury Portfolio. The relationship signifies the growth of the bidding model and will help both parties expand their services to new consumers ([see story](#)).

Auctions may also help in a more challenging real estate market.

Despite a slightly weakened 2017, luxury housing in the United States is still booming, particularly in states such as Colorado and Hawaii.

According to a new report from realtor.com, growth in the sales of luxury homes in 2017 slowed compared to 2016, but the market remains strong overall with high demand. Luxury real estate dealers will have to be smart about selling houses in key markets and fast growing cities such as Seattle and San Francisco ([see story](#)).

"It's an excellent example of the old adage about how doing the same thing repeatedly while expecting a different result is the definition of insanity," Platinum's Mr. Lesnock said. "Difficult challenges require aggressive solutions, not just 'more of the same."

"Our luxury auction process is that aggressive solution, and we've been applying it successfully for more than 10 years throughout the U.S. and beyond."

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