

Broker tries to boost sales with auction

David Schepp • The Journal News • January 28, 2008

PEARL RIVER - More than 200 people packed the ballroom of the Hilton Pearl River at midday yesterday to watch as six homes were auctioned in what is believed to be the region's first real-estate auction sponsored by a broker.

Though there were many more curiosity seekers than homebuyers in the audience, all six houses, five of which are in four Rockland communities, sold.

"We had high bids on every single property," said Kervin Lajoie, an agent with Century 21 Grand, which sponsored the event.

The winning bids on the Rockland homes ranged from \$390,000 for a 2,040-square-foot, four bedroom colonial built in Pomona, to \$1.375 million for a 7,500-square-foot mansion under construction in Blauvelt.

The winning bids were also subject to a 10 percent buyer's premium (to pay costs associated with the sale), raising the price of the Pomona house to \$429,000, and the Blauvelt home to slightly more than \$1.5 million.

One of those hoping to bid on the Blauvelt home was John Brugmann of Old Tappan, N.J.

Brugmann, who toured the property at an open house last weekend, said he thought the novel concept was an opportunity to get a good deal on the massive six-bedroom estate, which he thought needed a minimum of \$600,000 worth of additional work.

As it turned out, Brugmann didn't bid on the house. "I thought it went for more than I thought it would go for," he said after the auction, adding that he believed that the house had previously been on the market for about the same price it sold for at yesterday's auction.

"I think (the owner) got a fair price for it," he said.

What is yet unknown is whether any of the bids will stand. At least two of the sellers weren't happy about the amount their houses sold for.

They included Mary Mingone, who, along with husband Anthony, owns a two-story, four-bedroom Colonial in Pomona, built in 1991.

The winning bid for the Mingones' home was \$450,000.

But Mary Mingone expressed dissatisfaction after the auction, which saw the price for her home go as low as \$300,000 before bidders latched on and bid the price back up.

The winning bid "didn't meet the reserve," Mingone said, referring to the minimum price she had established with her agent, Valerie Moldow.

Yesterday's auction was what is known as a reserve auction, in which a seller can refuse a bid if it doesn't meet a certain threshold.

Speaking a few days ago, Mingone said the couple opted to sell the house, which is too big for them now that their daughter is away at college, at auction after it languished on the market for six months.

Mingone said they listed the house "in the \$600,000 range" when it first hit the market. Despite two price reductions, it still didn't sell. Mingone said she had hoped to get about \$500,000 for the house.

With a \$50,000 gap to close, Moldow said it is her job now to bring the successful bidder and the Mingones together to see if the parties can work out a deal.

"We're going to leave the line of communication open with the potential buyer and the seller and see if we can negotiate up from the buyer's end or get the buyer to consider" taking the bid, Moldow said.

The concept of auctioning non-distressed properties is to expedite the process of bringing seller and buyer together, said Paul "Chipper" McKearnin, Century 21 Grand broker. Given the current state of the housing market, in which there are many more sellers than buyers, the concept of auctioning has taken off, he said.

"We're going to try to do them every 10 weeks," McKearnin said. Residential real estate auction is the fastest-growing segment of the auction industry, the National Auctioneers Association said. "You can look at very little going on in real estate right now," McKearnin said, "and here is something that's new and exciting for sellers - and for buyers."