

COVER STORY

GOING ONCE, GOING TWICE...

HOUSTON HOMEOWNERS TURN TO AUCTIONS TO SELL LUXURY HOMES

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s Houston's luxury market cools, some homeowners are turning to an old-school method to sell their high-end homes.

Danny Spence, a retired oil executive, and his wife, Marian Spence, initially put their Woodlands estate on the market in 2010, listing their 30,000-square-foot mansion for \$19 million.

DanMar Manor, named after Danny and Marian, received three solid offers, all from foreign buyers. Marian's sister, Debbie Coleman, a Realtor with Coleman Realty, worked for a year with one of the buyers, who was getting ready to close on the property when he passed away.

After more than five years on the market, the Spence family decided it was time for a new method to sell their estate.

Enter Platinum Luxury Auctions, a luxury real estate auction firm that specializes in marketing and auctioning off non-distressed, multimillion dollar properties around the world. The Miami-based company, which has 13 employees, auctions off between 25 and 30 homes a year. The firm will auction off DanMar Manor, its largest property by square footage, on Feb. 20 at a starting bid of \$6 million – a whopping 68 percent discount.

"There aren't a lot of buyers for a property this size," Coleman said. "These auctions have become a popular way to move luxury properties these days. Buyers can feel like they can get a good deal."

AUCTION TRACTION

Trayor Lesnock, president of Platinum Luxury Auctions, has been in the auction business for a decade. When he started, there were few auction houses working in residential real estate. Today, there are between two and five other companies competing in every market, including Houston.

"Auctions have certainly become more prevalent than it has been in the past," Lesnock said. "The number of operators has increased; that's unequivocal."

Auctions have several advantages over selling a home the traditional way, Lesnock said.

Selling a luxury home through listings, open houses and online marketing takes time. In Houston, a home listed at \$1 million or more spends an average of 78 days on the market, about a month longer than the typical home.

With the advent of real estate databases on the Internet, luxury homebuyers today are inundated with choices and armed with a treasure trove of data that encour-



The DanMar Manor measures 30,000 square feet. It was at one point listed for \$19 million.



COURTESY

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DANMAR MANOR

Location: 88 West Grand Regency Circle, in The Woodlands

Size: 30,000 square feet, the largest home in Carlton Woods

Lot: 4.2 acres

Builder: Jarett Spence, of CJM Custom Homes

Listing agent: Debbie Coleman, of Coleman Real Estate

Features:

- 8 bedrooms, including a 3,000-square-foot master suite with a sitting lounge with fireplace, his-and-hers showers and closets, and a fitness room with a private salon
- 13 full and 5 half-bathrooms
- 5 full kitchens and 4 kitchenettes
- 7,000 square feet of terraces and balconies
- 2 guest suites with their own private kitchen and bathroom

- Pool with a pool house that has a full kitchen and bathroom
- Office with a first-floor waiting room and library and second-floor office and negotiation room
- Wine cellar
- Parlor with full bar, gaming area and lounge
- Home theater with a Hollywood marquee entrance
- 1950's-style diner and concession area
- 2 three-car garages
- 28 crystal chandeliers
- 2,200 light bulbs

Appraised value (2015): \$5.3 million

List price: \$15 million

Annual property taxes: \$132,000

Annual utility bill: \$30,000

To see more pictures of the DanMar Manor, go to HoustonBusinessJournal.com

ages them to sit and wait on a potential purchase, Lesnock said.

The auction process shortens that waiting time by creating a deadline that incentivizes buyer action, Lesnock said. Buyers at the auction will be forced to cast a bid in hopes of scooping up a luxury home like DanMar Manor at a steep discount.

However, homeowners who choose to

sell their homes aren't foolishly auctioning off their homes, Lesnock said. These sellers are typically wealthy individuals who don't need to, but want to sell their homes, he said. These sellers don't want to be burdened by a slow sale, but at the same time, they also don't want to give their home away.

"They're looking to the auction as an

expeditious and effective way to sell their home," Lesnock said. "Residential luxury real estate is a competitive and cluttered market where it's hard for properties to stand out. The auction process cuts through all of that like a hot knife through butter."

AUCTION PROCESS