



OUR MARKET

The Art of the Auction

Successfully Selling a Challenging Property

Rudy and Linda spent the last 20 years of their lives building their dream home – an authentic Victorian house on a 1,745-acre cattle ranch in a beautiful, remote valley of Mendocino’s wine country. “Then the strangest thing happened,” said Linda. “We got older. We realized it was time to downsize and spend more time traveling and doing things we enjoyed besides running the ranch.”

When they decided to sell, they knew that the buyer for such a unique and expensive property would not be local. They wanted access to a diverse range of affluent buyers, so their attorney recommended Dreyfus Sotheby’s International Realty in the heart of Silicon Valley. After meeting with Chris Iverson and his team, they knew it was a perfect fit.

“We were very impressed with his professionalism and friendliness,” said Rudy. “He told us that he thought it was a very special place, but he needed to consider carefully how he could market it and come up with a plan. His honesty gave us a feeling of trust. And we felt like the Sotheby’s International Realty brand would attract the kind of upscale buyers we were looking for.”

The couple knew that their property was one-of-a-kind and that it would probably take some time to sell. Chris advised them about the likely three seasons of selling: the first spring that the home was on the market, the next fall and then spring the next year, realizing those times were when the ranch was at its most beautiful and also when more buyers were looking.

Everyone agreed to begin with a private marketing campaign, with Chris getting the word out to his elite agent contacts and his exclusive network of high net worth individuals. He also hired a public relations firm to get article placements about the property in prestigious publications like *The Wall Street Journal* and *Architectural Digest*.

Still, there was little serious interest in the property. It was time for more creative, perhaps less conventional measures.

Auction a Luxury Property?

Chris networked with other Sotheby’s agents from all over the country and learned about the luxury auction market. At first, the auction was a leap of faith for the homeowners. “When a property goes up for auction, the auction company estimates the price it will bring. Then the auction house sets a low reserve price. The person can buy the property for the reserve price if there are no other bidders,” said Rudy. “This is guaranteed to make the seller gasp. You are going on faith that the auction company can get more than one bidder and that the sale will be for significantly more than the reserve price.” The reserve price was set at \$3 million vs. a previous list price of \$8 million, and an appraisal of \$6 million.

Chris knew that there were distinct advantages to selling this particular property at auction. “In an auction, there are no contingencies,” Chris said. “Imagine a 1,700-plus acre property with five ponds, four



Trayor Lesnock, Founder and President of Platinum Luxury Auctions taking bids for The East Ranch

springs, a barn, 24 miles of roads and so much land. How do you manage all the possible contingencies?”

The Art of Managing an Auction

Platinum Luxury Auction did the full-court press on marketing and the website for the property had over 39,000 hits. Once an auction date was set, buyers started coming out of the woodwork, just as Chris predicted. Chris said, “Once you set an absolute date that the property will be sold, people get serious.” Chris fielded two preemptory offers, but he thought he could do better. His advice to the potential buyers? “Come to the party and bring a lot of cash.”

The Victorian-sized dining room was standing-room only with five active bidders, their associates, Platinum Auction staff, and Chris. Bidding began at \$3.1 million and within 15 minutes, the property was sold for more than twice the reserve price!

Learn more about this success and our luxury auction expertise at chrisiverson.info



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