

ERNEMANN REAL ESTATE

Case Study

The “Auction” Approach to Marketing and Selling Aspen Properties

Property auctions have a bad rap. It’s as simple as that. The vast majority of sellers hear the word “auction” and they immediately think “huge discount” or “distress”. Ironically some of the world’s finest collectibles (i.e. art, wine, jewelry, vehicles, etc.) sell at auction, and often at premiums to what “the market” predicts. Property auctions occur on a regular basis in some parts of the world, and there are markets where selling through the auction process is the norm.

Ernemann Real Estate has spent years crafting a new approach to selling Aspen real estate – a marriage of the best aspects to the more traditional method for marketing properties with the highlights of a successful auction strategy. While the auction approach won’t be a fit for every property or seller, there are many instances where it provides much more clarity about timing and pricing than a more traditional approach could ever provide.

Take the negatives of property auctions off the table; concepts such as selling to the highest bidder regardless of how low the bid may be, explicitly or implicitly signaling to the market “distress” or unusual desire to sell, and all of the other stigmas normally associated with property auctions.

Think about the upside of a clearly defined timeframe for selling one’s property, a totally transparent market and sales strategy, and most importantly the opportunity to create urgency among prospective buyers.

333 Snowmass Creek

A spectacular river home and guest house sitting on 22 acres along Snowmass Creek. The property was originally listed for \$8.5M in 2009. After several years of unsuccessful efforts to secure a buyer Ernemann Real Estate was engaged to list the property at \$7.95M. Unfortunately, the market for this type of property was virtually non-existent

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above \$5M and the listing lingered on the market for several years with spurts of activity and bouts of going off-market in an attempt to “refresh” the listing.

Finally, during the summer of 2019 Ernemann Real Estate approached the seller with a proposal to “auction” the listing using our internally developed auction marketing strategy. After several conversations the seller agreed to set a “guidance price” of \$4.9M with the goal of generating a sale in 40 days or less.

A blitz marketing campaign ensued with several open house events, showings during the first 30+ days of the auction marketing period were about 10x the historic showing activity for an entire year.

Ultimately there were multiple offers on the property and a contract was signed at \$4.7M prior to the end of the auction marketing period. The seller was happy to finally have the certainty about timing and price (and a closing) after ten years on the market. It’s very likely an auction could have generated the interest needed on this property from the outset, and possibly secured a higher sale price.