

Auctioneer keeps busy during recession

By J. OLNEY SMITH Correspondent

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Any given Saturday, Treasure Coast auctioneer Ron Rennick can be found speeding to yet another property up for sale.

In today's recessionary market, the auction business is booming, and Ron Rennick Auctions Inc., in Vero Beach, handles everything from 60-unit mega-auctions to rural riverfront property.

Since 1980, Rennick Auctions has held 100 to 200 auctions yearly.

"In 2004, auctions dropped off because houses were worth a lot and people thought they would keep rising in value," Rennick said. "But last September, everything froze. People took terrific hits to their balance sheets and they didn't know what to do. Now they are reluctantly realizing we're in a deflating environment. Auction properties may come from individual sellers, but half come from Realtors.

"The Realtor knows the property will never sell at the inflated price, so they pass people on and I try to talk sense into them."

On this day, Rennick is auctioning a 1960s house on secluded riverfront acreage.

What will it bring?

"A week ago I would have said around \$400,000, but last week a neighbor marketed a property two houses away and undercut our price," Rennick said. "See how things change in a flash? The stock market adjusts every hour, every day with a very precise pulse. These days, real estate is not much different."

David Jesmer, a 20-year cohort of Rennick's, functions as his "ring master."

"The buyers will form a ring around the auctioneer. I'll circle, act as a bid spotter, and jolly up the crowd," Jesmer said. "Ron and I have been together so long I can tell him when the bidding's over without saying a word."

Rennick starts the auction, chants the rules and reminds people that a 10 percent buyer's premium is added to the final price.

The first bid is \$300,000. Jesmer yells, "Any advances?"

It is the only bid. With the minimum not met, Rennick packs up and leaves for the next auction. Out front, a feeding frenzy of neighbors with competing properties for

sale ask prospects to come see their homes.

For Rennick, this is a scenario he has seen play out before.

"I've been through four booms and busts," Rennick said. "In 1974, the gas shortage caused it. In the early 1980s, the 20 percent interest rates dramatically slowed the economy and the bust lasted three years. The S&L fiasco caused the 1989-90 troubles.

"With today's recession, it's hard to have a reference point, but I still think real estate is a good place to stow money. With the stock market you have no control. With tangible property you can control by adding sweat equity or making improvements when you have the money."

CONSIDERING AN AUCTION? HELPFUL TIPS FOR THE SELLER AND THE BUYER

- Stage the property, as if it is an open house.
- Consider an absolute auction, in which the property is sold to the highest bidder regardless of the amount of the winning bid. It will draw more buyers.
- Auctions are for job changers who have to relocate quickly; heirs who want rapid estate settlement; people whose lives are upside down.
- Remember that property can sell before, during or after an auction. An auction is a publicity promotion for your property.
- If you are a bidder, consider calling out the minimum immediately. If someone thinks they will start with a lowball bid, it will set them back and you may get the property right away.
- You can stop an auctioneer at any time and ask for clarification on bidding prices.
- You can prearrange to bid by phone by placing 10 percent of the minimum bid in escrow.
- If you don't feel comfortable bidding, consider a professional purchasing agent, friend or a family member to bid on your behalf.



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