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Pent-up demand and loosening restrictions signal boom in real estate auction market - by Marianne Sullivan

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Similar to most businesses, the real estate auction market was sent into disarray with the onset of pandemic restrictions on public gatherings, the closure of many municipal offices and the implementation of property foreclosure moratoriums across most states.

Prior to March of 2020, Sullivan & Sullivan Auctioneers was scheduling over 150+ commercial, residential and municipal auctions per month throughout Massachusetts, New Hampshire and Rhode Island. At the height of the pandemic, that number dropped into the single digits, with only a handful of auctions held, and virtually all being in the municipal sector.

The good news for investors, lenders and municipalities is that the auction market is about to kick into high gear with available properties brought to auction projected to return to or exceed pre-pandemic levels over the coming months.

A 'perfect storm' of factors including the lifting of most limits on in-person gathering, pent-up demand from the commercial and municipal sectors and the suspension of moratoriums (in light of sufficient resources having been made available to those facing foreclosure), means a season of tremendous opportunity is about to begin.

This means investors and private buyers can expect a dramatic increase in opportunities to acquire both residential and commercial properties at auction. It also means municipalities can once again begin to recoup much-needed dollars that have been tied up in surplus properties through public auction as well as to get tax possession properties back on their tax rolls.

For Sullivan & Sullivan clients and auction attendees there's even more good news in that the organization has taken advantage of the down-time presented by the pandemic to streamline and improve all of its auction practices, systems, procedures and technology to ensure an even better experience as crowds return to the auction marketplace.

These comprehensive improvements span all areas of the auction management process, from pre-auction marketing and on-site execution to post sale close-out.

At the heart of these changes is the roll out of Sullivan & Sullivan's fully electronic auction management process. The company's investment in the development of this proprietary software brings tremendous efficiency to both private and municipal auctions. The system enables seamless digital registration and vetting of bidders, real-time tracking and reporting of bids and bidder information and digital output of a final auction package with activity, final results and closing documentation instantly delivered to the client.

It is said that necessity is the mother of invention. This certainly appears to be the case with another significant improvement brought about by the pandemic: "Mobile On-Site Municipal Auctions". Historically, the vast majority of municipal auctions would take place in a conference room or other available meeting space inside a town hall or other municipal building. With the mandated closure of most government buildings and restriction of non-essential activities, it appeared that (in the absence of a creative solution), municipal auctions would have to be postponed indefinitely.

Fortunately, that 'creative solution' came in the form of a fully-outfitted Mercedes Sprinter Van dubbed the 'Sullivan & Sullivan Mobile Auction Office'. The streamlined set-up with a simple, secure office space inside the vehicle, microphone and external speaker system and the presence of key support staff, the firm was able to safely host successful municipal auctions on-site at the property location.

While this was initially conceived as a temporary way to continue to serve municipal clients during the pandemic, Sullivan & Sullivan's auctioneers found that hosting auctions on-site created a much more dynamic bidding environment and plans to continue to offer this service to municipal clients who prefer this approach. The mobile auction office also comes in handy for certain private foreclosure auctions as well.

Looking ahead, investors can expect to see an influx of commercial and municipal properties hitting Sullivan & Sullivan's auction calendar this month with larger numbers of residential properties coming up for auction after the holidays. The firm expects its listings to exceed pre-pandemic levels by early spring.

Most of Sullivan & Sullivan's auctions come through the firm's relationships with both municipal and private clients throughout Massachusetts, New Hampshire and Rhode Island. Sullivan & Sullivan also fulfils a large number of auctions for national third party auction vendors and attorneys.

The firm has already begun to staff-up in anticipation of demand. Full time auctioneers and support personnel are returning to the office this week to familiarize themselves with new systems and prepare for a return to high volume auctioneering.

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