

Lagondaforum: Lagondas at auctions versus direct selling

Lagondas at auctions versus direct selling

Written by Peter S30 at Apr 08, 2013 3:53 pm

At the moment (April 2013) there are numerous Lagondas for sale at auctions. It is a pity that before doing that they are not announced for sale by the owner on this forum or otherwise on the internet (private advertisements for free) or for a few pence in the club newsletter. If it failed to sell this way he still could give it to an auction.

Sometimes we receive an email from the owner that his car is for sale at auction immediately after he gave it there. This is very nice for the auction houses but without giving them that significant premium the (not always riche) members of the Lagonda family would have a better chance to buy the car.

Is an auction such a big help and price increase also for the seller? Or does it mean when it goes to an auction it has already failed to sell directly (if not announced in public but at least mouth to mouth)?

Re: Lagondas at auctions versus direct selling

Written by cahallett at Apr 09, 2013 1:58 pm

I think we all have to be realistic and accept that you are going to attract a larger audience of potential buyers at auction that you would through any club forum or magazine.

Historically if you look at auction sale prices they tend to be above a clubs expected value of the vehicle (more so if there are two or more parties interested on 'I must have' that particular car on the day ... I have seen this happen).

I think if you look at most recent club members their cars have been auction purchases and it has in a way brought new blood into the club which cannot be a bad thing in itself.

One thing we must be considerate of, is that any members decision to sell his or her car must be a sad and hard one to have made and perhaps we should not be so judgemental.

Sometimes the sale is due to bereavement, sometimes ill health, financial difficulties or just no longer being able to maintain the car. (it is not getting any cheaper to keep the cars on the road either).

Whatever the reason, it is a hard one to make and with the economic environment we now find ourselves in one cannot blame a member for trying to generate as much revenue as possible from the sale of their 'pride and joy'.

I am more of the opinion to thank these members for being good custodians of their cars, wish them all the best of luck with the sale and welcome the new owners to the club.

Just my personal opinion.

Chris

Re: Lagondas at auctions versus direct selling

Written by roadmap at Apr 13, 2013 12:08 pm

If you see a price that a car sells for in auction. It bears no relation to what the seller receives.

Firstly it includes the buyers commission + vat, then the sellers commission + vat, then the insert cost into the catalogue and the cost of arranging for the car to be taken to auction .

It can be 25% to 30% off the selling price shown.

Auctioneers charge an inflated storage charge and removal from the venue to storage charge . Plus you have to trailer or drive it home. Today this

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can easily be between £500-£1000. If you do it quickly to avoid daily storage charges.

So my point is. Advertise the car first and if it doesn't sell, reduce the price for a time as your asking too much, do this before thinking about an auction as once you have signed up for one it will cost to get out of the agreement

Re: Lagondas at auctions versus direct selling

Written by Peter S30 at Apr 29, 2013 3:58 pm

Dear Stewart,

I fully agree. A 2 litre LC tourer estimated 68-75k did not sell at 60k (H&H). Another 2litre LC tourer with (ridiculous) engine rebuilt cost of 198k and estimated 60-80k did sell at 50k (plus premium, Bonhams). A V12 saloon said to be in good running condition sold for 28k (plus premium, Bonhams). It seems auctions not always bring the best prices for the owners or is the market going down for not really perfect cars? at least this is an advantage of the auction: it reflects market changes very fast. And you can get rid of your car without long discussions with potential buyers.

Peter

Re: Lagondas at auctions versus direct selling

Written by SRD at Apr 29, 2013 5:02 pm

Peter hi

The two 2.0 litre tourers are like chalk and cheese.

1. The H&H car had a non-original engine, but a fixed reserve of ca. £65k (my guesstimate), hence a no ale at £60k.

2. The Bonhams 2.0 litre came in with a low reserve, a typical and very dangerous tactic from Bonham's, great for the potential buyer if the room does not warm to the car. The car sold bang on its lower price, with clutch problems and possibly other unknown issues. Caveat Emptor when buying such a car.

3. The V12 was taken to Bonham's by the vendor for the following reasons: He contacted BONHAMS; COYS; and H&H. The latter would not even visit without committing to auction !

COYS and BONHAMS both quoted similar costs for transport and commission, with BONHAMS then offering free transport; reduced catalogue entry costs; and agreed to insure the car comprehensively until end of May.

However, such freebies cost, with a very low agreed reserve, and no doubt a 20% leeway on top of that as well. This is another small print tactic of Bonham's, I learnt at my own personal cost a few years ago.

There are of course the exceptions, auctions like the AML Bonham's auction springs to mind. But then again, one can see that a fair few of the pre-sale estimates are generally low, and indicate that cars are here to sell, and such prices are generally comfortably exceeded.

Like everything if you want a quick sale and money in the bank, sell at auction, but pick your venue and auctioneer with care. if you have time, place adverts on the internet or allow your car to be sold on a sale/return basis as many do from a premier car dealer...