



L to R: Kate Hughes, managing director of Merseyside Property Auctions, with colleagues Eleni Tsanikidis and Justine O'Meara

New kids on the block

LATEST PLAYERS TO GET IN ON THE AUCTION ACTION
BY TONY MCDONOUGH

IT'S probably not quite accurate to say Kate Hughes is a new face on the Liverpool auction scene.

Although her company, Merseyside Property Auctions (MPA), has only been in existence for a few months, Hughes spent the previous five years cutting her teeth at Sutton Kersh.

The experience, skills and contacts she gained during that period convinced her the time was right to set up on her own.

Working with a small staff from a shopfront office near to the Royal Liverpool University Hospital, Hughes has already held her first event at the Crowne Plaza Hotel in Speke.

Sales hit just under the £1m mark after almost 100 people attended the day-long auction, with a total of 34 lots up for grabs.

Six further lots were sold prior to the auction, with the total sales reaching £998,000 and 40% of the lots on offer being sold. At the time of writing, she was just organising her next event that was due to take place in early December.

"I had always wanted to set up on my own," she said.

"Of course, for the last few years, the market has been doing well, but despite there being a downturn now, I still thought the time was right to give it a go.

"I believe auctions will do well in any market. At the moment, we are seeing a lot of repossessions coming through and I'm working with a number of estate agents who are sending through properties they are having trouble selling.

"We are now hearing of properties in new developments that a year ago were priced at around £300,000. That has dropped as low as £100,000 but there are still no takers."

As mentioned in this feature, David Sandeman of the Essential Information Group said auction houses were turning properties away if they believed they weren't suitable or wrongly valued.

This tallies with Hughes' experience. She added: "People are going to judge us on how many properties we sell on the day of the auction so we have to be very selective about the properties we will accept.

"There are still vendors out there who have an unrealistic view of the value of their property.

We have to try to explain to them what we think is achievable on the day.”

Hughes acknowledges the ever worsening economic climate but is confident the auction market will remain active.

“I do believe there is enough work for all the auction houses in Merseyside. There are plenty of properties out there.

“I know of bigger investors who sold up around three years ago and are now coming back into the market. They can see there are now some good deals to be had.”

Like MPA, Whitegates has only entered the auction market this year. However, the Whitegates estate agency brand is well established in the city.

Director Victoria James said: “We held our first auction in June. We were already a well established estate agency in the city and we decided to get into the auction market because we could see the change that was coming. The number of repossessions was

increasing.

“Having our own in-house auctioneer – Ian James – with more than 20 years of property experience, made the process relatively easy.

“Now we are saying to people, don't wait for your house to be repossessed – get it into the auction.

“We are seeing a change in the type of buyer who is now coming to auctions. It is not just investors but a number of first time buyers too. Most will have never been in an auction room before and it's a case of educating them on how it works and the benefits of it.

“Properties do need to be priced right. We are having to turn some vendors away because their expectations of what price they can expect can be too high.

“I think there is enough room in the market for the established players who have the experience. However, I think what we are all finding is that we are selling more properties before and after the auction than we are on the actual day.”