

How to Choose an Estate Sale Services Company

Most people don't run their own estate sales.

They already face the heavy and often emotional task of closing a deceased loved one's affairs or downsizing a large home in the wake of a divorce, relocation abroad or move into nursing care. The last thing they need on their plate is to organize the mother of all yard sales.

Companies offering estate sale services have sprung up to fill the void. The pitch is simple and attractive—"Hand over your keys, and we'll take care of everything! We do the hard work of hosting your sale. You just collect a fat check once we have sold everything!"

Buyer beware. Qualifications and the quality of estate sale services vary wildly. Some estate sale facilitators (also sometimes called "estate sale liquidators") may not include services that their competitors offer, services you might have thought were standard.

If the company does a bad job, you could be out a high flat fee and pocket almost nothing. If the company does not follow instructions, your loved ones' final wishes for their possessions might not be honored.

Even with an impeccable record, peace of mind comes with a cost. Many estate sale planners command fat commission percentages. You could end up pocketing far less money than you could have. On the other hand, professionals may be able to make you more money by pricing valuable items correctly.

To call it a balancing act is an understatement. Choosing the right estate sale service may be one of the most momentous hires you make. As expert purveyors of estate sale services in San Diego, we want our customers to be fully informed. Educated consumers can make the right decision for themselves and their family.

When shopping for estate sale services, follow these guidelines to make the best selection possible.

Before you interview companies:

1. Learn how estate sales work.
2. Don't throw anything away.
3. Research companies.

Questions to ask during the interview:

1. "What services do you provide?"
2. "How do you assess your fees?"
3. "Is sales tax required? How is it handled?"
4. "How are merchandise prices decided?"
5. "Are you insured? What is covered?"
6. "Are you bonded?"
7. "What security measures are taken?"
8. "Do you accept credit card payments at the sale?"

9. "Do you bring extra items for sale?"
10. "Are members of your staff allowed to make purchases?"
11. "Does anyone have first look or early access to the inventory? Are purchases allowed before the sale under any circumstances?"
12. "When and how is merchandise discounted?"
13. "When can the sale be scheduled?"
14. "What happens before the sale, and how long does it take?"
15. "What is my role? What is required of me?"
16. "How will the sale be advertised?"
17. "How will the sale be staffed?"
18. "Are there penalties for pulling items out of the sale?"
19. "How is the merchandise accounted for after the sale?"
20. "When and how do you pay me?"
21. "Can I attend the sale?"
22. "What happens after the sale?"
23. "Can you provide references?"
24. "When are your upcoming sales?"
25. "Will everything we discussed be in writing?"
26. "What happens after the sale with unsold items?"

After the interview:

1. Review the contract.
2. Call references.
3. Mystery-shop the company's upcoming sales.

Let's go into more detail on how to pick an estate sale service provider.

BEFORE YOU INTERVIEW ESTATE SALE COMPANIES

1. Learn all you can about estate sales.

How do estate sales work? They are actually quite different from yard sales, garage sales, rummage sales or other pop-up resale events. They operate by different rules. Shoppers arrive with different expectations and different strategies.

Knowing what they expect can help you understand how to run an estate sale the right way and to judge if the estate sale liquidators you interview know what they are talking about.

2. Don't throw anything away!

This is a cardinal sin of estate sale planning. Do not throw *anything* out before meeting with estate sale liquidators!

What looks like trash to you could be a treasure to someone else. Your interviews will be conducted in the house to be liquidated.

The estate liquidator needs to see everything he or she has to work with. One of the best reasons to hire professional estate sale services is to avoid throwing out or selling for pennies the dusty old canvas that turns out to be a lost Renoir.

3. Research companies.

Ask friends and family for references. Once that resource is tapped out, go online. Check popular estate sale databases. Look on Yelp.com or search Google.

Search the company's name on the website of the Better Business Bureau to check for red flags. Make a list of ***at least three companies*** to interview.

Now you have your interviews scheduled. It is time to become an informed shopper. Make sure every estate sale liquidator you interview has satisfactory answers to the following 26 questions.

QUESTIONS TO ASK ESTATE SALE LIQUIDATORS

1. "What estate sale services do you provide?"

Not all estate sale liquidators are created equally. Some may offer display tables and cases; others don't. Some may subcontract appraisals at your expense.

Others may not cover cleanup, trash-out or donation of unsold items. On the flip side, a few companies offer end-to-end turnkey services, up to and including prepping and listing the house for sale. Make sure you are satisfied with the level of service the company offers.

2. "How do you assess your fees?"

Estate sale services are notoriously expensive, but prices vary. Answers you might hear include:

- A flat rate
- A percentage of gross sales, ranging from 20% to as much as 50%
- A percentage *and* a flat rate

Prices can vary based on the level of service offered. A company with no in-house appraisers might charge an attractive low percentage, but then pass on the subcontracted appraiser's fee to you.

Estate sale liquidators who are also realtors or real estate investors may offer to list your house for a commission or even buy the house to repair and flip it.

In exchange, they might accept a lower sales commission than providers who only offer estate sale services. This could be a good deal if you don't have time to deal with contractors or plan to sell the house anyway.

3. “Is sales tax required? How is it handled?”

Every state is different. Make sure the estate sale liquidator knows the rules. Some estate sale liquidators collect, calculate and submit the taxes along with the required documentation. If you don’t want to have to do this yourself, make sure to confirm that the liquidator has it covered. In the state of California, sales tax is required.

4. “How are merchandise prices decided?”

This is a crucial step to avoid overlooking that lost Renoir. Does the liquidator have licensed appraisers on staff? What are their specialties? (furniture, art, collectibles, etc.) Do they subcontract appraisers when they don’t have specialists on staff? Who pays those fees? Do they check prices on WorthPoint, the industry standard for past auction pricing?

5. “Are you insured? What is covered?”

With many moving parts, a lot could go wrong at an estate sale. Make sure that your estate sale liquidator is insured. Ask for details. Their insurance should cover:

- Burglary committed while the house is in their care
- Merchandise stolen during the sale
- Injuries suffered by shoppers on the property
- Injuries suffered by staff members on the property
- Damage to the property of shoppers and staff members, including automobiles, while loading merchandise

6. “Are you bonded?”

Many people ask companies if they are “bonded” without knowing what that means. A “bonded” company purchases a surety bond that pays restitution if the company does not perform as agreed. Note that this is *not* the same thing as selling below expectations. However, if an estate sale liquidator promised to advertise your sale and you can prove they didn’t, the bond could make you whole.

7. “What security measures are taken?”

Lots of strangers will prowl the property on the day of the sale. What will the company do to ensure the security of your property and the goods therein? Consider estate sale liquidators that offer:

- Security cameras
- Secured cash collection and points of sale
- Security staff to patrol the premises
- Limitations on the number of shoppers admitted at a time
- A mandatory bag check to keep shoplifters from hiding small items in large totes or backpacks

8. "Do you accept credit card payments at the sale?"

It may not be a deal-breaker, but accepting credit card transactions at the sale demonstrates professionalism. It also adds the security of a paper trail and less cash on the premises.

9. "Do you bring extra items for sale?"

This is a big red flag. If the company brings merchandise from past sales to your sale, shopper dollars might be diverted to merchandise that is not even yours! The liquidator gets to keep the whole shebang; you get nothing from those sales. Your estate sale should be all about your merchandise. That's what you hired the liquidator to sell.

10. "Are members of your staff allowed to make purchases?"

If staff members get to buy your merchandise, this creates a conflict of interest. Why should they push for the best price if they can give themselves a sweetheart deal? They could pocket a commission on a discounted price and then turn right around to flip the bargain acquisition on eBay or at a swap meet. Consider selling to the liquidator's staff *only* if they get the last pick after the sale is over.

11. "Does anyone have a first look or early access to the inventory? Are purchases allowed before the sale under any circumstances?"

More conflicts of interest can arise if anyone gets a privileged first pass at your inventory. What if the liquidator offers a sweetheart deal to a reseller in exchange for a kickback? You only get the best price on your merchandise if everything goes on the public market where buyers compete on a level playing field. Look twice at a company that creates this level playing field.

12. "When and how is merchandise discounted?"

A professional estate sale is not a hagggle-fest. Some buyers will try to negotiate. Tease out the liquidator's policy for when this happens. Can clerks reduce prices on the spot? Do they have to check with you first? With a supervisor?

For a multi-day estate sale, a common practice is to offer discounts later in the sale. For example, during a three-day sale, everything is sticker price on Day 1, 25% off on Day 2 and 50% off on Day 3. Shoppers could scheme to come back tomorrow, but they risk someone having snapped that merchandise up at the full price.

13. "When can the sale be scheduled?"

Some estate sale liquidators are booked months in advance. A vacant house is a liability, expensive to insure. If the liquidator cannot book your sale within a month or two, keep looking.

14. “What happens before the sale, and how long does it take?”

An estate sale is a big event, requiring much preparation. You should find out how far in advance the liquidator needs access to the house.

Does the liquidator need exclusive access to the house, i.e. no one can come in or out without the liquidator’s permission? That may be fine if the estate-holder just passed away. If you or someone else still lives there, it could become a problem.

15. “What is my role? What is required of me?”

Remember, you are hiring estate sale services to lighten your own burden. Still, you may have a role in some liquidators’ plans. Do you need to relocate any merchandise that is not for sale? Is marking it “not for sale” or locking it in a secured room within the house good enough? Do you need to be on call during prep or during the sale to answer questions or approve discounts?

16. “How will the sale be advertised?”

The answer to this question could not be more critical. If no one knows about your estate sale, it could fail miserably. Ask the liquidator pointed questions about the advertising strategy. Make sure they include as many as possible of the following channels:

- Online state sale directories and bulletin boards
- Fliers on physical bulletin boards
- Signs and fliers
- Ads in local newspapers
- Online classified ads including Craigslist
- Social media channels including Facebook, Instagram, etc.

If a liquidator has an email list, this could be a huge advantage. An email blast to a database of bargain-hungry resale shoppers could do wonders for the success of your sale.

17. “How will the sale be staffed?”

How many clerks, porters and security guards will show up to the sale? Too little staff could result in an inefficient sale that underperforms. Too much staff, and you could end up overpaying.

18. “Are there penalties for pulling items out of the sale?”

Estate sale facilitators may base their commission off how much they expect the sale to gross. If you pull a choice piece off the market, that affects their bottom line. Be aware of penalties the liquidator might assess for items removed from inventory after the estate sale services contract is executed.

19. "How is the merchandise accounted for after the sale?"

You might expect a rigorous inventory to be mandatory. Actually, some reputable estate sale liquidators make no written inventory. They may keep things simple, requiring less staff and passing savings on to you. That said, you might need an inventory record for accounting purposes or to file estate tax returns. If you need that inventory, make sure it is included in the estate sale services.

20. "When and how do you pay me?"

Does the liquidator cash you out every day? At the end of the sale? Thirty days after the sale? By cash, check or e-payment? Whatever the answers, make sure you are satisfied.

21. "Can I attend the sale?"

Many estate sale liquidators prefer that you don't. They have a point. A chaperone with an emotional attachment to the merchandise could derail the sale. The standard contract may deny you access to the sale. Remember that there may be penalties for pulling items off the sale floor. If your presence at the sale is a deal-breaker, be prepared to argue the point.

22. "What happens after the sale?"

Agreeing on this ahead of time can head off nasty surprises. Will the house be returned to you broom-swept clean? Will unsold items be left? Will the staff leave behind a mess? Does the liquidator trash out, donate, consign or claim unsold merchandise to bring to other sales?

23. "Can you provide references?"

Don't take an estate sale facilitator's word for it. Ask for references that you can follow up with.

24. "When are your upcoming sales?"

You can probably guess where this is going. A liquidator's upcoming sales are a chance to audition the company's estate sale services in person. Reputable estate sale liquidators expect this question and will tell you where to find them.

25. "Will everything we discussed be in writing?"

Scout's honor does not cut it. Every term you shake hands on should be included in a final contract for estate sale services that you and the liquidator sign.

26. “What happens after the sale with unsold items?”

After the sale, does the liquidator arrange for unsold items to be donated? Do you get receipts for donated items? Does the liquidator arrange to clean out the remaining items?

WHAT TO DO AFTER THE INTERVIEW

Even if your chosen company does not answer every question perfectly, at least you know what to ask and understand what pitfalls await. Now that you have narrowed the list down to one or two estate sale services, you have three more tasks to complete before signing:

1. Review the contract.

All those twenty-six questions you painstakingly collected answers to? Make sure the answers you got are *in writing, in the contract!* If you see anything you don't approve of, raise the issue with the liquidator before signing.

2. Call references.

Don't skip this step. The estate sale liquidators probably gave you references of clients they know are satisfied. Check with them anyway to see that the answers to your interview questions match the experience of the past clients.

3. Mystery-shop the company's upcoming sales.

Now that you know when and where the liquidators' next sales are, show up under the radar. See if the staff is friendly and professional, the sale looks orderly and efficient, and security matches the expectations you gleaned from the interview.

Pro Tip: Don't let on to the staff that you are a potential client! You want to be treated like they treat any other customer.

If this to-do list looks overwhelming, it beats actually running the sale! Armed with these steps and interview questions, you can make the best decision possible from the estate sale services available to you.