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RETIREMENT

Managing Estate Sales Becomes Big Business

By ALAN FEUER March 11, 2015



Buyers hauling furniture from a house in Forest Hills, Queens, last month at an estate sale. Lucky Rabbit Estate Sales managed the process for Gary Berman, whose mother lived in the house until her death. *Image: Jake Naughton for The New York Times*

When Gary Berman's mother died in January, at age 81, leaving behind the two-story house in Forest Hills, Queens, where she had lived for more than 60 years, he and his sister divided the items with sentimental value, then decided they wanted to sell the knickknacks and the big-ticket items, mostly a collection of midcentury modern dining room furniture.

A cardiologist by profession, Dr. Berman, 60, knew what he wanted to get rid of, but had no idea of how to find someone to do it. So he did what all of us do these days: He went on Google and searched until he came across a company called Lucky Rabbit Estate Sales, which happened to be based nearby in Fresh Meadows, Queens.

"I literally picked the phone up and said, 'Can you help me?'"

Dr. Berman said recently. Lucky Rabbit could and did: Within days of the call, Paul J. Dunn, one of the company's owners, was consulting with Dr. Berman about how to hire a cleanup crew, how to price a matching buffet-table set and how to protect against theft when the estate sale actually took place.

Liquidating a relative's estate is one of the most personal ordeals, yet it is becoming increasingly common, people in the industry say. As the population ages, the estate sale business is booming. In many cases, the parents of baby boomers like Dr. Berman are reaching the ends of their lives just as their children are looking to retire and downsize, and both trends benefit the business.

It is impossible to know how many estate liquidation companies operate in the United States or how much their numbers are

increasing, because the industry is unregulated and has no central licensing body. But Julie Hall, the president of the American Society of Estate Liquidators, a trade association, said that there could be 14,000 companies nationwide and that the market was expanding.

“It’s definitely growing at a rapid rate,” Ms. Hall said. She said she received about six inquiries from potential new start-ups every few days, “and the market is already flooded.”

“The competition is fierce, and only the strongest and the best will do exceptionally well,” she said.

Though the business has traditionally found clients among the relatives of those who have died, economic problems have also contributed to the recent spike in sales, Ms. Hall said. That is particularly the case with older people, retired or close to it, who want to sell their possessions to simplify their lives and to make ends meet.

For now, Ms. Hall said, most estate sale companies are mom-and-pop operations that cater to a regional clientele. But in recent years, she added, a handful of successful franchise businesses with wider-than-local ambitions have emerged.

One of those is Blue Moon Estate Sales in Fuquay-Varina, N.C., south of Raleigh. After six years in business, the company, run by a married couple, Ken and Debra Blue, now has five franchises in North Carolina and Texas, and its home office.

The Blues — he is a former I.T. specialist and she is a nonpracticing doctor — got into estate sales after buying and selling antiques for nearly 30 years, because they saw that economic and demographic trends would make the industry grow.



Some of the items that were on sale.

Image: Jake Naughton for The New York Times

“Years ago, people had lots of kids and not very much in the way of possessions, so it was easy to clear up an estate,” Ms. Blue explained. “Now people have fewer kids and a lot more stuff. And since the kids don’t tend to want that stuff, you have more sales.”

Estate sale people like to say that the liquidation business is built upon the four D’s: death, divorce, debt and downsizing. According to AARP, some 8,000 Americans a day will turn 65 for the next two decades or so. Combine that with high divorce rates, the passing of the World War II generation and a mortgage debt-fueled financial crisis that people are still recovering from, and a result is more estate sales.

Estate sale companies typically keep 25 to 50 percent of the proceeds from sales, based on the number of items offered. For that, they handle the staging of the event at a client’s house, including online promotion, hiring workers to conduct the sale, setting prices (usually nonnegotiable) and cleaning up before and after.

If the lot for sale is especially large or valuable, some companies may recommend an auction, although allowing buyers to bid instead of paying a fixed price can be risky, industry people said.

The competition among companies is stiff enough, in fact, that many have started to expand their business models to include ancillary services. Caring Transitions of Greater Southeast Cincinnati and Northern Kentucky, for example, offers its clients a full range of options: moving company referrals, resettlement assistance and help with how to downsize.

“We take people from the moment that they want to sell, and lead them through packing, space consulting and the clean-out process,” said the company’s co-owner, Paula Houston-Allen. “We want to help them set up easily somewhere else and make



Paul Dunn, an owner of Lucky Rabbit, in the living room preparing for the sale.

Image: Jake Naughton for The New York Times

sure that their former home is move-in ready.”

Ms. Houston-Allen, a former doctoral candidate in sociology, is perhaps more attuned than many to the industry’s demographic future. She said that she got into estate sales two years ago when she and her husband, the other co-owner, began to notice that people in their 50s and 60s, like themselves, were grappling more and more with their parents dying and leaving behind a life’s worth of possessions.

“Our biggest source of referrals is customers like ourselves,” she said. “We saw these transitions happening in our own life, and in the lives of those around us, and we understood that there was a great need.”

That need has started to extend beyond selling the items in a cluttered old house. As people increasingly live their lives online, companies like BestBequest.com, a cloud-based safe deposit box, and Afternote.com have sprung up to help them preserve what is being called their “digital legacies” on Facebook, Instagram and other social media networks.

Still, it is physical stuff that is causing concern in the industry. According to Ms. Hall, because of population trends, “a tsunami of personal possessions” is likely to crash into the industry in the next 10 years. Even as the number of liquidation companies continues to grow, she said, the market for what they sell is starting to soften.

“We’re all losing our moms and dads, and their furnishings are flooding the market,” Ms. Hall added. “At the same time, the boomers are casting off their own stuff, and their own children don’t really want it. Generations X and Y want Ikea and Pottery Barn. They don’t want Grandma’s coffee table or china.”

Naturally, there are often disagreements between sellers and sales people over what to charge for certain cherished items, since antique family heirlooms can find little appeal on the open market.

“A lot of people are very suspicious about the estate sale business when it comes to price,” Ms. Houston-Allen said. “They’re emotionally attached to the things they’re trying to sell, and they can’t believe that it’s going so cheaply.”

What tends to sell best these days, Ms. Hall and others said, are not heavy antiques, but sleeker, simpler furnishings.

“There is a massive trend in the buying market toward simplification,” Ms. Hall said. “Armoires, entertainment centers, the giant desks and tables that our grandfathers had — they’re basically obsolete. Why? Because new apartments don’t have space for dining room sets, and the younger generation doesn’t tend to entertain.”

Luckily for Dr. Berman, most of his mother’s things were modern pieces in keeping with the current style. And they ended up selling fairly well, partly because Mr. Dunn of Lucky Rabbit managed to attract about 300 people to the sale, including several professional furniture dealers.

“Paul said, ‘Don’t come, you’ll only get emotional,’” Dr. Berman said. But he went anyway, when the sale was almost over. The financial success of the process did not allay the emotional cost of emptying the house where he had grown up.

“When I went in there, it was a little shocking to see the couch, the dining room furniture — everything was gone,” Dr. Berman said. “It was bittersweet, but at least I knew that the belongings had gone on to a new home rather than being on a garbage truck.” ■

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