

## 10 things estate sales won't tell you

### What to watch out for when it's time to clear out a home

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By [Elizabeth O'Brien](#)

#### 1. "Anybody can do this job."



Paulo Buchinho

The liquidation business is driven by the four d's: downsizing, death, divorce and debt. With about 10,000 Americans turning 65 each day, boomers account for many of the downsizers. But plenty of other people can find themselves in need of help dumping property — whether they are struggling to fit recently inherited antiques into a tiny apartment, liquidating assets as part of a divorce settlement, staving off creditors, or simply moving across country for a new job.

And since the average American home spans some 2,500 square feet (not counting the storage lockers rented by one in 10 U.S. households), emptying one out isn't easily accomplished alone.

Enter the estate liquidator. There are roughly 14,000 estate liquidators in the country, according to [Julie Hall](#), an appraiser and estate expert in Charlotte, NC, and the executive director of the American Society of Estate

Liquidators. Members of that organization must meet certain education or experience requirements and abide by a code of ethics. But most liquidators have no formal training, Hall says. Anyone can set up shop as an estate seller, and plenty of folks who lost their jobs in the recession did just that, she notes.

So how can consumers find a reputable seller amid all the dabblers? There's no regulatory body that oversees the estate liquidation industry and no central repository for complaints. But some basic research can turn up red flags, Hall says: Do a Google search on the name of the liquidator you're considering hiring, check with the local Better Business Bureau for reviews, and ask for references and relevant education. Websites like Angie's List and Yelp can provide additional insight, although the former charges members a fee. And if there's time, insiders say, owners should attend some estate sales run by any potential hires before committing.

*From: [Things estate sales won't tell you](#)*

MarketWatch's Jim Jelter discusses what to watch out for when it's time to clear out a home.

*Photo: Getty Images*



See also: [The 10 best cities to retire in.](#)

## 2. “Your stuff is worth a fraction of what you imagine.”

Television programs like “Antiques Roadshow” have trained people to think that many basements and attics contain valuable treasures. In reality, they don’t. Those Hummel figurines that grandma so lovingly collected? They’re not worth much these days, experts say, the result of changing tastes and a saturation of the market. At the height of their popularity, Hummels sold for between \$100 and \$450, but today all but the most coveted examples might sell for just \$20 or \$30. The furniture market has more potential sellers than buyers, too, and downsizing boomers are often appalled that their classic, sturdy pieces fetch a fraction of what they paid for them.



### Behind the boom in divorces over 50

The rate of divorce among Americans 50 and older has more than doubled in the last decade, studies show. But precisely why is unclear. WSJ’s Carl Bialik discusses some of the factors accounting for the boom in divorces among boomers.

The market has softened even for some serious collectibles, such as Georgian-period English antiques. Pieces that sold in the range of \$10,000 to \$20,000 at auction five years ago might be tough to sell for half that these days, says Frances Zeman, president of Appraisal Resource Associates, an appraiser in New York. Part of the reason is cyclical tastes, Zeman says. Consumers should check with an appraiser every three to five years to make sure there have been no big changes in the market for their collectibles, she says, noting that keeping appraisals current is also important for insurance purposes.

(See also: [Downsizing boomers looking to sell their stuff.](#))

## 3. “Then again, what would we know about value?”

For items sold at estate sales, the estate liquidators usually set the prices, but most of them are not trained



### Secondhand Phones a boon for resellers

Demand for Apple’s latest iPhone is strong around the world, but desire for older versions is leading to rapid growth for companies that buy and sell the used devices. Thomas Gryta has details on The News Hub. Photo: Reuters.

appraisers. That’s fine, as long as they know to call in reinforcements when they’re in over their heads. When liquidators don’t know the value of an item, they should consult a trained professional, rather than, say, doing some cursory research on eBay. Ideally, consumers should get items of perceived value appraised before hiring an estate liquidator, experts advise. (A good liquidator will refer clients to an appraiser for hard-to-price items, but don’t count on it, Zeman says.)

If an item is truly worth something — think authentic Cartier or Tiffany — then it might be best to sell it at auction instead of at an estate sale. Estate-sale treasure hunters may appreciate it when liquidators undervalue an item, but the estate’s owners or their representatives typically want fair market value, and auction houses will likely do a better job of ensuring that they get it for rare items, appraisers say.

## 4. “Got a lot of stuff? Better start sifting now.”

Hoarding was recently recognized as an official disorder, with the condition’s inclusion in the American Psychiatric Association’s just-released fifth edition of its handbook of diagnoses, the DSM-5. (See: [15 new mental illnesses in the DSM-5.](#)) Hoarding, distinct from even the most enthusiastic collecting, is characterized by the acquisi



### Why caffeine withdrawal is now a mental illness

Hoarding and caffeine withdrawal are two new additions to the manual of diagnostic mental illnesses. Jen Wieczner reports on the News Hub. Photo: Getty Images.

tion of dangerous clutter that takes over active living areas like beds and bathtubs. While it's not that common for a liquidator to encounter a clinical case, many clients push the accumulation envelope, experts say. "You'd be surprised at how many people walk the line between collecting and clutter and hoarding," says Chris Seman, president of Caring Transitions, a nationwide senior relocation and estate liquidation firm. Furthermore, seniors who survived the Great Depression are often loath to part with the most mundane of items, while those with cognitive decline often lose track of how many like items they have. Seman recently saw a cache of ice cream scoopers in the home of an Arizona couple in their 90s, for example. Alan Klug, a franchise partner in Baltimore and Pittsburgh with junk-removal service 1-800-GOT-JUNK, adds that people routinely underestimate what it will take to empty out their homes. "People think they have enough for a half-truck and it's usually two trucks," says Klug, whose truckloads are each 15 cubic yards, about the size of eight full-size refrigerators.

Folks should begin the decumulation process before there's any need for an estate sale, experts advise, shredding unneeded financial documents and giving away possessions when they're still healthy and able to do so. This way, items can be thoughtfully given away, donated or disposed of before the time crunch that often accompanies a liquidation. While it's hard to part with sentimental items like an old baptism gown, for example, families can take steps to ease the process: Seman suggests, for instance, that a downsizing boomer could invite friends and family over to tell stories about favorite items. Taking photos of accumulated

treasures for an album can also help people goodbye-bye to them. "The memory isn't in the clothes," Seman says. "It's in the situation."

See also: [Estate planning for the rest of us.](#)

## 5. "We'll take a big bite out of your sales."

Liquidators generally get paid a percentage of the total take of the estate sale. Rates vary according to locale



### Hire your kid, get a tax break

By now, your tax return for last year has probably been filed but here's a tip if you're looking to cut taxes for the rest of this year: Hire your child. MarketWatch's Jim Jelter reports. (Photo: AP)

but average around 35%, according to estate-sale veterans. Don't assume the price includes the removal of all unsold items. Hall charges a separate, hourly fee of \$125 if clients want the home to be left "broom clean," with all remaining items donated or disposed of and the floors and linoleum swept (vacuuming not included). At roughly \$1,000 a day, that service doesn't come cheap, but for many, an efficiently and responsibly emptied house may be well worth the price, she says. Meanwhile, to ensure a good turnout at the sale, insiders suggest asking how the liquidator plans to market it, noting that many established liquidators have a following of devoted buyers.

A good contract will spell out all these details. Walk away if your estate liquidator would prefer to operate on a handshake, says Catherine Anne Seal, an elder law attorney in Colorado Springs. "Contracts are written because things don't always go well," she says. Even with a contract, it's possible to get fleeced. Seal recounts an incident several years ago, when she was the court-appointed representative for an older woman who was downsizing and moving to a nursing home. She hired a liquidator to sell some of the woman's items off-premises. After the sale,

she received a check for proceeds, as usual, but by the time the check bounced, the company had vanished. Seal says it's the only time she's been ripped off in 17 years of overseeing liquidations. "I tried every recourse," she says, but she could not track down the rogue operators and get the money back. Seal says people should investigate a prospective liquidator and "ask a lot of questions."

Don't forget the taxman when considering an estate sale of a deceased person's possessions. The value of all household items counts toward the total value of the estate for estate tax purposes (and if the estate sale is held soon after the death, then the value of the items is the amount they sell for at the sale, rather than just the appraised value, attorneys say). The federal gift- and estate-tax exclusion amount for estates of people who die in 2013 is \$5.25 million, and the vast majority of estates fall under that threshold and owe no federal taxes. However, some states, including Massachusetts, have \$1 million exemptions for state estate taxes, a limit that ensnares middle class households. A liquidator can give a client an estimate of the value of all household goods before the estate sale. Those who try to exclude household goods from their estate's value can't then claim a charitable deduction if they give away items left unsold after the estate sale, says Hyman Darling, a partner in Bacon Wilson, a law firm in Springfield, Mass., and a board member of the National Academy of Elder Law Attorneys.

See also: [Online auctions: Don't get bitten when you bid.](#)

## 6. "Your secrets aren't safe from us."



### The \$100,000 closet

These days, the cost of the closet can rival or surpass that of the kitchen. WSJ's Mansion team has a sneak peek into some of these trophy closets. Photo: Clos-ette.

An inflatable love doll in the closet of an octogenarian? Evidence of an illicit affair? It's all in a day's work, says Hall. Estate liquidators poke into crevices where sometimes family members don't even venture. Hall says she has uncovered both of those examples, and more. "We see some crazy stuff," she says. She's developed her own moral compass in response: If she finds a hidden stash of cash or other valuables, she says, she immediately photographs the item-emails-mails the photos to her client. With evidence of, say, (potentially closeted) cross-dressing, she simply disposes of the items without telling anyone. If she discovers the evidence of a child born of an affair, unknown to the rest of the family, she'll discreetly tell the lawyer representing the estate. A newly discovered heir has a right to make a claim against the estate and must be notified of the death, attorneys say.

But every estate seller has his or her own approach. There are no ethical rules that bind a liquidator to keep family secrets, says Seal, the Colorado attorney. In the cases where a liquidator handles a revelation without discretion, it'd be hard for heirs to bring a successful defamation lawsuit when liquidator speaks the truth, however indelicately, attorneys say. Bottom line? A liquidator should never be the first person who digs into the belongings of someone who's no longer living — a family member or friend should always do a first pass, Seal advises.

See also: [10 things Medicare won't tell you.](#)

## 7. "We're not your therapists."



### Couples Therapy for One

Elizabeth Bernstein on Lunch Break looks at couples therapy for one. Most couples wait far too long to seek professional help when the marriage hits a rough patch and a common scenario is one partner wants to go and the other does not. As a result, some couples therapists are adapting traditional couples-counseling techniques for use with one spouse only.

It's not an estate liquidator's job to mediate family disputes. (And unlike on the television show "Hoarders," it's not a common practice to have therapists at the work site.) Loved ones can smooth the way for an estate sale by making decisions beforehand, experts say. If there's a will involved, items can be allocated according to the deceased's wishes; in cases where those wishes aren't clear, an attorney can help. If the home's occupant is still alive and mentally capable, she should go through the house and decide the items to be kept outside of the sale and held for herself, friends, and family.

Tricky family dynamics often come with the territory in estate sales. And liquidators working with people in transition can easily get caught in the emotional crossfire. Hall reports that at one meeting with heirs who were clearing out their parents' house, she got beamed in the head with a teapot. "He was aiming for his sister," she says. "They just inherited a million bucks, and they were fighting over Tupperware."

## 8. "Someone tripped and fell at our sale? No, that's your sale."



### Are you more prone to concussions?

New programs at medical centers around the U.S. aim to improve the care for the growing number of concussions in children and teens, amid evidence that doctors don't always have adequate training to manage concussions and may not be up to speed with the latest techniques to evaluate and treat the brain injury. Laura Landro and Dr. Michael Collins have details on Lunch Break.

What happens if someone trips and falls at a tag sale? Could be that both the homeowner (or his estate) and the liquidator get sued. If the estate liquidator carries no insurance, the homeowner will bear the full liability, Seaman says. (While they might not be legally required to do so, most professionals who work in homes, be they plumbers or contractors or liquidators, should and do carry insurance, experts say.) Consequently, he recom-

mends hiring an estate liquidator that carries insurance, including workman's compensation coverage in case a worker gets hurt, he says. Those considering an estate sale must also check to make sure that the home's homeowner's policy is still active, and find out what it covers, especially if the house hasn't been occupied for a while.

Consumers should also ask their liquidator how he plans to prevent theft, experts say. Some liquidators hire security personnel. At the very least, jewelry and other items of value should be locked up and not left unattended as buyers wander through the house.

## 9. "We're thinking of snagging some of your goodies for ourselves."

Some estate liquidators will buy items from an estate they're selling. While this practice might seem harmless — even beneficial, since it helps to clear things out — it presents a potential conflict of interest, some experts say. Some feel a professional should not buy items that she prices, since her motivation to buy might motivate her to set the price low so she'll pay less—or unreasonably high to drive off other potential buyers. She also shouldn't hide desirable items during the sale so she can underpay for them when it's over. Another no-no, according to some experts: paying workers with items from the sale.

Some liquidators will offer clients a flat fee — say \$2,000 — for the entire contents of an estate. This might be a good option for people under extreme time pressure, or those with estates that are too small to justify holding their own sale. While there's no hard and fast rule, some experts say estates worth less than \$3,000



### House of the day: an antique lover's dream

One is a loft. The other is an 18th-century farmhouse. Both are antique havens for sale. Jackie Bischof has the details on Lunch Break. Photo: Natalie Keyssar for The Wall Street Journal

or \$4,000 might not support their own tag sale. However, before accepting a lump sum offer, it's a good idea to get a second opinion unless it's absolutely clear there's nothing of real value in the home, says Barry Gordon, founder of MaxSold, an online auction liquidation company.

### 10. "Stay out of our way."

Klug recalls a particularly difficult hauling job where an older couple was downsizing. The husband, a physically strong man who had Alzheimer's disease, planted himself in the doorway and insisted on inspecting everything that came out of the home. His wife became distraught, and her brother tried to intervene. "It got ugly," Klug said. He was respectful to the husband out front while his staffers took items out the back door as quickly as possible. While that incident didn't occur at an estate sale, liquidators say that family members interfere with those, too. They might try to prevent the sale of a sentimental item, for instance, or lobby for an inappropriately high price. And insiders say this can be a problem, since the ultimate goal of the estate sale is to strike a balance between price and efficiency.

Some estate liquidators include in their contracts



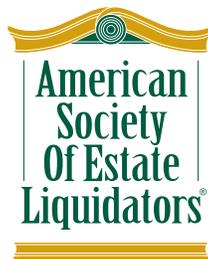
### How social behavior may point to brain problems

With many neurological disorders, from Alzheimer's to ADHD, the first clue something is wrong may be atypical social behavior. Shirley Wang reports on Lunch Break. Photo: Getty Images.

that family members can't be on the premises during a sale. **Julie Hall** doesn't go that far, but she does try to discourage family members from attending. For one, prospective buyers don't like to see family milling about, she says — in many cases, it reminds them they're buying a dead person's things. If people hire a professional they trust, they shouldn't have to be on site to make sure everything goes right, says Hall. ■



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