

## Furniture Disposition 101

Here are some suggestions that will help guide you through the process of liquidating furniture assets.

- **Plan early for liquidation** – Often, disposition of assets and the requirement of vacating a space gets lost in the activity of the new furniture project. Bring us in for a planning meeting as early as possible.
- **Time is your friend** – Allowing sufficient time for the liquidation allows us to plan for contingencies, attract more buyers, explore donation possibilities, and arrange for more effective recycling options. 60 days is the minimum “sweet spot” allowing us enough time to contact as many vendors as possible. This optimizes the valuation of your furniture lot.
- **Liquidation - A Math Exercise** - Liquidation value is a commodity market driven by five factors:
  - **Current value of the assets on the wholesale market**
  - **The cost to disassemble, stage and deliver to dock (union labor raises this cost)**
  - **The cost of transportation to get it to another broker**
  - **The cost of inventorying that product**
  - **The cost of disposing or recycling any un-usable product****The value minus the above costs produces a positive, negative or break even for the client.**
- **Liquidation - the emotion** - Often, clients tell us, “We paid a lot for this furniture just a few years ago and feel that our company should get close to what we paid for it. Being a commodity, valuation changes according to supply and demand. For example, lets compare today’s market to 2008 – 2011. In those years the market valuation for used furniture was at a “high” as companies didn’t have funds to purchase new. After 2012 the pre-owned market changed 180 degrees. Today, buyers now expect furniture to look like “new” and don’t want to pay much for it!

Knowing how the market works can help you to set realistic expectations. We recommend setting up an initial meeting and we’ll do the rest.