

PROFILE IN COMMERCE: Jerome J. Manning

Going Once, Going Twice: Auctioneer Sees Increase in 'Solds'

By Aglala Pikounis

JEROME J. MANNING CAN STILL REMEMBER the first auction that fueled what would become his lifelong passion.

It was in the late 1970s and Manning was still a newbie in the auction business. He had purchased a Hyannis restaurant for \$2,500 and eventually auctioned it for more than \$17,000.

Manning was hooked. "My first auction was incredibly successful by my standards," said Manning, chief executive officer of JJ Manning Auctioneers.

Over the last three decades, Manning has seen the real estate auction industry flourish. Some auctioneers are seeing business boom as foreclosure activity has mushroomed.

The real estate auction market generated \$58.4 billion last year, according to the National Auctioneers Association. Residential real estate auction sales accounted for \$16.9 billion in 2007, up from \$16 billion in 2006 and \$14.2 billion in 2005, according to the association.

Residential real estate auctions are the fastest-growing segment of the industry, with total sales growth increasing 46.6 percent from 2003 to 2007.

Manning's Yarmouthport-based company has auctioned 14,000 properties — \$4 billion worth of real estate — in the last 33 years. Manning said his business has increased at a rate of about 25 percent annually over the last three years.

Among the properties JJ Manning has auctioned in recent years are Foxboro State Hospital, which fetched \$5.17 million; Lakeville State Hospital, which drew a high bid of \$2.4 million; a closed college campus in Haverhill that went for \$3.5 million; and NSTAR-owned land in New Bedford.

"The most interesting [auctions] are the ones that you make the most money on, I guess," said the West Yarmouth resident.

Manning was introduced to the auction business shortly after moving to Cape Cod in 1973. He was a court officer and realized that the job didn't suit him. He decided to try his hand at buying restaurant equipment at auctions and then reselling it.

"It was OK, but I noticed that I was getting dirty all the time and the auctioneer standing up there, he was nice and clean. His job looked more desirable than mine to me, so I gave it a try," he said.

He launched JJ Manning Auctioneers in 1976. The company has worked with just about every lender and bank, according to Manning.

Back in the late 1980s and early 1990s, when foreclosure activity surged and banks' real estate portfolios ballooned, Manning handled multiproperty auctions in hotel ballrooms.

"The good thing that happened then was, number one, a lot of investors made a lot of money buying that distressed real estate. But more importantly from my point of view, the public was introduced to auctions in a big way. A lot more people are a lot more comfortable," he said.

Shifting Focus

Manning's son, Justin, joined the company about 15 years ago and is now president. Both father and son travel throughout the country auctioning properties. Recent trips have taken them to Florida, Georgia and the Carolinas.

Over the years, Manning's company has redirected its focus away from foreclosure and bankruptcy auctions. Today, 99 percent of the company's business involves real estate auctions, almost exclusively private sales. In contrast, most other auction companies in New England deal primarily with distressed sales.

"We work with banks and lenders but we'll sell the properties they already own rather than take them at foreclosure. And the reason we got away from it is because ... 75 percent to 80 percent of all foreclosures are cancelled, either by the mortgagor bringing [the loan] current, by a forbearance agreement, [or] by a refinancing," he said.

Manning noted that the foreclosure auctions can be financially challenging. "You spend six weeks getting ready for the auction and then the night before the auction ... the debtor files bankruptcy and stops the auction. We get paid whatever we spent on advertising and so on, but we lose serious money in a situation like that because we have to pay our help and any other overhead and there's no return on that. That's one of the main reasons why we got away from it," he said.

Manning, who is a past president of the Massachusetts Auctioneers Association, anticipates that auction activity will continue to increase.

"What we have going for us right now



Jerome J. Manning, CEO of JJ Manning Auctioneers in Yarmouthport, expects auction activity to continue to climb.

is that the public is more comfortable with the auction method of buying and selling," he said. "So many people are

used to going on eBay and buying and selling ... they're used to seeing all these auctions."

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