

# GARAGE SALES

## Consignment 101

Consignment is where a person who has items to sell, also called a consignor, enters into an agreement with a retailer (consignee) to sell merchandise. The consignee generally keeps a portion of the sale proceeds as their fee for selling the item or items in question.

Consignment is a viable option for many people with items to sell, particularly if they have higher-value items and there are consignment stores in their area that sell those goods. Common goods found in consignment are clothing, shoes, sporting goods, baby furniture and accessories, antiques, art, furniture, toys, musical instruments and jewelry. Some regular retailers will also consign goods for a fee, such as jewelry and music stores.

### HOW TO CONSIGN

If you have an item you'd like to sell on consignment rather



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than at a garage or yard sale, start by finding out what retailers in your area will consign items similar to what you have. For instance, if you have a designer handbag, look for boutiques that consign luxury goods.

Once you have a list, take your handbag around to the businesses to see if they'll accept it and take a look at their consignment contract. The consignor will evaluate your item and determine if they can sell it and for how

much. If they decide to accept it, you should sign a contract with the store regarding the consignment.

### CONSIGNMENT CONTRACTS

Just like with any contract,

you should read over the terms and conditions carefully.

Typical consignment contracts will lay out the rates the shop takes for the goods, how long the shop will attempt to sell your items, and what will happen to the item if it doesn't sell. There may be a fee due for marketing your item even if it doesn't sell. Consignment commissions are usually between 20% to 60% of the fair market price. You may receive more money back if you opt to take your payment in store credit.

### ALTERNATIVES TO CONSIGNMENTS

There are alternatives to consignment shops. You can attempt to sell the item yourself, either at your garage or yard sale or independently through online or other marketplaces. You can also opt to sell some items through a pawn shop. The advantage of a pawn shop is that there is immediate compensation for you, but it may be less than other resale options. Lastly, you can opt to donate your items to a thrift stores. Some thrift stores will give you a receipt that will allow you to deduct the items on your taxes. For big donations, however, such as some art and cars, you should have a professional appraisal done before donating.

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### BUYER'S TIP

#### Look for Items of Value

When shopping consignment shops, look for the best values, or the items that hold their value the longest. Some stores welcome negotiation, but it's not as fast and furious as it would be at a typical garage sale or flea market. If you do try to negotiate, make sure you are very knowledgeable about the products and prices; remember, this is the business owner's profession and chances are good they know their stuff.

## AD SPACE