

# ALLEGHENY SCALE MODELS, LLC.

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## Scale Model Railroad Collection Sales Options

There are several ways that you can sell a collection of models, based on your overall objectives. The key considerations on how you approach selling your models are:

- 1) how fast you want to sell the collection,
- 2) how much time and effort you want to spend getting the collection ready for sale,
- 3) how much you know about the model(s) for sale, and
- 4) how much money you want when the models are sold.

Options available include:

### 1. Consignment sales through a dealer.

- a. Dealer handles repairs, advertising, packing, shipping, accounting, etc.
- b. Owners' returns on sales are maximized (typically 70-80% of sale price).
- c. Models are sold individually over time, generally at higher prices.
- d. It may take a while to sell the collection (based on how prices are set).

### 2. Sell the total collection at once.

- a. There is immediate payment.
- b. The owner can negotiate the price(s).
- c. No costs are incurred by the seller.
- d. Owners typically receive less money (40-60% of market value or less).
- e. The models are sold as a total collection – everything is sold.
- f. There is minimum return on “add in” items.

### 3. Sell the collection through an auction house.

- a. This approach provides the lowest return to the owner (auction house fees and sales fees are incurred).
- b. Some time is required to organize, schedule, and advertise the auction.
- c. Each item sells to the high bidder - this may be well below market value.
- d. Note: very few auction houses have an in-depth knowledge of the scale railroad models - they sometimes provide "too many bargains".

### 4. Sell the collection yourself on a model by model basis.

- a. All of the effort required to prepare the models for sale and associated costs is incurred by the owner of the models (repairs, advertising, packing, shipping, accounting, etc.).
- b. This approach takes a significant amount of time on the owner's part, and requires knowledge of the models being sold.
- c. This approach maximizes owners' returns on sales (85-90% of sale price)
- d. The models sold individually over time at higher prices.
- e. It takes longer to sell the collection (based on how prices are set).

## **5. Sell the models on eBay.**

- a. There are significant fees for listings/sales (~15% or higher).
- b. Need photography and computer skills specific to eBay.
- c. Models need to be carefully described with good pictures.
- d. Models to be quickly and carefully packed for shipping.
- e. On-line fraud can be an issue - seller is at a disadvantage based on eBay protection policies.

If you want to sell the models quickly and all at one time, you will receive a lower value for the items than if you sell them individually over time. The price definitely can be set/adjusted to manage the time to sell and still return good value for the individual models.

Before deciding on any selling approach, the models should be valued appropriately. This is based on both the current market and specific characteristics of the models in the collection. These include the rarity/desirability of the model, the condition of the model (new, used, etc.), the amount of run time, any modifications made, completeness (original box, parts, etc.), and a number of other characteristics. A fair appraisal of the collection's value helps to choose the best sales approach.

It is critical to obtain an independent assessment of the collection's value before you attempt to sell it. If possible, create/maintain an inventory, especially for the most expensive items (generally the engines and sometimes some other key items), that indicates the item, importer, painter, and describes who performed any work on the model. If not, have an inventory created/priced by a knowledgeable person – not just a friend - who has current pricing information. You should request several different bids on the collection if you are selling it as a collection.

Remember, that all kinds of railroad items are worth something – not just engines and train cars. Trucks (wheels), parts, decals, books, and other train memorabilia all have value and can be sold. Smaller items are generally sold as a collection (not on consignment), since the time and effort to track many small items is generally not cost effective.

There may be different buyers for different items. For example, you might sell your more expensive engines on consignment, and the smaller items as a collection.

Please feel free to call and ask questions or advice, even if you are selling it to someone else. We are happy to answer questions.

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