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**Changing Strategies in Capital Goods Disposal: Why Banks and Financial Institutions are Increasingly Turning to Auction Houses**

The structure of capital goods disposal is evolving. While banks and financial institutions previously relied mainly on direct sales through machinery dealers, they are now recognising the benefits of specialised auction houses. These not only serve as local contacts for sellers but also achieve higher global revenues due to their extensive buyer base.

When companies can no longer service their loans for machinery and industrial equipment, banks and leasing companies face the challenge of efficiently disposing of the assets used as collateral. Poorly organised sales can incur unnecessary costs and risk selling modern machinery below value.

Why Auction Houses Are a Better Choice Than Machinery Dealers

Machinery dealers often offer direct purchases at prices significantly below market value. Their primary goal is to conclude sales quickly, which means that valuable machines disappear from banks' portfolios at low prices. In contrast, an auction creates competition among bidders, and the price is determined by demand, often leading to higher returns.

It is crucial, however, to choose specialised and internationally operating auction houses. Only through a targeted focus on industrial machinery do auction houses provide banks access to customers from relevant industries. An international presence also significantly broadens the pool of potential buyers. This leads to a more dynamic and competitive bidding process, where prices are determined by widespread international demand.

Another factor in choosing an auction house is the presence of locations in the respective country. Alexander Kosir, Country Manager in Austria for Surplex, explains: “Especially for banks and financial institutions, a deep understanding of the national market and specific legal conditions is essential, which can only be guaranteed by local experts.“ [Surplex and Troostwijk](https://www.surplex.com/en/sell/sell-used-machinery.html) are auction houses for used machinery and business equipment that together serve the continental European market. As part of the largest network of auction houses in Europe, they offer access to about 300,000 potential bidders worldwide.

Overcoming Traditional Barriers

Kosir: “In Austria, Surplex has established itself as a reliable partner for banks through close personal contact. This individual care is crucial, but it is only part of our strategy.“ Similarly, intensive banking networks are maintained at other locations. This year, approximately eight percent of the projects at Surplex were commissioned by banks and leasing companies.

“The efficient disposal of industrial plants has significantly evolved in recent years,“ comments Kosir on the current trends in the industry. “Banks are increasingly recognising the benefits that specialised auction houses offer and are overcoming their reservations.“

The two biggest obstacles that have previously prevented banks and leasing companies from participating in auctions are time management and the risk of unsatisfactory minimum returns. Particularly specialised auction houses provide the advantage of efficient project management and quick processing of auction projects. Kosir: “There is always the option to set a minimum price for each machine or plant. This secures the sales revenue and ensures that the value of the collateral does not fall below its potential market value.“

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| Ein Bild, das Person, Tisch, Im Haus, Kleidung enthält.  Automatisch generierte Beschreibung | **Photo 1**Banks and financial institutions are increasingly relying on auction houses to achieve higher returns and enhance the efficiency of capital goods disposal.(© PreciousJ / Shutterstock.com). |
| Ein Bild, das Person, Menschliches Gesicht, Kleidung, Lächeln enthält.  Automatisch generierte Beschreibung | **Photo 2**Alexander Kosir, Country Manager in Austria for Surplex: “Our specialised auction services enable banks and leasing companies to realise the full value of their secured machines and equipment.”(© Surplex). |