

Garage Sales¹

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Garage or yard sales can benefit both buyer and seller. The seller gets rid of things that he/she no longer wants or can use. The buyer finds things he/she wants or needs at a low price.

Shopping at Garage Sales

Garage sales can be an excellent source for inexpensive merchandise. However, there are a few precautions you should observe.

- Realize that garage sale shopping takes time and patience. You may have to visit several garage sales before you find items that will fit your needs or be of use to you. You may not be able to find specific items. Also, keep in mind the time you must spend and your travel expenses.
- Before going shopping, set a maximum that you can afford or are willing to pay. Stick to it when shopping.
- To find garage sales, check classified ads in the newspaper, listen to radio programs that advertise "swap shops" and items for sale, and/or watch for neighborhood signs. Give first consideration to garage sales located in upper middle class and affluent neighborhoods.

Merchandise is usually of better quality and prices are likely to be more reasonable. These people are more likely to hold a garage sale to dispose of items they no longer want instead of primarily to raise money. Thus the percentage of price reduction is much higher than in neighborhoods where finances are of greater concern.

- Arrive early for best selection. However, observe the hours listed for the sale. Don't go to a garage sale early in the morning before the people are out of bed. Toward the end of the day or sale the seller is more likely to lower prices.
- Carry cash. Often people holding garage sales are hesitant about taking a check from a stranger. (You would be too!) Also, when it comes to bargaining, a ten dollar bill in hand is a real temptation to a seller asking \$15.00 for an item. Cash-in-hand is a bargaining tool.
- Bargain on prices. The seller wants to dispose of the items as quickly as possible. (A garage sale is not a store.) Often he/she will reduce prices if asked, and especially if you are purchasing more than one item.

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- Carefully inspect the merchandise before buying. Remember all items are sold "as is." Why are they being sold? Are the items defective or of questionable quality, or is it because the family is moving? Perhaps the family's needs have changed.
 - Read labels carefully to learn the composition of a product and how to care for it. Check to make sure all parts or components are present and in working order.
 - Buy only items you need and are looking for. Avoid "orphan bargains," items that are greatly reduced in price, but for which you have no special need. Buying something just because it is a "bargain" can be costly, even at greatly reduced prices.
 - Be prepared to transport your purchase. If you have no way to transport a large purchase try to work out a delivery arrangement with the seller before you make a commitment to buy. Or, you may arrange for the seller to store the item until you can pick it up.
 - Know the facts before you place a deposit on an item you want to buy. If a deposit is to be placed on an item, put the agreement in writing. Describe the item on which the deposit is placed, write the amount of deposit, and the specifics of the agreement. Include things such as whether the deposit is forfeited if you do not return by a specified time and date to get the item. If any type of refund is to be given, put the details in writing. Both the buyer and the seller should sign the agreement, date it and each receive a signed copy.
 - Shop carefully. Avoid impulse buying.
- Holding a Garage Sale**
- Conducting a successful garage sale requires planning and preparation. Time is needed to assemble and organize items to be sold and to advertise them. The location of the sale and the way things are displayed are also important. Perhaps the following tips will be of help in preparing for a garage sale.
- **Where will you hold the sale?** Space is needed to display the items you wish to sell. Customers should be able to walk around and inspect items without being crowded. Garages, carports and porches are good locations because they provide protection from unexpected rain showers. You may use a yard or lawn if you do not have a covered area. Because of safety concerns, the sale should be outside your home.
 - **When should I hold the sale?** Weekends are usually the best time for garage/yard sales. Saturday is the most popular day followed by Sunday and Friday.
 - Announce the time of day you expect to begin the sale — but be prepared for early arrivals. Some people who frequent garage sales go 30 minutes to one-hour early. If you feel strongly about early arrivals prominently display the hour you expect to open in your ad and on your lawn.
 - The time of year is also important. Hold sales in the appropriate season. For example if you expect to sell winter clothes, hold the sale during cold weather. Early December is an ideal time to sell toys and May or June for boating, swimming and items for the beach.
 - Avoid times such as "football weekends," and holidays. If your community has a specific "payday," that is a good time for a sale.
 - **How do I advertise the sale?** If possible, use a variety of advertising methods. Place a classified ad in the newspaper. Some cities also have a weekly "shopper" or community flyer that is free and filled with ads. Their ads are usually inexpensive and reach a wide range of readers.
 - In planning your ad remember you pay for each line. Mention your best items, but don't list everything. Try to make your ad sound special. Be sure to include date, time, and location.

- You may post signs on major thoroughfares in your neighborhood. Place notices on bulletin boards, or at public places such as laundromats or grocery stores. Some areas also have radio call-in programs that announce private garage sales. If your residence is difficult to reach include directions and a telephone number.
- **What items can I sell?** There appears to be a market for almost anything, from plants to tools to used clothing. The appearance of items offered for sale is important. Things should be very clean, whether a tool or an electrical appliance or anything else. Clothes should be clean, free of spots, and hung on hangers or carefully folded.
- **How should things be displayed?** The way items are displayed is very important. Use tables (borrow them if necessary). You may use boards or even an old door on sawhorses to build display space. Card tables work well. Be sure none of the display tables are easily tipped. (You don't want a table to fall on someone's foot. Check your homeowner's insurance policy to review your coverage.)
 - Arrange the merchandise according to categories. For example, one table might be devoted to children's clothing, another for books and another for tools. Make it easy for your customers to see and inspect the merchandise.
 - Place small items or those most likely to be subject to theft near the cashier's table or in a highly visible location. Several small inexpensive items might be grouped together as a set, with each set packaged separately.
- **Should all items have price tags?** Get stickers or use slips of paper and tape to individually price all items. This saves time and avoids confusion. It helps shoppers know whether they are interested in an item.
- **How do I know what to charge?** Visit two or three garage sales in your community to get an idea of the value of commonly sold items. You may also visit a store that sells used merchandise. Your prices should be less than the store price to attract buyers.
- **When should I set up for the sale?** If you are using a garage that can be closed, set up for the sale the day before the event. This eliminates pressure of being ready by your opening time. If that is not possible, have things organized so you can have them in place shortly before opening time.
- **How much change should I have?** It is a good idea to have \$15 to \$20 in change, (nickels, dimes, quarters). You will also need about \$20 in one dollar bills. Have a file drawer or a special box for your money. Put it in a safe location. Keep about half of your change and dollar bills in a safe location other than the cash drawer. Bring it out only if and when needed.
 - Try to arrange your physical set up so that shoppers must exit by your cashier. To avoid losses never leave the sale unattended. If possible have more than one person help with the sale. One person should serve as cashier. The other can circulate, answer questions and provide other help to customers.
- **Should I accept a deposit to hold merchandise?** Generally it is best to avoid "holding" merchandise. Your goal is to sell. If you choose to accept a deposit, put your agreement in writing, make two copies with both you and the buyer signing the agreement. Each person should keep a copy of the agreement. In the agreement, include important information such a name, address, telephone number of buyer and seller, the total sale price, the amount of deposit and detailed terms of the agreement such as when the item is to be picked up (before what date and time), the balance due and when it is to be paid, and what happens to the deposit if the buyer changes his/her mind and does not want the item or does not return within the agreed time. (Without this type of agreement, some holders of deposits have had to return the deposits even though they missed selling the merchandise to others.)

- **Do I have to charge sales tax?** No you do not sell regularly or operate a business.
- **Do I have to refund money for an item sold at a garage sale and then returned?** Usually items sold at a garage sale are sold "as is." Therefore, you do not have to refund money if the item is returned. However, if you misrepresented an item you can be liable. For example, suppose you sold an electric lawn mower and you told the person it operates well and will cut grass and he bought it based on your assurance. If the lawn mower does not operate or will not cut grass when he gets home with it (and he did not damage it enroute) then you are liable. You will have to accept it back and refund his money. It would have been better for you to have him plug in the lawn mower at your house and cut some grass to see that it does operate. You then would not be liable. If you tell the truth about the merchandise, or if you don't know, say so, then you are not liable.
 - If you are selling an appliance that has a warranty, provide the buyer with a copy. Some warranties are transferrable to a second owner.