

NEWS & INSIGHTS

Another round - A look at pricing trends ahead of the latest Pa. liquor license auction

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The Pennsylvania Liquor Control Board has announced another auction for expired liquor licenses throughout the state, the 12th time it's auctioned off licenses since a law change in 2016 allowed for the sales.

Interested bidders can enter the auction with a minimum bid of \$25,000 – but if history is a teacher, bidders should be prepared to pay much more than that for most counties, especially since the most recent auction bucked a trend

of lower-than-expected winning bids.

The last time the PLCB held a public auction for expired licenses was November 2022 when 21 licenses went up for auction across the state. One license – for rural Elk County – went for \$25,111, but the remainder were sold for tens or hundreds of thousands more.

Winning bids for that [November 2022 auction](#) averaged \$154,833. The most expensive bid was just over \$460,000 in Chester County placed by a Giant grocery store. Six licenses went for \$300,000 or more, and only nine sold for less than \$100,000. Most of those that fell under \$100,000 were in rural counties with low population densities. Just three of the 21 sold for less than \$50,000.

Potential licensees that hoped the trend of price decreases would continue saw that trend blown up last November. The November 2022 license auction was the first time since the November 2017 auction that the average bid surpassed \$100,000. In the two previous auctions in June 2020 and September 2019, the average winning bid was \$88,508 and \$82,362, respectively.

What's the outlook for the upcoming auction for winning bid prices after the previous one? The one extenuating circumstance that may have contributed to the high prices last November was the time between auctions. Before November 2022, the previous license auction was held in June 2020 – two years and five months between auctions, by far the longest time between any of the 12 auctions.

Perhaps the shorter time between the upcoming September auction and the November 2022 auction will bring the prices back down. Demand from some of the larger license purchasers has slowed somewhat, but they are still willing to pay top-dollar for a license if they need it. With the exception of some of the rural counties, it is not likely there will be any licenses awarded near the minimum bid.

Bids for the 20 available licenses – one each in 20 available counties – this time around must be submitted to the PLCB by Sept. 25. Remember, the liquor licenses are county-specific and cannot be transferred between counties. For details on where the licenses are located and how to submit a bid, [click here](#).

If you have any questions about how to submit a bid and what amount you should bid at, please [contact me](#) or any member of the [Saxton & Stump Liquor Licensing and Alcohol Group](#).

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