

Helping Both Buyers and Sellers

Hello, fellow MSAA members! I wanted to tell you about a situation that occurred recently on some land auctions that we have had. What prompted me to write about this particular topic stems from me feeling somewhat sympathetic for a couple of bidders that we've had on these land auctions. We have had a tremendous spring/early summer selling farms in SE South Dakota and SW Minnesota. However, on a couple of the farms we've offered lately, we have had two particular bidders who have come in second and ultimately not been the successful purchasers on the auctions. Both of these bidders are in a unique situation as they are both trying to complete 1031 exchanges and have a limited amount of time to secure a replacement property. I've been able to get to know both parties and have almost found myself rooting for them during the auction to be the highest bidder and the successful purchasers at the conclusion of the auction. These bidders have been a great help to us and have done their best, but in the current market they unfortunately haven't had quite enough money to get the farms they are interested in buying. Additionally, they are both over the age of 65 and enjoying retirement so I can't say I blame them for not wanting to pay a large premium over what they have to spend.

Naturally in our business it is completely evident that we are agents for the seller. Occasionally we also find ourselves in a limited agency during auctions though as we are working both sides of the fence to get the most for the properties we are offering. One can't help at times feel bad for those bidders who are doing everything they can to get a farm purchased. Unfortunately, someone always has to come in 2nd place. There are countless days that go by where I wish I could sell the purchaser and the runner-up a farm - but it doesn't work that way. From my personal standpoint, I always feel that the seller and their best interest are our number one priority. I don't think there is anything wrong with being sympathetic to those bidders that don't get the property purchased at the end of the day. The one thing that I have taken from this is that we need to always thank that backup bidder for what they did do, make sure we have their contact information, and let them know if we have another property that we can potentially sell them later on. I think that thanking those bidders is extremely important because they may be the reason why our auction was a success. Additionally, I don't think it is wrong to let that bidder know that we are rooting for them in their efforts and encouraging them to do their best within their limits where they still feel comfortable. In my case, I have two people who have both been tremendous help and made us look very successful at the end of the day. I wish I could get them both the property they desire and, most importantly, successfully complete the exchange they are attempting to do. It is a unique situation I find myself in, but that is once again another reason why I love this business.

I wish everyone good health and happiness going into the summer, and I hope everyone has a successful summer and fall that is full of auctions.

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