



Are all Land Auctions the Same?

Limited Multi-Parcel Auctions Leave Out Bidders

I have researched 5 land auctions in the past 2 months and watched Buyers leave without buying. As the auctioneer sells each parcel separately the Buyer that wants to buy 2 or 3 specific parcels find themselves in a predicament. How much do they bid on the first tract when they don't know how much the other tracts will cost them? The result is that they go home with their money in their pockets.

If a buyer can not bid on specific combinations, they go home.

Bidder Takes All—In the Second Round

Three Oklahoma ranches recently sold at auction and I observed an interesting phenomenon. The first round bidders involved in bidding on separate Tracts individually were not bidding in the Second Round selling as One Tract. Only a few bidders bid on the whole ranch. This resulted in ranch sales that brought \$1,045, \$777 and \$1,095 per acre in areas that should have been 20% to 70% higher. I wondered what the price per acre would have been if the first set of Bidders could have bid on any combination of Tracts that they wanted? We will never know. We do know that the Buyer was happy with the Bidder Take All in the Second Round format.

Bidder on ALL - No Competition after First Round

Volume 1, October 25, 2009

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State of the Art—Multi Parcel Auctions Attract more Bidders

The Alliance Advantage

****Dumas, Texas auction sells 12 tracts with 9 winning Bidders with bids on over 14 combinations, August 2009**

****South Central Colorado auction sells for over \$8,000,000 in August 2009 where 21 tracts sold with 9 winning Bidders.**

The Alliance Advantage is their State-of-the-Art computer system that allows Each Bidder to Bid on any combination of tracts that they are most interested in.

Utilizing this method of auction marketing the marketplace is allowed to determine whether the property is most valuable in parts, as a combination of parts or as a whole unit. Dividing a property and offering all the alternatives is very manageable at an auction, because all interested buyers are in one place at one time. Another advantage to Multiple Parcel Auctions is that it is easier to find many buyers with a smaller financial ability and allow them the opportunity to evenly compete against large corporations and/or syndicates - thus resulting in a **higher sales price for the seller.**

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