



# Private Listing



## Advantages

- The seller is always in control. The seller can react to offers by accepting, rejecting or making counter-offers.
- There is far less pressure compared to a public auction.
- The seller has more control of the marketing and closing schedule.
- The public does not know what levels of interest are being experienced and therefore may feel the need to react quickly to take advantage of an opportunity.

## Challenges

- The sales timetable is undefined.
- Negotiating a sale could happen very quickly or it could take several months.
- The seller may not get the absolute highest dollar depending upon the level of competition. Conversely, the property might bring more in a private sale than an auction wherein there is only one highly motivated buyer.
- Properties that have been on the market for several months might develop the image of being stale.
- Potential for multiple closings if the farm is sold in multiple tracts.

# Public Auction

## Advantages

- Sale time and closing is defined in advance allowing for a concentrated marketing effort. All potential buyers are aware they must be prepared to bid.
- Auctions often provide the highest sale price in a hot or increasing land market as a result of the competitive bidding atmosphere.
- Bidders often bid higher than they had indicated in advance due to the emotionalism of an auction.

## Challenges

- Auctions are an unknown. The seller never knows what is going to happen in advance of the auction. Auctions are a high-risk, high-reward sale method. It takes multiple interested bidders to have a strong sale.
- The seller must make an immediate decision regarding the sale; there is not time to step back and analyze the bids.
- While the seller can have a reserve or indicate a “no-sale”, it does tarnish the property and make it very challenging to sell privately after the auction.
- Prospective buyers know what happened at auction and have no reason to offer more than the highest bid.
- Some potential buyers may be dissuaded to bid due to the fact that auctions yield less time to coordinate activities related to a tax-free exchange, selling one property to buy another, etc.