

# THE AUCTION METHOD SETS THE MARKET IN 2018!

In 2018 we once again achieved excellence with a phenomenal success rate on the land and real estate auctions we conducted! This kind of success isn't an accident, it only happens with an extensive understanding of market trends and conditions, along with a wealth of experience gained from decades of experience and a reputation of success for being a leader in the auction industry, as our motto states "SUCCESSFUL AUCTIONS DON'T JUST HAPPEN, THEY'RE PLANNED!"

In 2018 we did witness some market fluctuations - the first 6 months of the year showed excellent demand and strength in the market; then for a period of time lasting through the Summer and throughout September and into October it seemed the market softened and was a bit bouncy, due primarily to a combination of items including - crop concerns as a result of some challenging weather conditions, government tariff concerns, softening of grain prices, unsettled discussions relating to the USDA farm program, concerns over increases of the prime rates by the Federal Reserve and resulting increases in long term interest rates by local lenders; after all of that more normalcy and less unsettledness prevailed and more optimism became apparent as we progressed into Fall, in part due to another year of excellent crop production in many areas, a USDA supplemental payment to offset tariff losses, an agreement on a new USDA farm bill and other positive factors, resulting in a somewhat rekindled enthusiasm in the market with some excellent year end results. Thus, in summary, it is our observation that we have observed a great deal of resiliency in the land market and at the close of 2018, it is our prognosis that it appears - the Land Market remains - Alive and Well!!

In 2018 the majority of the farms with high caliber soils and high percentages tillable sold in a general range from \$7,000.00 to a high of \$12,600.00 per acre, although in the current market - it takes a tract of land of extremely high caliber to bring upwards of \$10,000.00 per acre. Furthermore, "Good Pasture" with quality grass, good fences and a decent water supply is a highly sought after commodity - especially for the cow-calf operator - values of lowland and lower quality grass and high caliber pasture we sold, ranged from a low \$1,350.00 per acre to a high of \$4,500.00 per acre, with that pasture inclusive of exceptional grass, an abundant water supply and paddock high tensile fencing; Values of More Marginal and Lower Quality Land generally ranged from \$3,500.00 to \$6,500.00 per acre. Land buyers whether farmers or investors, as well as lenders, are somewhat disinterested in parcels of land that won't generate a cash flow sufficient to sustain itself. Commercial and development land values rebounded slightly, partially due to the strength of agricultural land firming up a base level for development land capable of producing some crop income that might be sufficient to withstand the holding costs for a period of years, along with a realization and belief that there may be some long-term potential for upside improvements in commercial land values in the future. Cropland in many cases is still yielding a 2% to 3% return on investment - in many cases outperforming CD's and other investments, furthermore land ownership is enticing - as land as an investment affords a high degree of security as it is a tangible investment which won't yield a negative or 0% return, due to the fact that there are ample farm operators that are ready, willing and able to rent land.

At the close of 2018 we witnessed many land buyers remain "Sold on the Market" - especially those that had strong equity positions, as there remains many individuals that are anxious to invest in agricultural land as a safe haven for investment of their dollars. One key factor remains - That being that the economic theory of "Supply and Demand" remains in full force and effect, as it appears that there continues to be an unbalanced demand for high quality cropland, as there seems to be a greater supply of qualified buyers in the marketplace, than there is land available for purchase.

**AS FOR 2019 - It is our opinion - that if there are no major adverse economic influences, if crop production remains average to above average and if commodity prices don't erode further and should strengthen, then we do not foresee any evidence on the horizon for drastic downturns or increases in land values, hence it is our opinion that going forward, we expect land values in 2019 to remain constant and pretty status quo.**

In summary, **it's still a GREAT TIME TO SELL!** - As the Demand for High Quality Tillable Land and Pasture Outpaces Supply. As we begin 2019, it appears that the mindset of farm operators and investors alike in the market for land, is that they have a relatively high degree of optimism and remain competitive in their pursuit and acquisition of land. **That said - the auction method of marketing in conjunction with our knowledge and professional experience creates a forum that exposes your property to the maximum number of qualified buyers, resulting in the true "Fair Market Value" for your property.** *Chuck Sutton*

*If you are considering the sale of your land, contact Chuck Sutton and let him and his professional associates put their years of experience to work for You!!*

"Successful Auctions Don't Just Happen, They're Planned" - The Sale of your property may be a once in a lifetime event, so it is important that you rely on an auctioneer with experience, knowledge, education, marketing and promotional skills, established contacts with numerous qualified prospective buyers and last but not least - a track record of success! Our auction company has been serving the auction needs of clients since 1932 and are currently licensed Real Estate Brokers in South Dakota, Minnesota, Iowa and Nebraska. Our firm has grown to be recognized as a leader in the auction industry. Furthermore, auctions have become **the marketing method of choice for farmland**, being the most tried and true method of marketing with a proven record of results surpassing such methods as sealed bids and negotiated sales, **with auctions providing the "Ultimate Marketplace" - by maximizing the number of prospective buyers and also allows the seller to set the terms of sale and puts all buyers on an equal playing field, where all parties have a fair and equal opportunity to bid and buy.**

**Acre per Acre, Item per Item, Head per Head and Dollar per Dollar, a professionally managed and conducted auction is the most efficient method by which a seller may merchandise and obtain "TOP DOLLAR" for their property.**

## SOLD AT AUCTION IN 2018

2,240 Acres of Unimproved Cody Twp., Mellette Co., SD Land.....	\$930.00/Acre
Lots 1 & 2 to the City of Madison, Lake Co., SD.....	\$100,000.00
112.37 Acres of Unimproved Canton Twp., Lincoln Co., SD Land.....	\$7,300.00/Acre
118.42 Acres of Unimproved Canton Twp., Lincoln Co., SD Land.....	\$8,500.00/Acre
271.38 Acres of Unimproved Colman Twp., Moody Co., SD Land.....	\$6,800.00/Acre
75 Acres of Unimproved Drammen Twp., Lincoln Co., MN Land.....	\$7,250.00/Acre
160 Acres of Unimproved Springwater Twp., Rock Co., MN Land.....	\$8,000.00/Acre
160 Acres of Unimproved Eden Twp., Pipestone Co., MN Land.....	\$5,400.00/Acre
198.2 Acres of Unimproved Alliance Twp., Moody Co., SD Land.....	\$7,200.00/Acre
160 Acres of Unimproved Alliance Twp., Moody Co., SD Land.....	\$5,350.00/Acre
74.11 Acres of Unimproved Dayton Twp., Lincoln Co., SD Land.....	\$9,375.00/Acre
80 Acres of Unimproved Eden Twp., Pipestone Co., MN Land.....	\$8,825.00/Acre
176.42 Acres of Improved & Unimproved Troy Twp., Pipestone Co., MN Land.....	\$8,200.00/Acre
53.53 Acres of Unimproved Sverdrup Twp., Minnehaha Co., SD Land.....	\$6,250.00/Acre
153.25 Acres of Unimproved Beulah Twp., Davison Co., SD Land.....	\$4,100.00/Acre
80.77 Acres of Unimproved Logan Twp., Minnehaha Co., SD Land.....	\$7,775.00/Acre
7.9 Acre Improved Acreage in Dayton Twp., Lincoln Co., SD.....	\$310,000.00
2 Acre Improved Acreage in Chester Twp., Lake Co., SD.....	\$174,000.00
7.01 Acre Improved Acreage in Flandreau Twp., Moody Co., SD.....	\$182,000.00
79.04 Acres of Unimproved Grovena Twp., Moody Co., SD Land.....	\$10,100.00/Acre
80 Acres of Unimproved Clare Twp., Moody Co., SD Land.....	\$11,050.00/Acre
60 Acres of Unimproved Clare Twp., Moody Co., SD Land.....	\$11,000.00/Acre
155.27 Acres of Unimproved Grovena Twp., Moody Co., SD Land.....	\$7,800.00/Acre
159.72 Acres of Unimproved Grovena Twp., Moody Co., SD Land.....	\$7,800.00/Acre
22 Acre Improved Acreage in Nunda Twp., Lake Co., SD.....	\$300,000.00
10 Acre Improved Acreage in Riverview Twp., Moody Co., SD.....	\$165,000.00
Improved Acreage in Wayne Twp., Minnehaha Co., SD.....	\$212,000.00
155.09 Acres of Shelburne Twp., Lyon Co., MN Land.....	\$4,925.00/Acre
1.5 Acre Executive Unimproved Lake Lot, Lake Hendricks, Brookings Co., SD.....	\$81,000.00
.68 Acre Improved Lake Lot, Lake Hendricks, Brookings Co., SD.....	\$34,500.00
2.72 Acre Improved Acreage City of Garretson, Minnehaha Co., SD.....	\$175,000.00
6.03 Acre Improved Acreage in Jefferson Twp., Moody Co., SD.....	\$307,500.00
129 Acres of Unimproved Jefferson Twp., Moody Co., SD Land.....	\$5,700.00/Acre
138 Acres of Improved Jefferson Twp., Moody Co., SD Land.....	\$5,100.00/Acre
79.96 Acres of Unimproved Verdi Twp., Lincoln Co., MN Land.....	\$5,575.00/Acre
140 Acres of Unimproved Spring Creek Twp., Moody Co., SD Land.....	\$8,300.00/Acre
20.17 Acres of Improved & Unimproved Burk Twp., Minnehaha Co., SD Land.....	\$400,000.00
9.65 Acre Improved Acreage in Lynn Twp., Lincoln Co., SD.....	\$255,000.00
87.42 Acres of Unimproved Pleasant Twp., Hanson Co., SD Land.....	\$5,100.00/Acre
119.25 Acres of Unimproved Lyons Twp., Minnehaha Co., SD Land.....	\$7,500.00/Acre
63.85 Acres of Unimproved Canton Twp., Lincoln Co. SD Land.....	\$6,000.00/Acre
109.16 Acres of Unimproved Canton Twp., Lincoln Co. SD Land.....	\$7,900.00/Acre
7.54 Acre Improved Acreage in Riverview Twp., Moody Co., SD.....	\$300,000.00
320.91 Acres of Unimproved Summit Twp., Lake Co., SD Land.....	\$4,975.00/Acre
116.27 Acres of Unimproved Summit Twp., Lake Co., SD Land.....	\$5,150.00/Acre
103.72 Acres of Unimproved Canton Twp., Lincoln Co., SD Land.....	\$6,150.00/Acre
162.17 Acres of Unimproved Canton Twp., Lincoln Co., SD Land.....	\$5,000.00/Acre
58 Acres of Improved Badus Twp., Lake Co., SD Land.....	\$2,700.00/Acre
100 Acres of Unimproved Badus Twp., Lake Co., SD Land.....	\$5,500.00/Acre
160 Acres of Unimproved Lund Twp., Lyman Co., SD Land.....	\$1,900.00/Acre
80 Acres of Unimproved Spring Lake Twp., Hanson Co., SD Land.....	\$3,500.00/Acre
160.60 Acres of Unimproved Jasper Twp., Hanson Co., SD Land.....	\$4,100.00/Acre
155.86 Acres of Unimproved Brandon Twp., Minnehaha Co., SD Land.....	\$9,000.00/Acre
153.93 Acres of Unimproved Dayton Twp., Lincoln Co., SD Land.....	\$6,950.00/Acre
270 Acres of Unimproved Oak Lake Twp., Brookings Co., SD Land.....	\$2,900.00/Acre
154.61 Acres of Unimproved Franklin Twp., Lake Co., SD Land.....	\$5,950.00/Acre
46.34 Acres of Unimproved Lynn Twp., Moody Co., SD Land.....	\$7,150.00/Acre
34.62 Acres of Improved & Unimproved Palisade Twp., Minnehaha Co., SD Land.....	\$345,000.00
158.72 Acres of Unimproved Edison Twp., Minnehaha Co., SD Land.....	\$12,600.00/Acre
80.29 Acres of Unimproved Edison Twp., Minnehaha Co., SD Land.....	\$9,400.00/Acre
39.92 Acres of Unimproved Palisade Twp., Minnehaha Co., SD Land.....	\$9,100.00/Acre
160 Acres of Unimproved Jefferson Twp., Moody Co., SD Land.....	\$6,550.00/Acre
78.58 Acres of Unimproved Wittenberg Twp. S, Hutchinson Co., SD Land.....	\$4,100.00/Acre
10.18 Acre Improved Acreage Alcester Twp., Union Co., SD.....	\$171,000.00
148.87 Acres of Unimproved Badger Twp., Davison Co., SD Land.....	\$2,750.00/Acre
160 Acres of Unimproved Rock Twp., Pipestone Co., MN Land.....	\$6,600.00/Acre
160 Acres of Unimproved Herman Twp., Lake Co., SD Land.....	\$8,550.00/Acre
4.32 Acres of Improved Dell Rapids Twp., Minnehaha Co., SD Land.....	\$132,500.00
39.58 Acres of Unimproved Dell Rapids Twp., Minnehaha Co., SD Land.....	\$9,900.00/Acre
72.73 Acres of Unimproved Dell Rapids Twp., Minnehaha Co., SD Land.....	\$10,000.00/Acre
128.88 Acres of Unimproved Wellington Twp., Minnehaha Co., SD Land.....	\$6,925.00/Acre
40.07 Acres of Unimproved Wellington Twp., Minnehaha Co., SD Land.....	\$1,350.00/Acre
12.4 Acre Improved Acreage in Brookings Twp., Brookings Co., SD.....	\$345,000.00
78.3 Acres of Unimproved Brookings Twp., Brookings Co., SD Land.....	\$7,700.00/Acre

**These auctions were conducted by Chuck Sutton, Jared Sutton and their primary associates which included Wayne Bessman, Dean Stoltenberg, Terry Haiar, Tom and Ted Souvignier, Burlage & Peterson Auctioneers, Dan Uthe, and Mark Joens of Fischer-Rounds Real Estate in Pierre, SD as well as other cooperating brokers, auctioneers and associates.**

## CHUCK SUTTON

AUCTIONEER & LAND BROKER, LLC



#1 Auctions for #1 Clients

**WHEN PLANNING AN AUCTION, CONTACT CHUCK SUTTON AND LET HIM HELP YOU MAKE PLANS FOR A SUCCESSFUL AUCTION.**

**"Remember, Successful Auctions Don't Just Happen, They're Planned!!"**

*A Sincere "Thanks" to all of the sellers we had the privilege to serve, a big Thank You also, to all of the buyers, bidders and others who attended our real estate and personal property auctions, and especially to those who continue to spread the accolades concerning our auction services and staff, our professionalism, experience, reputation and integrity.*

*Again, THANK YOU ALL for your business and continued support! We look forward to working with you in 2019 - from all of us at ...*

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