



SCHRADER
Real Estate and Auction Company, Inc.

land LINES

**REAL ESTATE
NEWS AND VIEWS**

**FROM THE
AUCTION INDUSTRY**

SPRING / SUMMER 2024

Serving Landowners Since 1944



Pages 2 & 3

Current Ag Economy

Page 4

Featured Sold Auctions

Page 5

Featured Upcoming Auctions

Page 6

What Affects Land Values?

Page 7

**Appraisal Purposes -
What Can They Do For You?**

Page 8

Navigating 1031 Exchanges

Pages 9-10

**Schrader Real Estate and
Auction Platform**

Page 11

**Schrader Auction Equipment
Auction Benefits**



COVER STORY



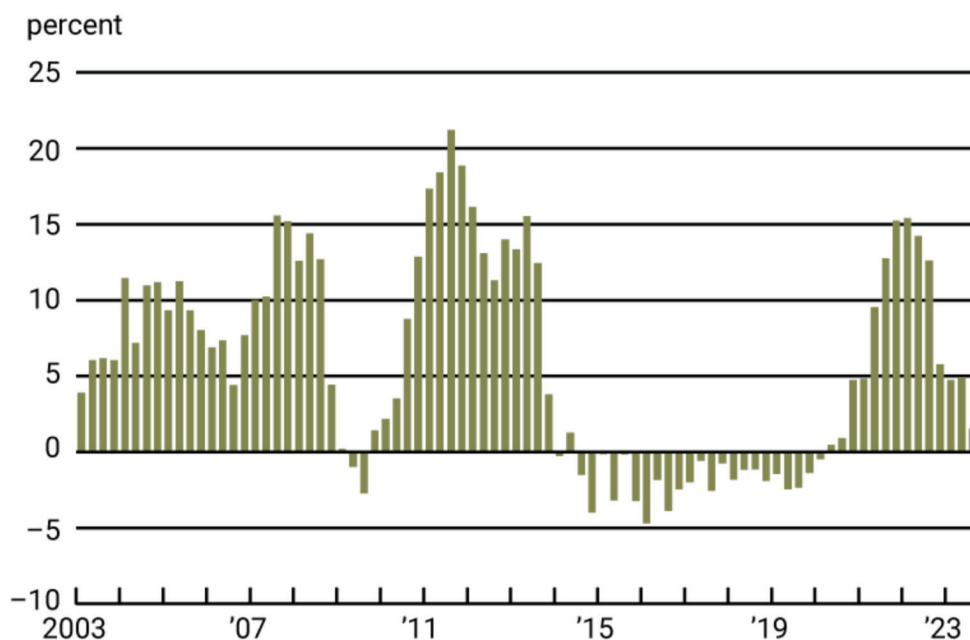
By R.D. Schrader,
President

Current Ag Economy

Illinois, Indiana, Iowa, Michigan, Wisconsin

Even with several market headwinds, the 7th district considered "good" cropland values up another 5% year-over-year. Indiana saw the biggest jump with a 7% year-over-year increase, while Iowa was the lowest at 0%. However, even with farmland prices holding steady and, in many cases, still climbing, a report from Purdue showed Indiana recreational land values down over 10%.

1. Year-over-year changes in real Seventh District farmland values, by quarter



Sources: Author's calculations based on data from Federal Reserve Bank of Chicago surveys of farmland values; and U.S. Bureau of Economic Analysis, Personal Consumption Expenditures Price Index (PCEPI), from Haver Analytics.



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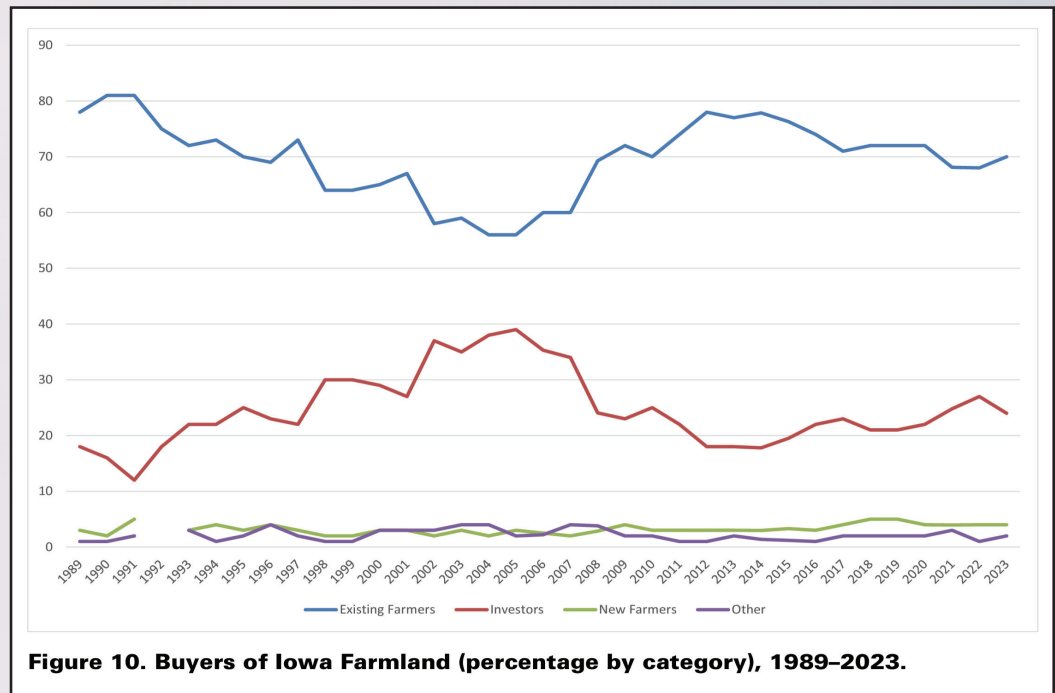
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REAL ESTATE NEWS AND VIEWS FROM THE AUCTION INDUSTRY

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It is also interesting to note that in Iowa, farmers are trending slightly upward regarding the percentage of who is buying farms, while investors are trending slightly downward. Among discussions with several different types of investors and equity firms, many note the availability of alternative investment vehicles that produce a higher cash yield compared to farmland. With that being said, the long-term appreciation of land continues to draw interest from non-operating buyers.



Source: Iowa State University

When we take an internal look at our land sales samples through the first portion of 2024, values have not shown signs of slowing. These samples have occurred from recreational land in Texas to tillable land in Iowa. Many auctions continue to go beyond expected values and benefit from a highly competitive market. As it correlates to the Midwest, although each region was different, generally speaking, a large portion of the Midwest benefited from very good yields in 2023. Those that sold grain last year tended to benefit from good incomes carrying a healthy cash capacity into this spring. With that being said, we cannot ignore the obvious that if commodity future prices continue to have downward pressure, lower operator incomes are going to affect land values.



SCHRADER AGENTS

Schrader has a dedicated staff of Sales Representatives who specialize in marketing real estate and equipment.

Access a list of our agents at www.schraderauction.com/about/our_people. Their contact information is available to you. Feel free to contact any one of them with questions about your property.



Featured Sold Auctions

Land values across the U.S., from Texas ranches to Iowa cropland and more.

CLARK COUNTY, OHIO (NEW CARLISLE, OHIO)

Major Ohio LAND AUCTION

1,013[±] ACRES
IN 28 TRACTS

ADJACENT TO THE EASTSIDE OF NEW CARLISLE, OH

- CERTIFIED ORGANIC CROPLAND
- GREAT LOCATION & ABUNDANT ROAD FRONTAGE
- 2024 CROP RIGHTS TO BUYER
- TRANSITIONAL VALUE
- 20+ ACRES IN THE CITY LIMITS
- SEVERAL BUILDING SITES
- TRACT SIZES FOR ALL BUYERS
- HIGHLY IMPROVED TRACT WITH SEVERAL BUILDINGS
- 1031 EXCHANGE OPPORTUNITY

FARM EQUIPMENT AUCTION THURSDAY, MARCH 28TH 10-30 AM

Wednesday, March 27th at 11am
Auction Site: CLARK COUNTY FAIRGROUNDS (Springfield, OH)

800-451-2709 • SchraderAuction.com

SOLD!
\$5,700,000

Clayton County, IA

SOLD!
\$12,440,000

Clark County, OH

SOLD!
\$5,045,000
(\$23,797/acre)

Allen County, IN

Southwest Missouri - Douglas County

Ranchland Auction

334[±] acres
Offered in 8 Tracts

Tuesday, April 9 • 6pm Central Auction Held at Cold Creek Country Church - Ava, Missouri

- Beautiful Cattle Ranch Offering in Southwest Missouri • Fenced Pastures with Great Access to Water!
- Extremely Active Wildlife & Great Hunting • 4 Bed, 2 Bath, Ranch Home • Homestead Potential
- 6 Miles North of Ava, Missouri • 7 Miles South of Mansfield, Missouri • Tracts Ranging from 23-1062 Acres

SCHRADER 800.451.2709 • www.SchraderAuction.com ONLINE BIDDING AVAILABLE

SOLD!
\$1,330,000

Douglas County, MO

IMPORTANT REAL ESTATE
SMITH & WOOD COUNTIES, TEXAS

Auction

Thursday, February 29 at 4pm CST
held On-Site (Tract 1) Mineola, TX • Online Bidding Available

70.24[±] acres
Offered in 2 Tracts

Tract 1:

- Heavily Wooded
- Weekend Getaway Location
- Lake Home
- Off-Grid Living

Tract 2:

Shirley's Possession

SCHRADER 800.451.2709 • SchraderAuction.com

SOLD!
\$1,065,750

Smith & Wood Counties, TX

Clayton County, IA

648[±] Acres

Offered in 13 Tracts

Quality Iowa Land AUCTION

2024 Farming Rights Immediate Possession Available!

- Incredibly Well Maintained Farm
- Outstanding Hunting Season (Waterfowl, Deer, etc.)
- Two Homes and Two Machine Sheds
- Tracts Ranging from 1/2 Acre to 111+ Acres in Size
- 408.80 FSA Cropland Acres
- 72 miles North of Cedar Rapids and 60 miles West of Dubuque

Tuesday, April 2nd • 5pm CST
held at Volga City Opera House, Volga, IA • Online Bidding Available

800-451-2709 • SchraderAuction.com

2 Farms 1 Auction: MONDAY, FEBRUARY 26 • 6PM

East Allen County LAND AUCTION

Auction Held at Harlan Christian Community Center
1000 Spencerville Road, Harlan, IN

- Level Productive Tillable Acres
- Lots of Road Frontage
- Potential Farm Sites
- Both Farms Located Between Milan Center & Harlan with Frontage Along Milan Center Road, Ethel Road, Thimlar Road, Ward Road & Bull Rapids Road
- Both Farms Offered Simultaneously
- Farms Cannot Be Combined!

SCHRADER 260.748.0445 • 866.340.0445
SchraderForWayne.com • SchraderAuction.com

212[±] acres Offered in 13 Tracts or Combinations*
*Bidding will not be allowed on any tract combination that includes all or any part of Farm 1 combined with all or any part of Farm 2.

LAPORTE AND PORTER COUNTY, INDIANA

Quality Tillable Farmland AUCTION

OFFERED IN 3 TRACTS

200[±] acres

- 4 MILES SOUTH OF WANATAH
- 4 MILES NORTH OF LA CROSSE
- 192.25[±] FSA CROPLAND ACRES
- QUALITY SOILS
- IRRIGATION EQUIPMENT AVAILABLE FOR PURCHASE!

WEDNESDAY, MARCH 13TH 6PM CENTRAL
AUCTION HELD AT THE CENTER OF LA CROSSE, 100 S WASHINGTON ST., LA CROSSE, IN 46048

800-451-2709 • SchraderAuction.com



Featured Upcoming Auctions

TUESDAY, MAY 14TH AT 6:00 PM CENTRAL

RARE LAND AUCTION • 383+/- CONTIGUOUS ACRES OFFERED IN 19 TRACTS IN VAN ZANDT COUNTY, TEXAS

2201 FM1861 Ben Wheeler, TX 75754 - Van Zandt County, TX



Van Zandt County, TX
383[±]
Contiguous Acres
Offered in 19 Tracts

Rare LAND AUCTION

Twain Lakes Farm
An East Texas Gem in
Martine Mill School District

- Bid on Single Tracts or ANY COMBINATION!
- Extensive Hard Surface Road Frontage
- 4 Large Watershed Tracts — 2.5+ to 8.6+ Acres Each!
- 26+ Acres of Total Surface Water
- Stunning Rural Homesites
- Excellent Bermuda Pastures

NO BUYER'S PREMIUM

Tuesday, May 14 at 6:00pm
held at Farm Bureau Event Center, Canton TX • Online Bidding Available

SCHRAEDER AUCTIONS
MULTI-TRACT AUCTIONS



TUESDAY, JUNE 4TH AT 6:00 PM CENTRAL

LAND AUCTION • 536+/- ACRES OFFERED IN 17 TRACTS IN ROGERS COUNTY, OKLAHOMA

Verdigris, OK - Rogers County, OK



536[±]
Acres

Flying G Ranch Pecan Orchard
a Northeast Oklahoma Legacy - Retirement Auction!

TUESDAY, JUNE 4TH - 6PM
held at the The Nut House - Claremore, OK

4% Buyer's Premium
SchraderAuction.com | 405.332.5505

SCHRAEDER AUCTIONS
MULTI-TRACT AUCTIONS



TUESDAY, JUNE 11TH AT 6:00 PM EASTERN

LAND AUCTION • 325+/- ACRES OFFERED IN 11 TRACTS IN DEKALB COUNTY, INDIANA

DeKalb County, IN



321[±]
acres
offered in 11 Tracts

Premier LAND AUCTION

DeKalb County, IN

- 200+ Acres of Excellent Tillable Ground
- Easy Road Access to All Tracts
- Farming Rights in 2025
- Potential Build Sites
- Strong Cash Rents

Tuesday, June 11 • 6:00PM EST
held at International Monster Truck Museum, Butler IN • Online Bidding Available

SCHRAEDER AUCTIONS
MULTI-TRACT AUCTIONS





What Affects Land Values?

Variables affecting land values is somewhat of an endless topic to tackle. No two properties are alike, and no two are located in the exact same location. It is important to understand that even if farms are 2 miles apart, there can be vastly different circumstances impacting the value of each farm. Below are items that impact land values whether your property is being sold or simply being appraised.

- Location
- Economic surroundings
- Soils
- Road frontage
- Accessibility
- Shape
- Maturity of timber
- Habitat for wildlife
- Drainage
- Improvements
- Management history
- Topography
- Irrigation capacity/potential
- Average Rainfall
- Average Heating Degree Days

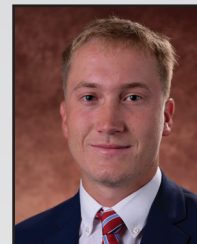




Appraisal Purposes - What Can They Do For You?



*By Cam Scott,
Appraiser
Trainee*



Purposes and Benefits of a Real Estate Appraisal

In the world of agricultural real estate, where the value of land, commodities, equipment, and facilities can all fluctuate significantly, understanding the value of your assets cannot be understated. A real estate appraisal serves as an important tool for landowners, investors, lenders, and farmers when attempting to put a value on rural properties.

Agricultural real estate appraisals are more than just an assessment of land or buildings. We examine a multitude of factors in the farming industry when analyzing a property. Factors such as soil types/quality, drainage systems, crop yields, infrastructure, and current market conditions are all examined when determining the value of a farm. Using a combination of market data combined with specialized industry knowledge, appraisers can provide detailed valuations that reflect the value of the asset at hand.

Whether it's purchasing farmland, securing financing for expansion, or transitioning ownership to the next generation, informed decision-making relies on accurate appraisals. Agricultural real estate appraisals allow stakeholders to assess investment opportunities, negotiate fair prices, and develop sound strategies for maximizing returns on their agricultural assets.

When it comes to estate planning and looking towards the next generation, real estate appraisals can be crucial to obtain at the right times. By accurately valuing assets, families can make sound decisions regarding inheritance, gifting, or the establishment of trusts. Having a strong appraisal can help reduce potential conflicts between heirs by providing a reliable, transparent valuation to create the most equitable situation possible when the time comes to pass assets onto the next generation.

Here at Schrader, date of death appraisals take up a large section of the workload. The main purpose of a date of death appraisal is to help determine the fair market value of the real estate as of the owner's passing. The appraisal can help determine the value of the real estate, which can ensure a fair and equal distribution of assets. A date of death valuation may also be needed for the IRS to determine whether taxes are owed on the property as of the date of death or in the future. Depending on the total value of the real estate owned by the person who passed, estate taxes may be owed. When you inherit real estate from a deceased person, the basis of the property is "stepped up" to the property's fair market value at the time of the person's death. This means that if you sell the property after inheriting it, you may have to pay capital gains tax on the difference. The valuation will help to determine the basis at the time of death.

There are many different reasons that you may need a real estate appraisal, whether it is for financing, estate planning, or even just the knowledge of the value of your assets. Using the expertise of a licensed real estate appraiser, farmers, investors, and landowners as a whole can create value, prepare for the future, and ensure the long-term prosperity of the farm.



Navigating 1031 Exchanges



The American population continues to grow, and the question of how we are going to continue to feed the world is always a hot topic. But forgotten in these trends and topics are several other important questions that will need to be answered; How are we going to provide adequate housing? How are we going to provide enough energy to power the needs of our society? Where are all these people going to go? I don't claim to have a crystal ball answer for all of these questions, but I can tell you where they are all going to point.

LAND.

The American Farmland Trust projects that if local planning practices do not change, 18.4 million acres of agricultural land could be converted to alternative uses by 2040. This could drive several variations of conversation; from the need to improve efficiencies and yields, to increased production on land that does stay in agricultural uses, to the need for more efficient residential and commercial scale plans. For the sake of our discussion let's focus on what that means for the American landowner.

The potential of 18.4 million acres being converted is a lot of farms. It could be your farm. Right, wrong, or indifferent, these events are unfolding around us and it's important to understand the processes in place that can be utilized if you sell your farm. Understanding the best way to capitalize on opportunities when they come about is crucial to the potential growth of a landowner's portfolio. A common route to pursue is a 1031 (Tax Deferred) exchange, deferring the capital gain on the sold asset by purchasing a replacement property(s). Here are several important notes to keep in mind regarding 1031 exchanges.

Timeline

Measured from the time when the property being sold closes, the exchanger has 45 days to identify potential replacement properties and 180 days to purchase potential replacement properties. The process must be completed in 180 days, not 45 days plus 180 days.

Identification Rules

There are parameters placed on how one can identify other properties within the 45-day timeline. At least one of the following guidelines must be met:

- Identify up to three properties of any value with the intent of purchasing at least one.
- Identify more than three properties with an aggregate value that does not exceed 200% of the market value of the relinquished property.
- Identify more than three properties with an aggregate value exceeding 200% of the relinquished property, knowing that 95% of the market value of all properties identified must be acquired.

Involvement of 3rd Parties

The process of a 1031 exchange requires multiple 3rd party professionals outside of a real estate professional for the buying or selling side of a transaction. Additional professionals recommended to be involved in a 1031 exchange include but are not limited to your Accountant, Attorney, and a Qualified Intermediary (QI).

Replacement Properties

You must identify your replacement properties within 45 days of your sold asset being closed. This is a short timeline in the scope of land acquisition. If you know you will be entering into a 1031 exchange scenario, it can be beneficial to engage a land professional early on to get a plan together on what kind of replacement property you are looking for.



Schrader Real Estate and Auction Platform



■ = Transactions Conducted in that State

*Schrader Real Estate also has
Appraisal capabilities
in Indiana, Ohio, and Michigan*



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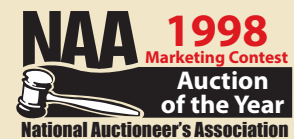
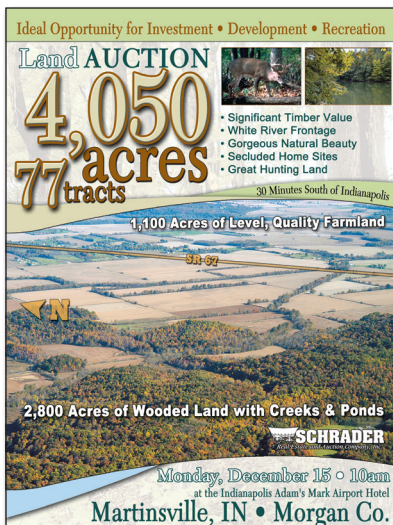




Awards in Marketing Excellence



2024 National Auction Marketing Campaign Current Nominee





Schrader Auction Equipment Auction Benefits

Schrader Real Estate and Auctions Farm Equipment Division has nearly tripled in size over the past 5 years. Our experienced auction team provides options between a diverse set of auctions to help coordinate equipment transactions.

SERVING YOUR INDIVIDUAL NEEDS

Live Auctions

- Multiple Streaming Platforms
- Online engagement for international buyers
- 4-wheel drive mobile sound trucks
- Mobile clerking office
- Aggressive, coordinated bid assistants
- Experienced auction team
- Advanced computerized buyer registration and checkout
- Equipment Set up and Load Out Crew

Virtual Auctions

- State-of-the-art in-house virtual auction studio room
- Experienced team taking online and phone bids
- Three different online bidding platforms utilized at once
- Live auctioneer calling for bids

Timed Online Auctions

- Deep registered bidder list
- Joint Venture partnership with full time technology team
- Experienced photography
- Detailed lot descriptions



Cat 930H Wheel Loader - High Lift



Cat 930H Wheel Loader - High Lift, 20.5R-25 tires, 3,449 hrs, second owner since 120 hrs always farmer owned, never in fertilizer or manure, #CAT0930HJDHC03172, bucket not included with Cat loader it sells on sperate lot.

CURRENT BID

\$120,000

2019 Talbert RGN



2019 Talbert 55 ton RGN tri axle with rear air lift axle, 25' well, 14 1/2' rear, 102" wide, air ride, 275/70R22.5 tires, swing outriggers, hydraulic neck, bought new has less than 10,000 miles, very nice same as new.

CURRENT BID

\$82,000





landLINES

SPRING / SUMMER 2024



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Columbia City, IN 46725

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www.schraderauction.com



YouTube



Thank You!

Thanks to all of our clients and customers, Schrader Real Estate and Auction Company celebrated a **record sales year in 2023!**

We sincerely appreciate the opportunity to serve you; the land and equipment owners!



Land Remains a Steadfast Asset Turning to 2024

Why Do Buyers Like Purchasing Through Schrader?

The simple answer is Truth and Trust.

Truth - Our due diligence and data assemblance is next to none, providing buyers with transparency on what they are purchasing.

Trust - With a near 100% sale rate on farms at auctions last year, buyers recognize the Schrader brand as a trusted source for land inventory.

Marketing Specialists
NATIONWIDE



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