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Real estate auction pulls in bidders

By JoAn Bjarko

North Forty News

An influx of new capital and people wanting to develop their land investments could add life to Wellington's sluggish building environment.

More than 100 people turned out for a public auction on Dec. 9 to bid on properties held by developer ZWZ LLC, or to watch for telltale signs of Wellington's economic future. The nationally advertised auction handled by Williams & Williams Worldwide Real Estate Auction of Tulsa, Okla., drew online bidders as well.

It took one hour and 23 minutes for auctioneer Tommy Williams to work through the various offerings of commercial, residential and agricultural real estate. Total bids surpassed \$6.1 million, and the owner had seven business days to accept the prices offered.

Both the auction company and title company handling the closings declined to say which bids had been accepted by developer Delmer Zwegardt of ZWZ. Account manager Tom Maroney of First American Title Insurance Co. in Denver said in late December, however, that he believed the majority would close by Dec. 30. After closing, information will become public through county records.

The highest single bid of \$1.65 million was offered for the building leased by Main Street Market on the south side of Wellington. The bidder declined to identify himself publicly, and it was unknown at press time whether Zwegardt would sell the property at that price.

"An auction is the very best way to sell property to realize its fair market value," Williams told the crowd gathered near the market on auction day.

Bidding for 80 acres west of the market, called Paradise Ranch, topped out at \$1.5 million.

Bids for buildable residential lots in The Knolls subdivision on the south side of town ranged from \$13,000 to \$19,500. Real estate broker Lou Kinzli, who bought two lots, said his bids were accepted and he was ready to close before the end of the year.

Kinzli cautioned, however, that deals could still fall apart because of property liens totaling millions of dollars. He said he would sign his closing documents, pay the total price and then wait to see if he gets a clear title.

"I'm assuming that the banks will release the titles to all these new buyers," he said.

Kinzli said he plans to start building on the vacant lots this spring. Purchasing the lots at a lower price than they were once valued will help make the new homes competitive with foreclosures and short sales, he said.

More important, he said, is that new construction will be a positive sign for Wellington. "People are being put back to work in this town," he said, and revenue from building permits will help town government.

Buyers were already visiting town hall in late December to ask about building permits.

Another group of 53 residential lots, which do not yet fulfill town requirements, sold for \$4,250 to \$7,000 each.

Reflecting on the auction later in the month, commercial real estate broker Ron Young said bids for the ZWZ properties averaged 30 to 40 percent of the values placed on the properties three or four years ago.

"That to me looked like a pretty good buy for those who acquired land," he said.

Young, who has served as chairman of the economic development committee of the Wellington Area Chamber of Commerce for five years, said the lower land prices "should make for a good business climate." New providers of the goods and services needed in Wellington should benefit from lower building costs, he explained.

"The end product should be pretty competitive," he added.

Moving the property into numerous ownerships will also benefit the local economy, Young predicted.

"It's not just one developer, but numerous people will eventually develop and sell," he said.

Auctioneer Williams called the Wellington event unusual in that it offered commercial properties, including an operating grocery store, residential lots and farmland.

"It was very well attended, and we had good bidders," Williams said.

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