



***TRENDS
IN
TEXAS
RURAL LAND
VALUES
FOR
THE YEAR 2007***

TEXAS CHAPTER ASFMRA
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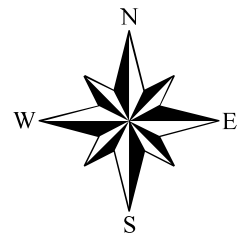
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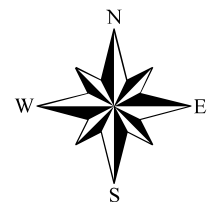
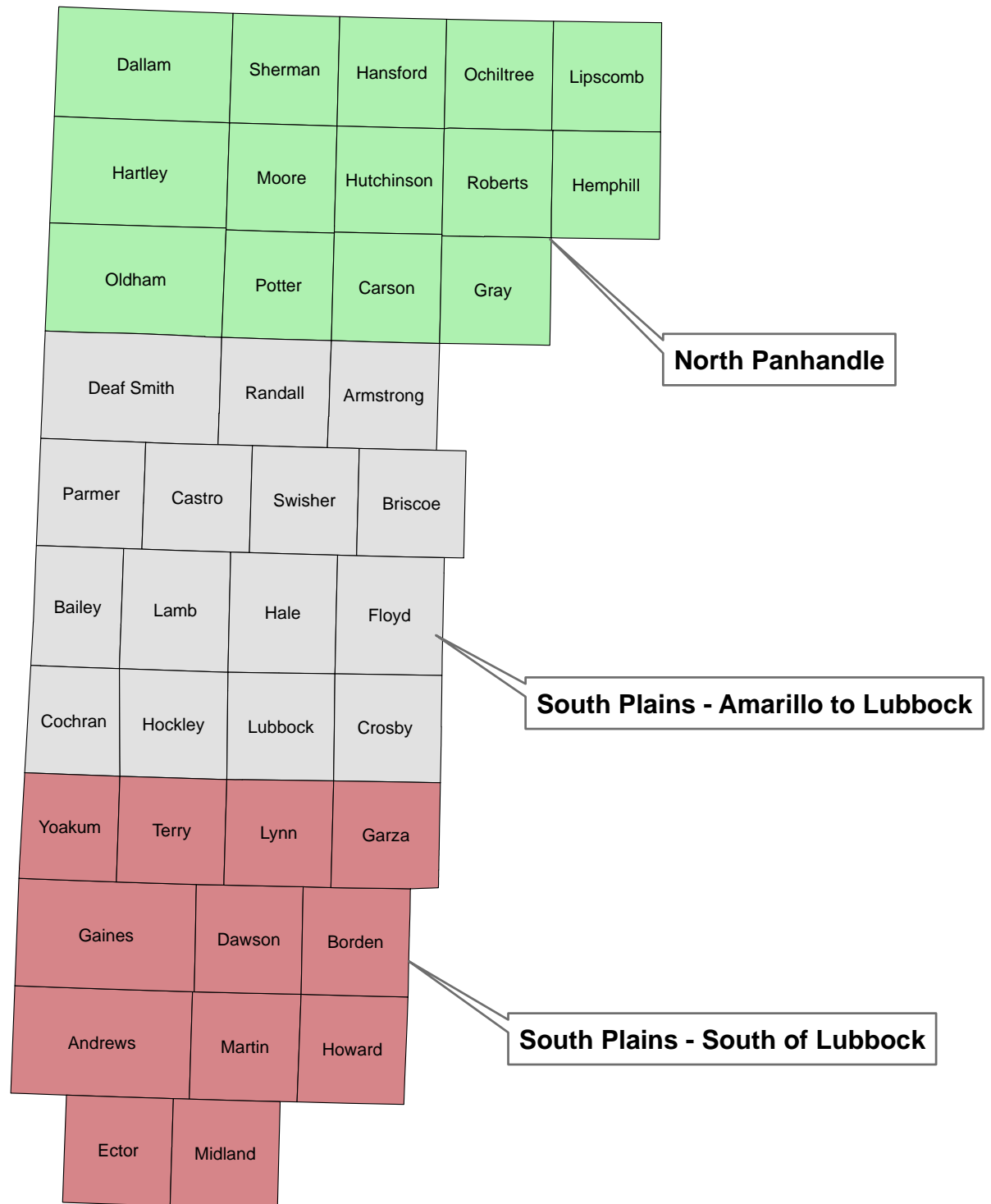
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Texas Chapter ASFMRA Region 1



REGION ONE – PANHANDLE AND SOUTH PLAINS

GENERAL MARKET CONDITIONS FOR 2007

Prepared By
B L Jones, III, ARA – Region One Team Captain

Region One, the most northerly region in Texas, is bordered on the west by New Mexico and by Oklahoma on the north and east. The upper third of the region is commonly known as the Panhandle, while the South Plains comprises the balance.

Highlights of the overall market precede brief discussions related to the sub-regions.

- Demand remains strong for hunting and recreational properties. Ranch prices and hunting lease rates continue to increase.
- Commodity prices have risen dramatically. Cotton production was at a high in 2007; however, crop producers continued to be hampered by high fuel and fertilizer costs.
- The inventory of good irrigated land that is for sale is still in a decline and land prices have increased. Landlords are hesitant to sell because of the good returns from sharecrop lease or cash rent. In the Panhandle and South Plains, irrigated land is still in demand. Values for farms with weak, or marginal, irrigation water have risen because of the dwindling inventory of prime irrigated land.
- The dairy industry continues to put upward pressure on the market. A major increase in cropland sales continues to be in demand for dairy sites. Dairies continue to move into the North Panhandle and South Plains; some of the existing dairies are adding to their holdings. Dairies are relocating to these areas because of lower environmental pressures and/or requirements from local and state governments, favorable acceptance by area residents and businesses, ready and local sources of grain and roughage, and a favorable climate.
- Even with higher production costs, demand for dryland farms increased due to the favorable production and pricing. The dry cropland is nearly always leased on a crop share basis.
- Ranches are being purchased for recreational use only. The only time a rancher is in the market is due to a 1031 exchange to replace land he has sold. Demand is very strong for large ranches, with a limited number of properties being offered for sale.
- Large tracts suitable for subdivision into smaller tracts continue to be limited.

North Panhandle

Carson, Dallam, Gray, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Potter, Roberts and Sherman Counties

Land sales in the North Panhandle are increasing. Large dairy operators continued moving into the western area. Increased costs of production are still a factor, but the run up in commodity prices increased demand, and land prices have increased. Dry cropland has increased in value. Area cotton production is still viable; corn and milo production both increased.

Cash leases for irrigated cropland are common in the northwest quadrant of the Panhandle and have increased. A crop share lease is most prevalent in the eastern sector of the Panhandle.

Cash lease rates for native rangeland continued to be stable, while hunting leases on rangeland increased. Range conditions were good to fair, with little or no precipitation at the end of the year. There was an active, steady demand for all ranches for recreational purposes. Values and lease rates are generally higher in the eastern Panhandle as rainfall and carrying capacity increase.

South Plains from Amarillo to Lubbock

Armstrong, Bailey, Briscoe, Castro, Cochran, Crosby, Deaf Smith, Floyd, Hale, Hockley,
Lamb, Lubbock, Parmer, Randall and Swisher Counties

Crop yields were excellent due to timely rains. It is noted that there was a scattering of hail loss in the region. Irrigated cotton brought in very good yields. The majority of the sales activity occurred in the fourth quarter of the year. Insects were not a big concern during 2007; production costs were still a concern.

There was still pressure on the market from dairy-related buyers in Bailey, Castro, Deaf Smith and Parmer counties. The demand for farms with weaker irrigation water increased. There was an increase in the price of dryland as well as activity.

Native rangeland is in scattered areas along draws or a band of sandhills and runs southeast across the region; generally, these are smaller tracts utilized in conjunction with adjoining cropland. Range conditions were good.

A crop share lease is the predominate lease arrangement for both irrigated and dry cropland; rental rates and terms remain fairly stable. The trend of absentee landlords selling to tenants continued, but to a lesser degree due to the higher commodity prices and turmoil in the financial industry.

Drip irrigation continued to be installed, but on a limited basis due to the high cost of installation.

Prices for land enrolled in the Conservation Reserve Program (CRP) increased; some CRP contracts were extended to 2012. Sales activity remained limited, but demand was still strong from investors.

South Plains to the South of Lubbock

Andrews, Borden, Dawson, Ector, Gaines, Garza, Howard, Lynn, Martin,
Midland, Terry and Yoakum Counties

This area is composed of a diverse land use mixture. The topography has rolling plains, broad valleys and flood plains. Most of the land in Garza, Borden, Andrews, Midland, Ector and Howard counties is native range that is utilized for cattle grazing. Quite a bit of the native range was leased for hunting. Most cultivated farming utilizes dryland cultural practices due to inadequate groundwater. Irrigation practices are predominantly sprinkler due to sandy soils.

Sales of dry cropland increased over 2006, and there was some increase in value. The dryland farms generally had a very good year; the rains were timely and there was not too much hail. Farming is localized geographically and is limited by soil types that are conducive to cultivation. Where there is adequate groundwater, crops include cotton, small grains and peanuts. The limited number of farmland buyers is typically composed of local farmers. Values for the better-irrigated farm properties increased as did the market for the marginal water farms. Some CRP farms were placed

back in production, if there was underground water available. Several of these farms are producing organic crops, mainly peanuts. In areas where there is peanut production, values have increased for irrigated properties. It is noted that the peanut crop was good again this year. Underground drip irrigation acreage continued to increase.

Recreation and investment are the primary motivations for purchasers desiring ranches of all sizes.

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Region 1 - Panhandle and South Plains

Land Use or Class	Value Ranges			Activity/Trend	Rental Range			Activity/Trend
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North Panhandle

Dallam, Sherman, Hansford, Ochiltree, Lipscomb, Hartley, Moore, Hutchinson, Roberts, Hemphill, Oldham, Potter, Carson and Gray Counties

Irrigated Cropland Good Water	\$1,900	to	\$2,300	Active/Increase	\$125	to	\$175	Increase/Increase
Irrigated Cropland Fair Water	\$1,500	to	\$1,900	Active/Increase	\$80	to	\$140	Increase/Increase
Dry Cropland East	\$350	to	\$600	Limited/Increase	\$25	to	\$45	Stable/Increase
Dry Cropland West	\$350	to	\$600	Limited/Increase	\$25	to	\$45	Stable/Increase
Rangeland	\$375	to	\$1,250	Moderate/Increase	\$7	to	\$10	Stable/Stable
Conservation Reserve Program	\$400	to	\$750	Moderate/Increase	\$30	to	\$44	Stable/Stable

Value for irrigated cropland typically includes center pivot sprinklers

Minerals are typically either not included or not a factor in the land classes listed above

South Plains - Amarillo to Lubbock

Deaf Smith, Randall, Armstrong, Parmer, Castro, Swisher, Briscoe, Bailey, Lamb, Hale, Floyd, Cochran, Hockley, Lubbock and Crosby Counties

Irrigated Cropland Good Water	\$1,500	to	\$2,300	Active/Increase	\$125	to	\$175	Stable/Increase
Irrigated Cropland Fair Water	\$800	to	\$1,200	Active/Increase	\$80	to	\$140	Stable/Increase
Drip Irrigation	\$1,500	to	\$2,300	Moderate/Increase	\$125	to	\$200	Stable/Increase
Dry Cropland Wheat	\$300	to	\$375	Limited/Stable	\$25	to	\$45	Stable/Increase
Dry Cropland Cotton	\$400	to	\$500	Limited/Increase	\$25	to	\$45	Stable/Increase
Rangeland	\$350	to	\$800	Moderate/Increase	\$7	to	\$10	Stable/Stable
Conservation Reserve Program	\$400	to	\$500	Moderate/Increase	\$30	to	\$45	Stable/Stable

Value for irrigated cropland typically includes center pivot sprinklers

Minerals are typically either not included or not a factor in the land classes listed above

South Plains - South of Lubbock

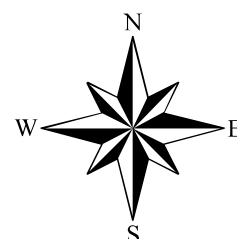
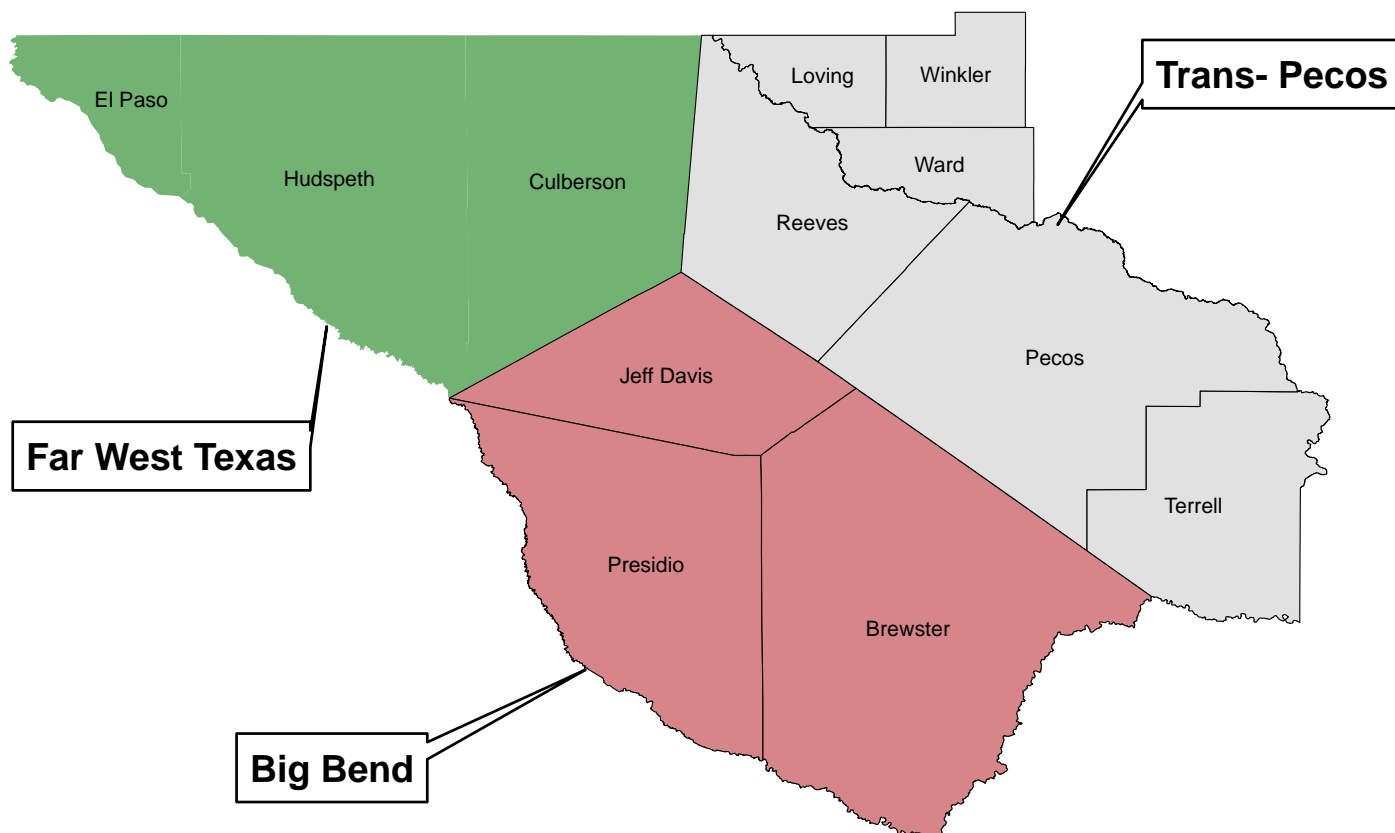
Yoakum, Terry, Lynn, Garza, Gaines, Dawson, Borden, Andrews, Martin, Howard, Ector and Midland Counties

Irrigated Cropland Better Water (Peanuts)	\$1,200	to	\$2,600	Active/Increase	\$150	to	\$200	Stable/Increase
Irrigated Cropland Fair Water	\$800	to	\$1,200	Active/Increase	\$75	to	\$125	Stable/Increase
Dry Cropland Cotton	\$350	to	\$650	Active/Increase	\$25	to	\$45	Stable/Increase
Rangeland	\$225	to	\$900	Active/Increase	\$3	to	\$7	Stable/Stable
Conservation Reserve Program	\$400	to	\$500	Limited/Increase	\$30	to	\$40	Stable/Stable

Value for irrigated cropland typically includes center pivot sprinklers

Minerals are typically either not included or not a factor in the land classes listed above

Texas Chapter ASFMRA Region 2



REGION TWO – FAR WEST TEXAS, TRANS-PECOS AND BIG BEND GENERAL MARKET CONDITIONS FOR 2007

Prepared By
Karl Armstead, ARA – Region Two Team Captain

Region Two encompasses West Texas and is bound on the north by the State of New Mexico and on the south by the Republic of Mexico. Guadalupe Peak, at 8,749 feet, is the highest point in Texas and is in Culberson County. In terms of land mass, the region includes the four largest Texas counties – Brewster, Hudseph, Presidio and Culberson. Loving County, the least populated county in Texas, is also in Region Two.

Highlights of the overall West Texas market precede brief discussions related to each sub-region.

- The region is composed of a diverse land use mix. The topography features mountainous expanses with broad valleys and flood plains.
- Generally, land is native range and is utilized for cattle grazing. It is noted that grazing sheep and goats is inhibited by populations of coyotes, mountain lions and eagles.
- Native rangeland has typically been held by established ranching families. However, over the last twenty or so years, low income levels from cattle operations plus pressure from individuals (and entities) with increasing disposable income from non-agricultural sources, have caused property ownerships in several cattle ranches to change. Another development has been the creation of “ranchettes”. It is expected that there will Continue to be market pressure being exerted.
- Irrigation is predominantly by flooding due to the high clay content of the soils and the abundant water volumes. Center pivot sprinkler systems have become more common as a result of increasing water pumping costs.
- Supply and demand are generally stable and are dominated by both investors and recreationalists, with the cultivated land market generally dominated by producers.
- It is noted that drought, which is common, is a limiting factor throughout the region.

Far West Texas Culberson, El Paso and Hudseph Counties

The area covers approximately 8,765 square miles. A significant area, located in the valley bottoms and flood plains, is cultivated under irrigation practices. Many areas posses abundant supplies of groundwater, the quality of which varies greatly. The valley, that is associated with the Rio Grande, has irrigation districts and furnish water based on adjudicated water rights.

In the El Paso Upper Valley, the market is generally driven by the investor, with strong urban pressures being present. In the El Paso Lower Valley, there is moderate urban pressure and the

investor is again the primary market force. In the areas around Van Horn and Dell City, the market continued to increase and was typically producer-oriented. Water volumes in these areas continued to be an attractive factor, that was stimulated by water rights speculation for municipal uses.

Big Bend

Brewster, Jeff Davis and Presidio Counties

The area covers some 12,284 square miles and topographically is characterized as mountainous with broad upland areas and canyon bottoms. The geology of the Big Bend is unique; annually, the area regularly attracts more than 350,000 visitors. Some lands, in the valley along the Rio Grande, are cultivated and are irrigated utilizing adjudicated water rights from the river. Typical cash crops include alfalfa, onions, carrots and melons. The farmland market continued to be limited, with the major adverse factors being increasing operating costs, decreasing commodity prices and travel distances to market centers.

In the area associated with the Davis Mountains, demand for properties remained strong, it is noted that only a few properties were available. The market is dominated by the investment-driven recreational rancher and/or environmentalist. In the Highland area, the market is driven primarily by investment operators. Around the Desert Mountains, the supply of properties was stable to increasing, with the market driven both by purchase for investment purposes as well as for use as recreational ranches.

Trans-Pecos

Loving, Pecos, Reeves, Terrell, Ward and Winkler Counties

The area covers approximately 15,191 square miles and is characterized as having rolling plains, broad valleys and flood plains. Prior to the 1970's, significant amounts of land in the Pecos River Valley were cultivated and irrigated. The area possesses abundant supplies of poor quality, groundwater along with alkaline soils. Agricultural orientation is a factor considered by most landowners as, generally speaking, the area lacks scenic splendor, geologic uniqueness and varied recreational opportunities.

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Region 2 - Far West Texas, Trans-Pecos and Big Bend

Land Use or Class	Value Ranges			Activity/Trend	Rental Range			Activity/Trend
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Far West Texas Culberson, El Paso and Hudspeth Counties

Rangeland	\$220	to	\$320	Increase/Increase	\$0.65	to	\$0.85	Stable/Stable
Dell City Irrigated Cropland	\$600	to	\$800	Stable/Increase	\$85	to	\$125	Stable/Stable
El Paso Upper Valley Irrigated	\$8,000	to	\$12,000	Stable/Stable	\$100	to	\$125	Stable/Increase
El Paso Lower Valley Irrigated	\$3,000	to	\$5,200	Stable/Stable	\$65	to	\$85	Stable/Stable
Van Horn Irrigated Cropland	\$300	to	\$500	Stable/Stable	\$25	to	\$50	Stable/Stable

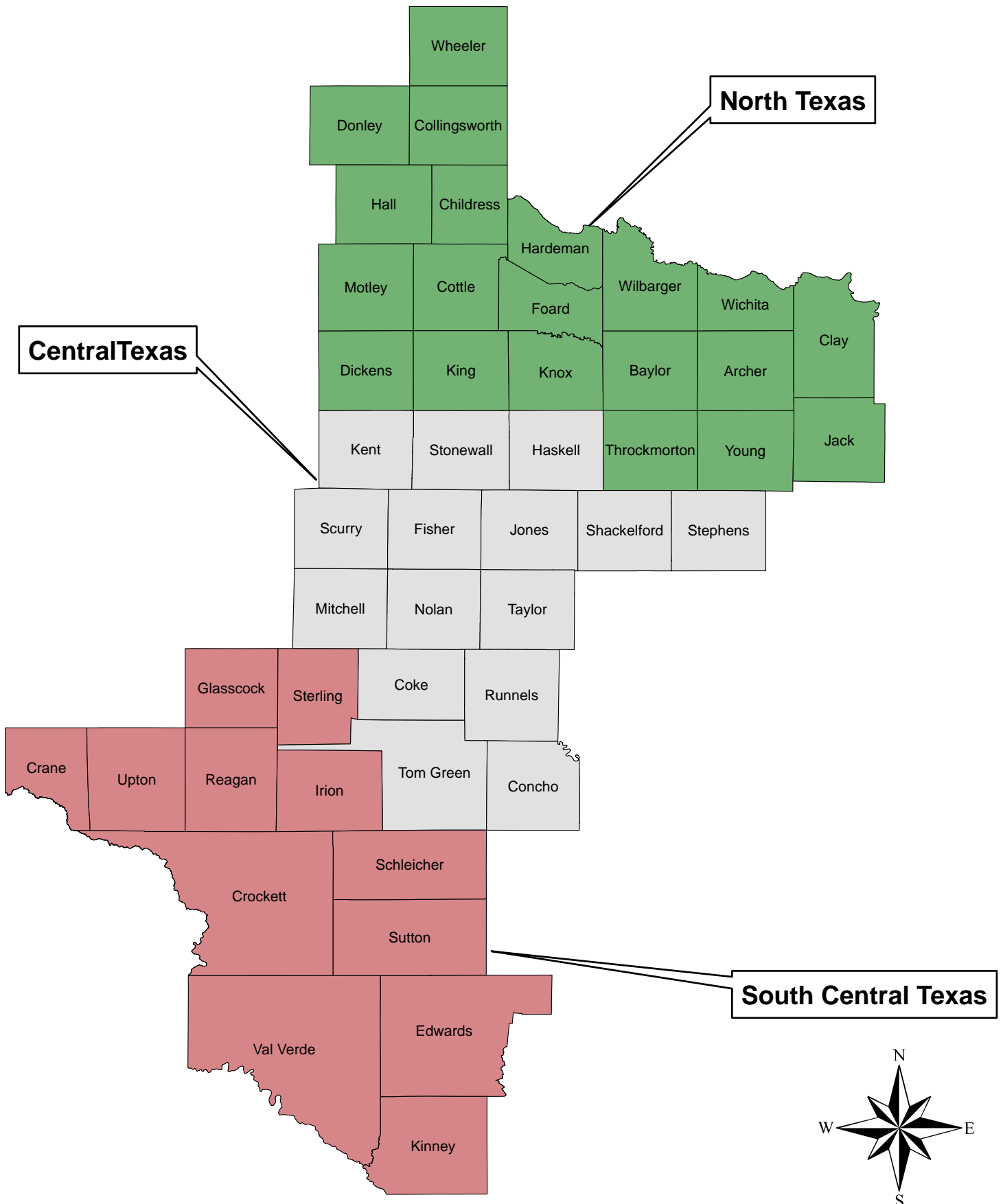
Big Bend Jeff Davis, Presidio and Brewster Counties

Davis Mountains Rangeland	\$420	to	\$865	Stable/Stable	\$3.25	to	\$5.00	Stable/Stable
Highlands Rangeland	\$275	to	\$425	Stable/Increase	\$2.50	to	\$2.75	Stable/Stable
Desert Mountains Rangeland	\$250	to	\$325	Increase/Increase	\$1.25	to	\$1.50	Stable/Stable

Trans-Pecos Reeves, Loving, Winkler, Ward, Pecos and Terrell

Rangeland	\$150	to	\$250	Increase/Increase	\$0.50	to	\$2.25	Increase/Increase
Irrigated Cropland	\$800	to	\$1,250	Increase/Increase	\$125			Stable/Stable

Texas Chapter ASFMRA Region 3



REGION THREE – NORTH, CENTRAL AND SOUTH CENTRAL TEXAS

GENERAL MARKET CONDITIONS DURING 2007

Prepared By
Victor Probandt, ARA – Region Three Team Captain

Region Three stretches from the Texas-Oklahoma border, on the north, to the Rio Grande and Republic of Mexico, on the south. With the exception of Region Five, all of the other reporting regions abut at least a portion of Region Three.

As with the other areas, the region is quite diverse and has been divided into sub-regions. General highlights for the overall regional market precede brief discussions related to each of the area's three sub-regions.

- The regional market for rangeland properties was active in the first half of 2007, but had little to no activity the second half. While there was some increase in market prices, this increase was primarily in the first half of 2007.
- Several of the areas have had increases for pastureland. Primarily, however, the increase was to the lower end of the property values in the North Texas area with some upward trend on the upper ends in both the North and South Central Texas areas.
- “Surface only” sales have continued to occur with minerals continuing to have a high value. It is noted that most sellers retain what minerals they own.
- The reservation of wind rights has also continued. This has been primarily in the Central Texas area as well as some in the North Texas area.
- Another trend in the market is the increase of leases based on a per head per month ratio rather than a price per acre. This has been done primarily by owners of recreational property who only want livestock on the property during certain periods of the year, i.e., not during hunting season. This appears to be a more favorable method of leasing properties for both the lessor and the lessee as it allows greater flexibility for both parties.

North Texas

Archer, Baylor, Childress, Clay, Collingsworth, Cottle, Dickens, Donley,
Foard, Hall, Hardeman, Jack, King, Knox, Motley, Throckmorton,
Wheeler, Wichita, Wilbarger and Young Counties

Prices paid for ranch properties appear to be stable for 2007.

The farmland prices did increase. This is due to the fact that commodity prices have continued to increase and there have been three good years out of four for crop production.

Central Texas

Coke, Concho, Fisher, Haskell, Jones, Kent, Mitchell, Nolan, Runnels, Scurry,
Shackelford, Stephens, Stonewall, Taylor and Tom Green Counties

The market for pastureland was active in the first half and stable in the second half of 2007. The lower end of the land values increased, while the upper range increased only slightly on the properties under 2,000 acres. Demand was good in the first half and weaker in the second half of the year. However, rather than any drop in price, the market showed no sales for the last five months of 2007.

Farmland prices continued to increase. Again, this is due to the high commodity prices and good production years.

South Central Texas

Crane, Crockett, Edwards, Glasscock, Irion, Kinney, Reagan, Schleicher,
Sterling, Sutton, Upton and Val Verde Counties

In this area, rangeland prices have increased slightly, as have dry cropland prices. The smaller ranch properties were relatively stable and, as before, the properties sell primarily "surface only."

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Region 3 - North, Central and South Central Texas

Land Use or Class	Value Ranges	Activity/Trend	Rental Range	Activity/Trend
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North Texas

Wheeler, Donley, Collingsworth, Hall, Childress, Motley, Cottle, Hardeman, Foard, Wilbarger, Wichita, Clay, Dickens, King, Knox, Baylor, Archer, Throckmorton, Young and Jack Counties

Irrigated Cropland	\$600	to	\$1,000	Stable	\$40	\$50	Stable
Class II & III Dry Crop	\$500	to	\$750	Stable/Increase	\$35	\$50	Increase
Class IV & V Dry Crop	\$400	to	\$600	Stable	\$15	\$30	Stable/Stable
Rangeland >2,000 Acres	\$550	to	\$1,200	Stable/Stable	\$8	\$12	Stable/Stable
Rangeland <2,000 Acres	\$650	to	\$1,500	Stable	\$8	\$12	Stable/Increase
Hunting Lease Rangeland					\$3	\$12	Stable/Stable

Rangeland lease rates per animal unit year long range from \$150 to \$200

Central Texas

Kent, Stonewall, Haskell, Scurry, Fisher, Jones, Schackelford, Stephens, Mitchell, Nolan, Taylor, Coke, Runnels, Tom Green and Concho Counties

Irrigated Cropland	\$1,500	to	\$2,300	Active/Increase	\$50	\$100	Stable/Stable
Class II & III Dry Crop	\$600	to	\$1,500	Active/Increase	\$35	\$50	Stable/Stable
Class IV & V Dry Crop	\$450	to	\$700	Stable/Stable	\$25	\$40	Stable/Stable
Rangeland >2,000 Acres	\$650	to	\$1,500	Stable/Stable	\$5	\$13	Stable/Stable
Rangeland <2,000 Acres	\$750	to	\$1,800	Active/Increase	\$5	\$13	Stable/Stable
Hunting Lease Rangeland					\$5	\$15	Stable/Stable

Rangeland lease rates per animal unit year long range from \$150 to \$200

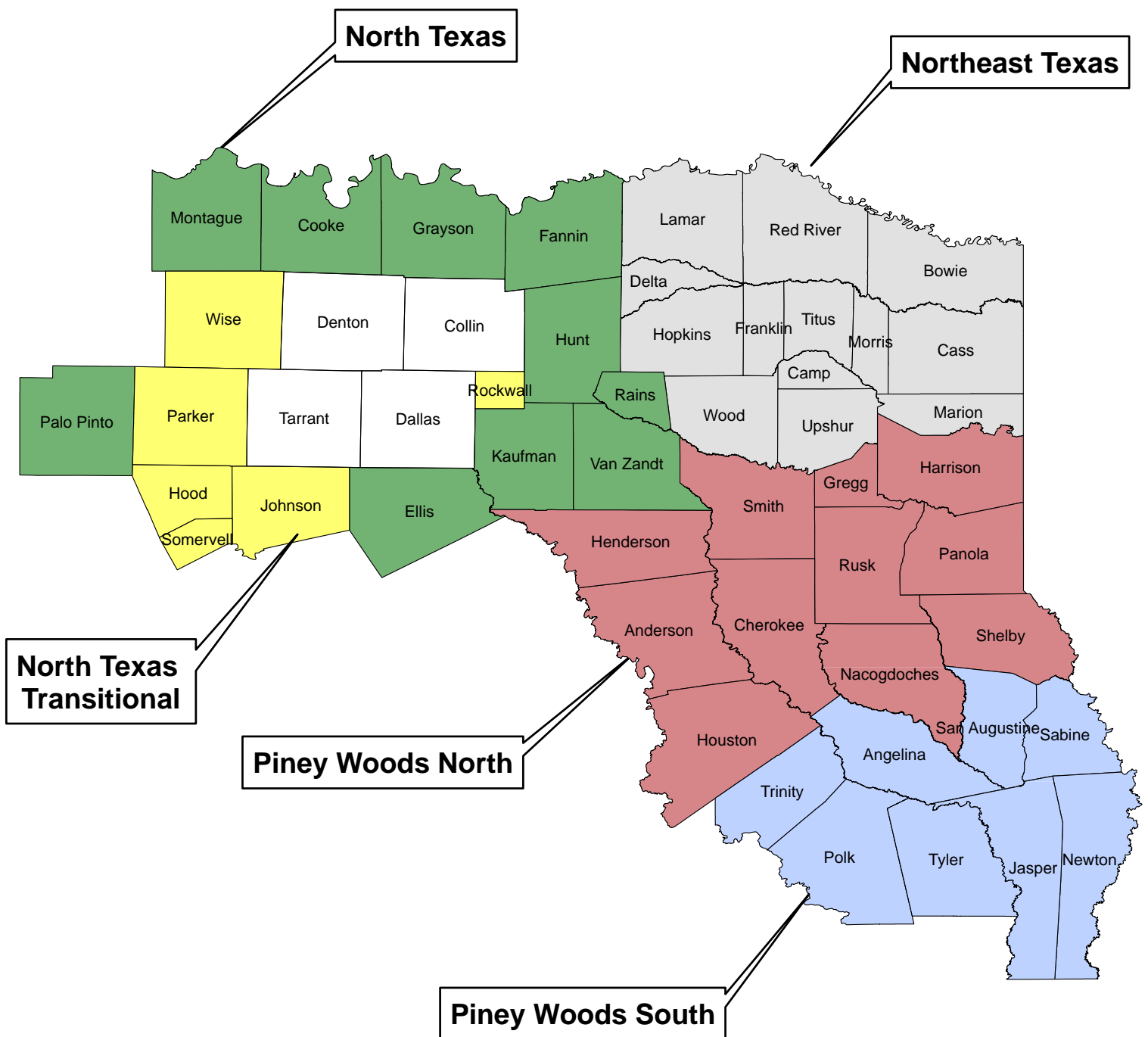
South Central Texas

Glasscock, Sterling, Crane, Upton, Reagan, Irion, Crockett, Schleicher, Sutton, Val Verde, Edwards and Kinney Counties

Irrigated Cropland	\$600	to	\$800	Stable/Stable	\$50	\$75	Stable/Stable
Dry Cropland	\$350	to	\$600	Stable/Increase	\$25	\$55	Stable/Stable
Rangeland > 2,000 Acres	\$250	to	\$1,250	Stable/Increase	\$4	\$10	Stable/Stable
Rangeland < 2,000 Acres	\$350	to	\$1,800	Stable/Stable	\$4	\$10	Stable/Stable
Hunting Lease (Rangeland)					\$2	\$15	Stable/Stable

Rangeland lease rates per animal unit year long range from \$150 to \$200

Texas Chapter ASFMRA Region 4



**REGION FOUR – NORTH TEXAS, NORTH TEXAS TRANSITIONAL,
NORTHEAST TEXAS AND PINEY WOODS
GENERAL MARKET CONDITIONS FOR 2007**

Prepared By
Charles S. “Scott” Seely, ARA – Region Four Team Captain

On the north and east sides, Region Four is bordered by the states of Oklahoma, Arkansas and Louisiana. The Dallas-Fort Worth metroplex is located in the west quadrant of the region; the Houston metropolitan area is located approximately eighty miles south of the region’s southern boundary.

Due to the diverse nature of the area, Region Four has been divided into sub-regions. Highlights of the overall regional market precede a brief discussion of each sub-region.

- In most counties, price increases have been 10% to 20% over 2006 prices. Real estate brokers report very few listings and a very short sale time for reasonably priced, good quality property. Many report that a seller’s expectation of price exceeds a buyer’s willingness to pay. Demand remains strong, with the demand of properly priced tracts continuing to outstrip the supply. Almost any tract, that is properly priced, will sell.
- Rental demand for pasture and recreational leases exceeds the supply.
- In many counties, the continuing subdivision of wooded and pasture tracts, into rural residential or recreational tracts, has almost eliminated sales larger than 300 acres.
- Wooded tracts, with good recreational qualities, will consistently command prices on par with good pasture.
- In the North and Northeast Texas areas, most buyers are from the Dallas-Fort Worth metroplex; however, it is noted that the larger sales are heavily influenced by out-of-state buyers. With the cropland sales being influenced by mid-west buyers. 1031 tax exchange money continues to influence the market.
- In the Piney Woods, the influence of the International Paper and Louisiana Pacific large sell-off has now moved to long term or final users. Some of these final users have now re-sold their tracts at higher prices. The largest increase in prices occurred in late 2005 and early 2006, with a 10% to 20% change noted since then.

North Texas

Cooke, Ellis, Fannin, Grayson, Hunt, Kaufman,
Montague, Palo Pinto, Rains, Somervell and Van Zandt Counties

In that there is almost a total lack of rural lands in Dallas, Tarrant, Collin and Denton counties, these counties are not being considered in the development of the sub-region’s 2006 value trends.

The transitional counties of Hood, Johnson, Parker, Rockwall and Wise have been moved into a separate category for the first time in this year's survey. These fringe counties are becoming an extension of the Dallas-Fort Worth metroplex.

In the North Texas region, land is higher in all classes, with the median size continuing to decline. The Barnett shale natural gas formation continues to influence the land market, to the northwest and southwest of Fort Worth. On the fringes of the Barnett shale formation, buyers are expecting at least a portion of the minerals to be conveyed. Speculators, who are buying land, are typically betting on the continued record setting population growth around the actual metroplex, especially to the north of both Dallas and Fort Worth.

Northeast Texas

Bowie, Camp, Cass, Delta, Franklin, Hopkins, Lamar, Marion,
Morris, Red River, Titus, Upshur and Wood Counties

The Dallas metroplex remains the primary source of buyers for most properties. The influx of buyers from Florida has all but stopped, but the larger farms and ranches continue to generate interest from outside the state.

Interest in cropland is extremely strong following record high commodity prices this past winter, but very little is on the market at reasonable prices. The larger units are commanding higher prices than the smaller tracts. However, it is noted that there is a lack of supply in every size range as owners want to get in one more crop at the high prices. Small cropland tracts are usually purchased by neighborhood farmers and have increased 20% over late spring, 2007. The large tracts (1,500 acres or more) have increased 50% or more over the same period; the large tracts are attracting out-of-state buyers.

The demand for all land types continues to be strong, but the numbers of sales are retarded by the extremely high asking prices. Some counties experienced a reduced number of sales in 2007, as compared to 2006, while the numbers of sales were steady in others. Thus, far, there is no weakness in values. Reasonable listings, of tracts above 1,000 acres, are almost non-existent and most sales occur when brokers survey the land owners, in a particular area, as to their willingness to sell.

The timber component of the wooded land values spiked at very high levels during the summer, but has declined drastically since.

Piney Woods North

Anderson, Cherokee, Gregg, Harrison, Henderson, Houston, Nacogdoches,
Panola, Rusk, Shelby and Smith Counties

The Piney Woods North land market remained active through most of 2007, with prices increasing. Large pasture tracts, which sold in late 2005, re-sold in 2007 for an approximate 10% to 20% increase. Again, brokers report a lack of listings of good properties and that sellers have high price expectations.

There is not enough cropland in this region to have a separate classification.

Demand for pasture tracts is primarily from Dallas-area investors that is coupled with some local market participants. The areas closer to the Dallas-Fort Worth metroplex are experiencing the higher prices and also higher demand.

Hunting and recreation dominate this region's rural land market. Purchasers are seeking tracts of timberland with good interior roads as well as good surface water and woodland conducive to hunting. This strong demand, coupled with the decreasing number of acres available for lease, has caused hunting lease rates to generally increase.

Piney Woods South

Angelina, Jasper, Newton, Polk, Sabine, San Augustine, Trinity and Tyler Counties

During 2007, the Piney Woods South continued to be active with prices increasing over 2006 levels. As noted in previous reports, this market saw tremendous price increases in late 2005 and showed little change during 2006. Sellers continue to ask higher prices; brokers report a lack of quality, reasonably priced listings.

The land placed on the market by International Paper and Louisiana-Pacific has been absorbed by the market. As in other areas, the original investors, who purchased from the companies, turned around and sold to long term holders. Now, some of the "long term" holders have re-sold the property that was purchased in 2005 and 2006.

The demand for properties in the Piney Woods South is primarily from the Houston-area buyer.

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Region 4 - North and Northeast Texas and Piney Woods North and South

Land Use or Class	Value Ranges	Activity/Trend	Rental Range	Activity/Trend
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North Texas Transitional Land

Wise, Parker, Rockwall, Hood and Johnson Counties

These counties are located in the transitional areas around Ft. Worth and Dallas. The properties sell for development purposes and also for homesite and recreational uses. Prices have increased substantially in the past few years and are currently in the \$15,000 to \$25,000 per acre range for 100 to 400 acre tracts.

North Texas

Montague, Cooke, Grayson, Fannin, Hunt, Palo Pinto, Somervell, Ellis, Kaufman, Van Zandt and Rains Counties

Dry Cropland >200 Acres	\$1,500	to	\$4,500	Stable/Increase	\$30	to	\$50	Stable/Stable
Improved Pasture >200 Acres	\$1,500	to	\$4,500	Stable/Increase	\$15	to	\$30	Stable/Stable
Native Pasture >200 Acres	\$1,500	to	\$4,500	Stable/Increase	\$15	to	\$25	Stable/Stable
Hardwood Timber >200 Acres	\$1,200	to	\$2,500	Stable/Increase	\$6	to	\$12	Stable/Stable

These hardwood tracts reflect only fair timber quality and income is from hunting leases

Dallas, Tarrant, Collin and Denton Counties - Not included in development of value trends due to there being almost a total lack of rural lands within the counties

Northeast Texas

Lamar, Red River, Bowie, Delta, Hopkins, Franklin, Titus, Camp, Morris, Cass, Wood, Upshur and Marion Counties

Class II Dry Crop >400 Acres	\$1,200	to	\$1,600	Stable/Increase	\$45	to	\$75	Stable/Increase
Class III Dry Crop >300 Acres	\$900	to	\$1,100	Stable/Increase	\$25	to	\$40	Stable/Increase
Improved Pasture >300 Acres	\$1,400	to	\$2,000	Stable/Increase	\$15	to	\$25	Stable/Stable
Native Pasture >300 Acres	\$1,000	to	\$1,500	Stable/Increase	\$10	to	\$15	Stable/Stable
Hardwood Timber >300 Acres	\$1,000	to	\$1,500	Stable/Stable	\$2	to	\$8	Stable/Stable

These hardwood tracts reflect only fair timber quality and income is from hunting leases

Piney Woods North

Henderson, Smith, Gregg, Harrison, Henderson, Cherokee, Rusk, Panola, Houston Nacogdoches, and Shelby Counties

Improved Pasture >300 Acres	\$1,500	to	\$4,000	Active/Increase	\$15	to	\$30	Stable/Stable
Native Pasture >300 Acres	\$1,500	to	\$3,500	Active/Increase	\$10	to	\$20	Stable/Stable
Upland Pine Timber >300 Acres	\$1,100	to	\$2,200	Stable/Increase	\$5	to	\$15	Stable/Stable
Bottomland Hardwood Timber >300 Acres	\$600	to	\$1,200	Stable/Stable	\$8	to	\$12	Stable/Stable

These pine timberland tracts reflect cut-over base land prices - merchantable timber is not considered

These hardwood tracts reflect only fair timber quality and income is from hunting leases

Piney Woods South

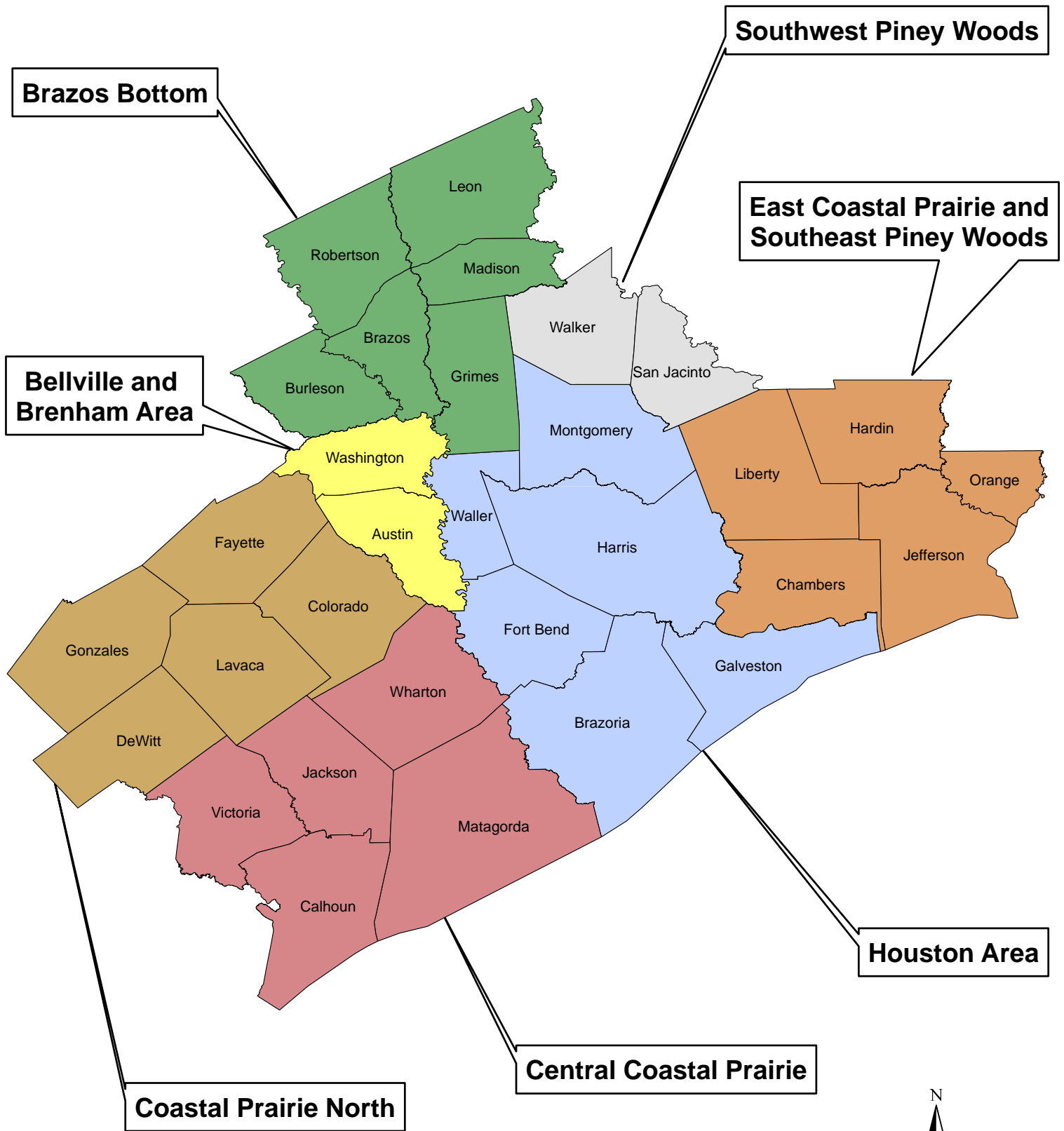
Trinity, Angelina, San Augustine, Sabine, Polk, Tyler, Jasper and Newton Counties

Improved Pasture >300 Acres	\$1,300	to	\$2,500	Active/Increase	\$15	to	\$30	Stable/Stable
Native Pasture >300 Acres	\$1,300	to	\$2,000	Active/Increase	\$10	to	\$20	Stable/Stable
Upland Pine Timber > 300 Acres	\$1,100	to	\$1,600	Active/Increase	\$5	to	\$15	Stable/Stable
Bottomland Hardwood Timber >300 Acres	\$600	to	\$1,000	Stable/Stable	\$8	to	\$15	Stable/Stable

These pine timberland tracts reflect cut-over base land prices - merchantable timber is not considered

These hardwood tracts reflect only fair timber quality and income is from hunting leases

Texas Chapter ASFMRA Region 5



**REGION FIVE – SOUTHERN PINEY WOODS,
COASTAL PRAIRIES AND BRAZOS BOTTOM
GENERAL MARKET CONDITIONS FOR 2007**

Prepared By
Wayne T. Young, ARA – Region Five Team Captain

Region Five is one of two regions in the State of Texas that fronts the Gulf of Mexico. Houston, the largest city in Texas, is located within the region, in Harris County. The City of Houston continues to dominate the region. However, it is noted that as Houston expands, areas north and west of the city have become significant in their own right, with regard to impact on land value trends.

Highlights for the overall market for the counties in Region Five precede brief discussions related to the each of the sub-regions.

- The City of Houston and nearby densely populated areas impact all properties within Region Five to a significant degree. The most probable use of land, in the counties adjacent to Harris County, has become end-user rural residential, large scale residential development, or holding for residential development. The land uses, or classes, have overlapped into one class that is best described as “land in Houston’s growth path”.

Due to the extremes found in land prices in both Harris and Galveston counties, they have not been included in the value/trend grid. The extreme prices are showing up in a large part of the area. A somewhat subjective attempt has been made to eliminate sales that fall outside what is considered typical.

- As the demand for recreational property in out-lying areas has increased, the differences associated with land types and uses, i.e., quality of pasture, etc., are having less impact on price. In most cases, native and improved pasture prices are tending to overlap significantly. The range from the low to the high prices paid for the same type of land has also increased. This tendency has been recognized for several years and is still very much the case. The land value grid has been modified somewhat to reflect this consideration.

The reader is cautioned against trying to put several years reports together in an attempt to establish trends for a particular land class. The overlap in some cases may distort the trend line. For example, some dry crop may transition to rural residential as land values increase. The same can be said for upland timber, which may become rural recreation. There are other examples where it may appear a particular land class has reached a plateau, while in reality the upper end of that land class may now be viewed by the market simply as rural land.

- A continuing theme has been an increase in demand for very large tracts, with a significant amount of this increased demand coming from out-of-state. The influx of the out-of-state buyer, who sold his ranch for millions and is now investing here, has slowed considerably.
- The demand for large tracts has lessened the impact size has on per unit values. Historically, a tract sells for less per acre as the size increases. This has decreased substantially and, in some markets, size ranges are essentially non-existent. Not only is size impacting price less than in the past, in some cases, it seems a premium is being paid for larger tracts.

- The following trend has remained unchanged for the last several years. Individuals in and around Houston have purchased farms and ranches in out-lying counties for investment, recreation and use as weekend retreats. A major motivation for the purchase is hunting, i.e., whitetail deer, bobwhite quail and water fowl. It is noted, however, that “quality of life” issues appear to have replaced hunting as the primary motivation for purchasing properties in the more scenic counties in the region, i.e., Austin, Washington, Fayette, Lavaca, Gonzales and northern Colorado.
- Several large timber companies have continued liquidating property to the north and east of Houston. As the property in these areas becomes more costly, the land east and northeast of Houston is becoming more attractive to the recreational buyer. Historically, if a buyer left Houston going northeast into the Piney Woods, they found poor (and limited) roads, often poor communities due to a limited tax base, and huge tracts of land owned by either timber companies or as a part of the national forest system. As the timber company lands have been made available, they have generally sold and then have been subdivided; it is noted that, in some cases, several times. In most cases, the final buyers, of the larger of the subdivided blocks, are recreational users who may not maintain a timber enterprise.
- Lease rates have remained essentially constant over the last several years and appear to be disconnected from price.
- As previously indicated, most of Region Five is dominated by Houston, along with Woodland and Katy, buyers. Essentially, all land purchased in the area is a combination rural residential/recreational or investment property. In general, most brokers interviewed indicated that activity has slowed somewhat toward the end of the year. Prices were not down, but there seemed to be a little less traffic. In some cases, certain areas just “need a rest” for lack of better wording. Most land that would be available may have been sold within the last few years. That in part fuels the push ever farther from the populated areas.

Eastern Coastal Prairie and Southeastern Piney Woods Chambers, Hardin, Jefferson, Liberty and Orange Counties

In 2006, the classification “Rural Residential/Agricultural” was added to the categories on the trend grid. This accounts for most of the tracts typically considered a small-to-large hobby farm. This type of property has been gaining in popularity as the timber tracts and large farms break up. As with other areas, proximity to Houston and access to major thoroughfares are significant factors with regard to price.

Cropland sales were very limited and were removed from the trend grid. Most of the tracts that were historically rice farms have been converted to pasture. It is noted there are a few transactions each year, but not enough to establish a trend and when idle cropland sells, it is not utilized as cropland after purchase. All prices with the exception of marsh were up from a year ago. However, there were not enough marsh type sales to definitively establish a trend. Once again, there was essentially no expansion of active rice and rowcrop farming operations. Rice farming is a small part of the area market. In the past few years, the base acres associated with rice farms was a significant factor to consider. Fewer tracts are trading with what would be considered excess base acres as most savvy investors and farmers are not conveying land with extra base acres.

Both native range and improved pasture sales are up. The prices are not significantly above the high prices noted in 2006, but it is observed that more tracts are trading at the upper end of the price range. In the western part, near Harris County, a fair number of tracts were considered above the norm and were not included.

The past few years many large timber holdings have been liquidated in East Texas. The breaking up of these large tracts will have a lasting impact on land in the area. As the tract sizes decrease with further sales, this part of Texas will continue to gain in popularity. This is in part due to population centers. As Houstonians look west and north for land they have begun running into people from San Antonio, Austin and the Dallas metroplex. This tends to put significant upward pressure on prices. There are no large metropolitan centers northeast of Houston to compete with.

Rural residential tracts north of the Beaumont and Lumberton area have seen a dramatic increase.

Southwestern Piney Woods San Jacinto and Walker Counties

The difference in price between improved pasture and native range is shrinking, though very good improved pasture still commands a premium. When available, native tracts have moved well. Tracts identified as “Rural Residential/Agriculture” properties have continued to increase in price. As in the past, the influence from the Woodlands greatly influences land values in this area. Pasture tracts tend to blend with “Rural Residential/Agriculture” as they are typically being purchased as some sort of a rural residential/ag/recreational property. Prices have increased, with demand from the Houston and Woodlands buyers having most influence.

Young timber, i.e., under five years, has little, if any, contributory value. Some buyers show equal motivation for future appreciation and/or hunting as compared to timber prospects. Most tracts range from 150 to 600 acres. There is continued sentiment that timber is a “safe haven” for money.

The activity that Montgomery County has enjoyed, from Houston, pushes into Walker County. The growth of the Woodlands allows more individuals to live further north and still commute to work. Walker County continues to benefit more from its proximity to Houston than that enjoyed by San Jacinto County.

Brazos Bottom Brazos, Burleson, Grimes, Leon, Madison and Robertson Counties

Both the dryland and irrigated cropland markets are situated predominantly along the Brazos River. The cultivated market has been reasonably stable, with prices fairly consistent. Rents are at the same general levels. The improved pasture and native range markets have been active, with prices moving upward. As with other sub-regions, these two land classes are combined.

Unimproved wooded tracts, of all sizes, were in strong demand. As in years past, Brazos County, along with south and central Grimes County, has been very active and is responsible for the considerable increase in the upper end of reported values. It is noted that Burleson County, the northern end of Grimes County, Madison County and the east sector of Robertson County are gaining in popularity as land for sale becomes harder to find. It is further noted that smaller rural homesites and recreational tracts are becoming hard to find, at any price.

Houston Area

Brazoria, Fort Bend, Galveston, Harris, Montgomery and Waller Counties

There is essentially no cropland in the immediate vicinity of the Houston metropolitan area. Rural lands in this area tends to be grouped more by land that has been somewhat maintained and native land. The more aesthetically appealing tracts that have been either maintained or somewhat “fixed up” continue to command a premium. All other types of land tend to fall into a different land class that is at a slightly lower price. It is noted that land prices are reported to be moving upward at a strong rate, for all types of rural land. As previously stated, both Harris and Galveston counties have been removed from the grid as there is essentially no open land not impacted by development. Land in this area is essentially one land class. Price is more a factor of location than type. Aesthetic appeal determines whether a tract sells high or low. The south part of Brazoria County is fairly low-lying and is typified by brushy remote tracts; this area is in least demand.

Central Coastal Prairie

Calhoun, Jackson, Matagorda, Victoria and Wharton Counties

There seems to have been increased interest in this region in 2007. In some cases, these counties are the first counties out from Houston where large acreage tracts are fairly common. The current demand for large acreage tracts has increased. Some rice tracts have been purchased for water fowl hunting. It is again observed that acreage, that is planted to rice, continues to decrease.

The improved pasture and native rangeland markets were reported as being active, with prices increasing due to the impact of the recreational buyer. The rural residential tracts have increased more than some others due to limited supply east of this area.

Following a trend from previous years, it is noted that Houston is having a relatively significant influence on north and east Wharton County, most notably in the Hungerford area. While Houston’s presence is felt, it is not as dramatic as it is in the adjoining Fort Bend, Waller and Austin counties. The improved and native range category are combined. Many brokers from surrounding areas, where property available for sale is limited, have moved into this area.

North Coastal Prairie

Colorado, DeWitt, Fayette, Gonzales and Lavaca Counties

There has been some increased demand for the limited cropland. The prices reported indicate dry crop has a higher potential value than irrigated, which in most cases is due to dry crop trending to other uses, i.e., pasture or rural residential. There is minimal cropland in the other counties.

Improved pasture and native range sales were active, with prices trending upward. Recreational tracts, in the 50-acre category, continued to increase. North Colorado County saw a continued increase in demand, with buyers spilling over from Austin County due to a lack of properties. It is, however, noted that this area of Colorado County is now in a similar situation with a limited number of tracts for sale. The upper end of the prices shown for native range, improved range and recreational land comes from the north part of Colorado County.

Lavaca and Gonzales counties continue to benefit from a lack of available recreational tracts in the adjoining counties, with the number of transactions increasing significantly.

Bellville and Brenham Area
Austin and Washington Counties

There is very little cropland in these two counties. No price difference is apparent between native and improved tracts; the two categories have been combined for several years. The demand for improved pasture and native rangeland has been and continues to be very strong. This was a strong market early in this cycle and many properties sold and have not been available. This did not limit price increase, but it did limit activity.

Driving forces that create value are trees, hills and views. After pairing area sales, desirable recreational tracts will sell for twice as much as adjoining property due to aesthetic features. The Region Five grid has a scenic category that combines some or all of the characteristics. The area around Sealy is predominantly flat, with less tree cover; this area sells for significantly less than the lands to the north; however, it is up substantially due to limited supply and strong demand.

The recreational appeal of the rolling hills, to the Houston buyer, has resulted in a very strong demand on the part of purchasers for “weekend” ranchettes in the 100 to 200-acre size. Prices for this type property have risen dramatically over the last several years; the demand for these tracts continues to be strong.

Rural development and rural homesite tracts, where available, have been in strong demand with increasing prices.

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Region 5 - Southern Piney Woods, Coastal Prairies and Brazos Bottom

Land Use or Class	Value Ranges		Activity/Trend	Rental Range		Activity/Trend
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Eastern Coastal Prairie and Southeastern Piney Woods Liberty, Hardin, Chambers, Jefferson and Orange Counties

Rural Residential/Ag 50-150	\$1,200	to	\$5,000	Active/Up	\$10	to	\$15	Stable/Stable
Improved and Native Pasture	\$1,000	to	\$2,500	Stable/Up	\$8	to	\$15	Stable/Stable
Bottom Timber	\$650	to	\$1,000	Active/Up	\$5			Stable/Stable
Upland Timber	\$1,000	to	\$1,750	Active/Up	\$5			Stable/Stable
Marsh	\$350	to	\$400	Slow/Stable	\$3			Stable/Stable

Southwestern Piney Woods Walker and San Jacinto Counties

Rural Residential/Ag 50-100	\$2,750		\$5,500	Active/Up				
Improved and Native Pasture	\$2,000	to	\$3,000	Active/Up	\$10	to	\$15	Stable/Stable
Bottom Timber	\$1,200	to	\$1,500	Stable/Stable	\$6	to	\$10	Stable/Stable
Upland Timber	\$1,500	to	\$2,750	Active/Up	\$6	to	\$10	Stable/Stable

Brazos Bottom Brazos, Robertson, Burleson, Leon, Madison and Grimes Counties

Irrigated Cropland	\$1,600	to	\$2,000	Slow/Stable	\$60	to	\$80	Stable/Stable
Dry Cropland	\$1,500	to	\$1,700	Slow/Stable	\$40	to	\$50	Stable/Stable
Improved and Native Pasture	\$2,600	to	\$5,000	Active/Up	\$15	to	\$20	Stable/Stable
Rural Residential/Ag 50-100	\$2,700	to	\$10,000	Active/Up				

Houston Area Waller, Montgomery, Fort Bend and Brazoria Counties

Improved and Native Pasture	\$3,000	to	\$7,500	Active/Up	\$10	to	\$15	Stable/Stable
Rural Residential/Ag 50-100	\$7,000	to	\$15,000	Active/Up				

Harris and Galveston Counties - Removed from grid as there is essentially no open land not impacted by development

Central Coastal Prairie Victoria, Jackson, Wharton, Calhoun and Matagorda Counties

Irrigated Cropland	\$1,400	to	\$2,000	Active/Up	\$40	to	\$80	Stable/Stable
Dry Cropland	\$1,200	to	\$2,000	Active/Up	\$25	to	\$45	Stable/Stable
Improved and Native Pasture	\$1,100	to	\$4,500	Active/Up	\$10	to	\$15	Stable/Stable
Rural Residential/Ag 50-100	\$1,800	to	\$5,500	Active/Up				

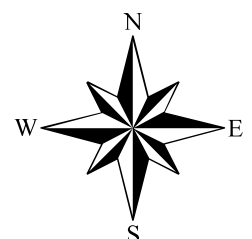
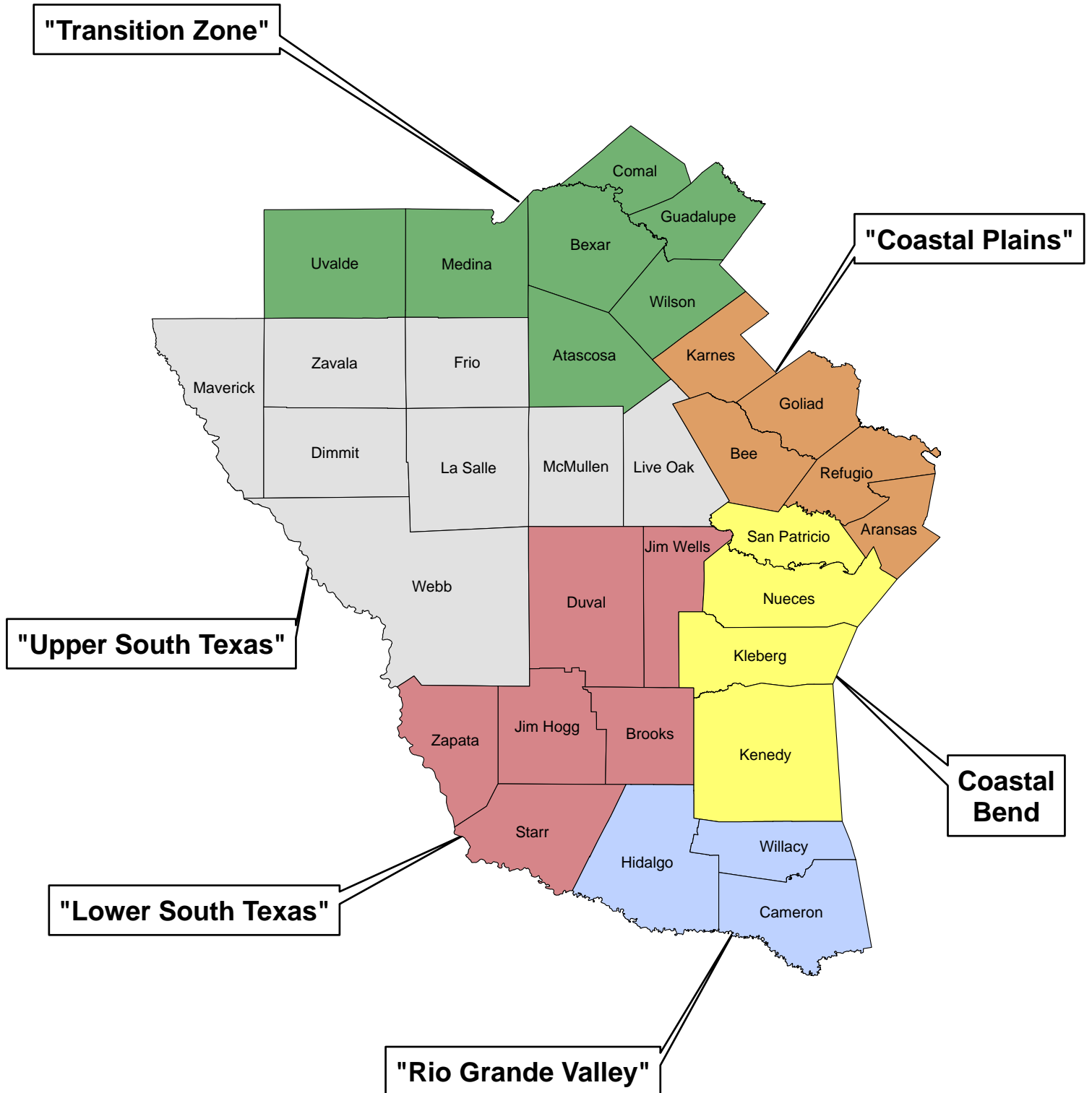
Coastal Prairie - North Gonzales, Fayette, DeWitt, Lavaca and Colorado Counties

Irrigated Cropland	\$1,400	to	\$1,600	Slow/Up	\$20		\$60	Stable/Stable
Dry Cropland	\$1,400	to	\$1,800	Stable/Stable	\$20		\$30	Stable/Stable
Improved and Native Pasture	\$2,150	to	\$4,200	Active/Up	\$12		\$15	Stable/Stable
Rural Residential/Ag 50-100	\$4,000	to	\$10,000	Active/Up				

Bellville and Brenham Areas Washington and Austin Counties

scenic recreational land	\$8,000	to	\$15,000	Active/Up				
Rural Residential/Ag 50-100	\$4,500	to	\$10,000	Active/Up				
Improved and Native Pasture	\$4,000	to	\$6,500	Active/Up				
Sealy Area	\$4,000	to	\$6,500	Active/Up				

Texas Chapter ASFMRA Region 6



**REGION SIX – HILL COUNTRY, SOUTH TEXAS, COASTAL PLAINS,
COASTAL BEND AND RIO GRANDE VALLEY
GENERAL MARKET CONDITIONS FOR 2007**

Prepared By
Merrill E. Swanson, ARA – Region Six Team Captain

Region Six includes the southern fringe of the Edwards Plateau, portions of the Coastal Plains and Coastal Bend, the South Texas Brush Country and the Rio Grande Valley. Counties in this region are those between Comal and Cameron, on a north/south basis, and between Refugio and Maverick, on an east/west basis. The region is bound by the Gulf of Mexico, on the east, and the Republic of Mexico, on the west.

The South Texas Region continues to be a dynamic land market; in review, 2007 was an active. South Texas had one of the best rainfall years in many decades, with certain areas receiving over 60 inches. Ranches were in better condition than in many years. The quality and population of native game flourished.

Overall market highlights precede individual discussions of the various sub-regions.

- Market Activity – The 2007 market was somewhat “spotty” with scattered “hot” areas. The market may not have been as robust as 2006 or 2005 in regards to sales volume. According to reliable sources, the number of transactions from 2005 and 2006 was down. However, a number of sizeable transactions did take place. Sale prices did not decrease and, in most cases, were on the increase. In early 2007, many brokers reported that calls were down substantially, but gradually improved. The ability of brokers to show ranches during the summer may have been less than usual due to regular rains and wet field conditions. Land pricing may have lulled into stabilization in some areas for a period and showed good signs of increase in late 2007.
- Sellers – Long term land owners experienced the highest level of rural land pricing that they had ever experienced; as a result, some decided to sell. A number of long term owners may have large families with the result being fragmented ownership and a number of absentee co-owners, who have limited interest in the land. If the properties are bringing some sort of an economic return through oil and gas royalty or crop production income, the absentee land co-owners are more patient and willing to hold on to the land. If there is limited income, many absentee land owners looked favorably on high land values and decided to sell.

Sellers were concerned over uncertainty related to the upcoming presidential election and a possible change in capital gains rates. Many land owners contemplating a sale were motivated to take equity out of their farms and ranches prior to a potential increase in capital gains taxes as well as a potential increase in estate taxes. A number of sellers paid the capital gains tax because they believe the rate will rise.

1031 Tax Deferred Exchanges continued to be popular. However, it is noted that several South Texas investors lost exchange funds in escrow in a nationally owned exchange company, which went into bankruptcy during 2007. High land prices continued to put pressure on land rich/cash poor owners for estate tax purposes; there continued to be estates that had to sell land to pay estate taxes.

- Buyers – Ranch buyers remain in two categories – investors and end users. Recreation and investment continued to be the main sources of demand. Buyers include successful businessmen in the various sectors enjoying economic prominence including, oil and gas, real estate and others. Certain “ag” landowners in transition areas sold high-priced land and then re-invested in replacement land in less expensive areas. The impact of high petroleum prices often funded ranch purchases by those in the oil and gas business.

Buyers appeared to be a little more cautious and some took “a wait and see” attitude in light of national economic events, prior to buying a ranch. Some buyers appeared to be more price sensitive and looked in areas of better perceived value, while other buyers may have taken a little longer to get use to the new level of land pricing.

High commodity prices shed favorable light on farmland. Buyers of farmland continued to be farmers and there was renewed interest by agricultural REIT’s.

- Demand for Ranches – Recreational demand lead the way in the most notable hunting areas and spread into more traditional agricultural/ranching areas having native game and/or other recreational opportunities. Demand for large ranches continued to be fairly good. Demand for “finished” ranches also was good as long as the price level was not overly aggressive. Hunting ranches, with established game management present, continued to command premiums. Deer breeding programs are becoming more and more popular in South Texas as well as in other areas. Many investors wanted “ready to go” properties. Ranches, that were acquired for land infrastructure enhancement and resale, appear to have lagged in marketing time.

Active ranch brokers reported a fairly good number of qualified buyers. Non-hunting recreational users were more common, particularly along the Coast. There appears to have been an increase in the number of farms and ranches advertised on the various online and printed advertising mediums. Marketing periods for most land may have increased over 2006. The best quality, reasonably priced ranches typically do not last long in the current seller’s market.

- Demand for Farmland – Farmland buyers were active and more so than in the past several years. Demand for farmland was stable to increasing, with land typically purchased by farmers. The farm economy is better than in many years due to high commodity prices. Some investors bought good farmland for a steady return, along with farm program benefits and appreciation potential. South Texas properties, with Conservation Reserve Program (CRP) payments, were in demand. Bio-diesel and ethanol prospects have increased corn pricing along with corresponding farmland pricing and rents in the Midwest United States. As a result, there has and will be an increase in the best farmland areas of South Texas.

Water rights speculation has inflated irrigated farmland prices in the farming areas near San Antonio. A very defined water rights market is present in the Edwards Aquifer area, with transferrable rights selling separately from the land and the base water rights.

High fuel and input costs have added uncertainty to the farmland market. However, high commodity prices encourage farmland investors. Concerns relative to the future direction of the USDA commodity program, after 2007, does have farmland investors and operators alike expressing some reservations about investment decisions.

- Demand for Subdivision Development Land – This market segment may have stabilized to some degree. All large South Texas cities continue to experience growth. The most active markets are San Antonio, Laredo, Corpus Christi, Eagle Pass, McAllen and Harlingen. Heavy growth areas also include the west portion of Bexar County, Laredo and the Rio Grande. Credit tightening and sub-prime lending problems are impacting the residential real estate markets. The explosive growth in certain segments of this market may have slowed.
- Interest Rates – Interest rates continued to be low and there were a good number of competitive sources for rural property loans. However, available credit to ranch buyers appeared tightened, with lenders being more cautious. A number of existing ranch owners, who have debt, refinanced loans.
- Minerals – Most South Texas properties were offered with limited minerals or as surface estate only. With oil prices hovering around \$100 per barrel, oil and gas drilling continued to be very active. Leasing and seismic activity are also active.

Transition Zone between the Texas Hill Country and the Upper Brush Country

Atascosa, Bexar, Comal, Guadalupe, Medina, Wilson and Uvalde Counties

The primary investment motive for large tracts, in counties adjoining Bexar County and the City of San Antonio, is for residential subdivision development. Uvalde County is less influenced by residential subdivision pressure due to its location, i.e., over one hour west of San Antonio. West Bexar County continues to grow. National residential development companies are completing subdivisions. Less new development occurred in 2007 than in 2006. East Medina County also experienced development pressure and growth. The proposed new Texas A&M campus, on the south side of San Antonio, will have a positive effect on South Bexar County and northern sectors of Atascosa and Wilson counties. Atascosa and Wilson counties are positively influenced by the resurgence of interest in the south and western sectors of Bexar County. The Toyota Tundra truck plant is now in operation in South Bexar County. Land near Toyota increased in value. Demand for recreational land was good in all of the counties. Live water features were a driving force for properties located along the edge of the Texas Hill Country. Weekend recreational ranches are common in the Transition Zone due to the short driving distance to San Antonio.

Demand for farmland in Bexar, Comal and Guadalupe counties was stable to increasing, but not nearly as great as for recreational or investment lands. It is noted that open farmland, in the San Antonio area, is “prime” for dense residential development as long as public utilities are in nearby proximity. Many open tracts of farm and pasture lands are purchased for development. Overall, western portions of Medina County and Uvalde County generally have less intense land uses; these areas have good recreational appeal.

Water rights speculation has positively impacted farmland pricing in Bexar, Medina and Uvalde counties. Irrigated farms, with good Edwards water rights, are in high demand. Irrigated farms, with Carrizo irrigation water, are more in demand today than they were last year, with an increasing number of the transactions including a reservation of a portion of the water rights that are in the Carrizo Aquifer.

The market for Edwards water rights, in Bexar, Atascosa, Medina and Uvalde counties, was extremely active in 2007, with the Edwards Aquifer Authority (EAA) listing 24 sales of water rights (totaling 1,021 acre feet) and 52 new leases of rights (totaling 4,460 acre feet). The major participants in the market are in two categories – water purveyors and speculators. In 2006-2007,

two new speculators entered the market, which had been dominated by the San Antonio Water System (SAWS) and the Regional Water Resource Development Group (RWRDG). RWRDG was formed via an interlocal agreement between the San Antonio River Authority (SARA) and SAWS, in 1998, and included twelve other communities within the EAA boundaries. In 2006, SAWS left the group and now is a competitor in the bidding for Edwards water, along with RWRDG and the speculators. This increase in the number of bidders produced a dynamic increase in prices that began in late 2005, with prices in the \$2,000 per acre foot range, and accelerated in 2006, into the \$4,000 to \$5,000 per acre foot range. It is noted that in 2007, SAWS purchased 953 acre feet of water rights, in eight groups at \$5,000 per acre foot and the final two groups at \$5,250 per acre foot.

In addition to the Edwards activity, the March 2008 issue of the *Water Strategist* reported the following developments in the Carrizo/Wilcox aquifer, which is located southeast of the San Antonio metro area.

San Antonio Water System (SAWS) entered into agreements with nine landowners, in Gonzales County, to lease a total of 1,219.059 acres, which could provide up to 1,219.059 acre feet per year from the Carrizo Aquifer and a similar amount from the Wilcox Aquifer, under the Gonzales County Underground Water Conservation District rules. The initial price, of \$62.50 per acre foot, will be paid the first year that SAWS produces water and will be escalated each subsequent year, using the average of the Consumers Price Index and the Producers Price Index from the previous year. The agreements have a primary term of twenty years and also include a “hold by production” clause, which means that the leases will continue as long as SAWS produces water from the property or pays the minimum water payment. SAWS also secured rights of first refusal to the purchase the land out of which the water is drawn.

The water was acquired as part of SAWS ongoing effort to acquire supplies for the Gonzales Water Supply Project, which is a part of SAWS Regional Carrizo Project. In Phase I, SAWS plans to develop the Carrizo Aquifer in western Gonzales County, secure leases for 22,600 acre feet, and design and construct the infrastructure needed to convey the water to the SAWS distribution system. Phases 2 and 3 will focus on Wilson County and the northeast portion of Gonzales County, respectively. SAWS initial permit, from the Gonzales County Underground Water Conservation District, has been contested. Phase 1 is on “hold” while SAWS and the contesting parties discuss the issues and attempt to achieve a mutually acceptable settlement proposal.

The continuing need for additional water supplies to meet increasing demand, by the municipal and rural water supply systems in the San Antonio metro and surrounding areas, ensure that prices for the rights held by land owners and speculators alike will continue to appreciate. Current lease rates have increased, but only produce rates of return on the order of 2% to 3%; therefore, most of the motivation in the speculator arena is driven by future price appreciation.

Upper South Texas (Upper to Mid Brush Country)

Dimmit, Frio, La Salle, Live Oak, Maverick,
McMullen, Webb and Zavala Counties

Recreational hunting is the primary source of demand for land – this area has an excellent reputation for good trophy deer and upland bird hunting. Active land trading is prevalent. Two very active counties include Frio and McMullen counties. There continues to be a number of ranches for sale in Maverick County. Overall, demand for ranches continued to be good.

Trends show that land pricing for properties, which are located within 100 miles of San Antonio, have escalated.

For a number of years now, land stewardship practices have been more focused on balancing the blend of livestock and native game. However, in some instances, new ranch owners are abandoning the grazing of livestock. 2007 was a beneficial rain year. Ranches in this area were in much better condition than in 2006, which was a drought year. Demand for “turn-key” game-managed ranches (any size) continued to be strong. More and more ranches are high fenced. Deer breeding programs, along with trap and transport programs, are popular. Many ranches have MLD permits (Managed Lands Deer Permits), which allow extended hunting seasons and give land owners time to achieve wildlife management goals. The deer operations are used to enhance trophy buck genetics. Hunting lease prices were very strong, i.e., especially for ranches with good game management. As a result of increasing hunting lease rates, along with the “hassle factor” of being a tenant on a highly regulated property, a number of upper-end hunting lessees decided to buy their own ranches.

Subdivision development potential for ranches, that are situated along the IH-35 corridor north of Laredo, was very good. There is apparently a strong demand for small tracts of land, which are within 45 minutes of Laredo. It is noted that several ranches, in this immediate area, were acquired and resold into tracts.

Farmland pricing was stable to increasing and was mostly affected by water depth and quality. Farmland in the Carrizo Aquifer has notably increased. As discussed, sellers reserving a portion of the water rights, in non-Edwards water areas, are on the increase; however, no apparent impact on land value was noted as a result of these reservations.

Lower South Texas (Lower Brush Country)

Brooks, Duval, Jim Hogg, Jim Wells, Starr and Zapata Counties

Lower South Texas had a similar level of demand for land to that found in the Upper Brush Country. It is noted that this is one of the most popular hunting areas in South Texas. Land prices escalated, particularly in the fringe areas, as long as the recreational appeal was good. Popularity for properties in Duval and Zapata counties also escalated, with both counties taking a “jump” in pricing. The deep sand areas, with particularly good bobwhite quail hunting (Jim Hogg and Brooks counties), had good demand; however, there were limited sales in the two counties in 2007. Land prices for properties in Jim Wells and Starr counties also increased; the impact of the growth in the Rio Grande Valley positively impacts Starr County. Ranch investors are willing to drive further to these good hunting areas, with hopes of finding lower land pricing and large native blocks of land. It is also noted that the lower-priced areas have also increased in pricing.

Farmland pricing is considered to have remained stable. Starr County farms, in the more remote areas, offer certain recreational appeal, if they adjoin low fenced brush properties.

Coastal Plains

Aransas, Bee, Goliad, Karnes and Refugio Counties

This area has a long history of being popular with Houston and Corpus Christi investors, with recreational lands being the most active category. Many Houston investors look closely at this area because of a shorter drive, when compared to the balance of South Texas. The blend of live oaks and South Texas brush found in this area is very appealing to a large segment of the market. Bee and Goliad are “hot” counties in this market. It is, however, noted that Karnes County typically

relates more to the San Antonio investor. It appears that land pricing has generally become consistent for the live oak portions of the area, from Bee and San Patricio counties up to Jackson and Lavaca counties (just north/northeast of Victoria).

Subdivision of smaller ranches, near the City of Victoria, has taken place due to the relatively short driving distance to regional employment centers. The Victoria economy is strong and is largely tied to oil and gas.

Coastal Bend

Kenedy, Kleberg, Nueces and San Patricio Counties

The primary demand is for recreational properties with deer and bird hunting amenities. Land rarely sells in the lower portion of this area due to being large ranches. Land pricing, of ranches in San Patricio County, parallels land pricing in the adjoining Bee County and nearby Goliad County.

2007 was a good crop year for some area dryland farmers due to beneficial weather conditions. Demand for farmland continued to be stable to increasing, with the higher commodity prices. Investors typically are producers or agricultural investment groups. The best land rarely becomes available because most of the farmland ownership is by long-term tenure. Demand for large blocks of farmland is good, but there is a limited supply of “top shelf” quality farmland, especially in large tracts. With low stock market returns, farmland is viewed as a long-term investment alternative that has a return and some appreciation potential.

Rio Grande Valley

Cameron, Hidalgo and Willacy Counties

The rural portions of this three-county area are largely production agriculture driven, with the demand for the best classes of cropland demonstrating increased demand. The farmland is typically purchased by producers or large corporate land trusts; demand for the best irrigated land is typically equal to demand for the best dry cropland. Various Rio Grande Valley realtors report active interest in larger dryland tracts, in the Harlingen/Raymondville area, with both prices and rents moving up. The better quality drycrop land in the Valley is mostly closely held and only a few transactions of any size have occurred. The unusually good market conditions for Valley citrus products are as a result of relatively recent Florida and California disasters; this situation has spurred new plantings along with renovation of older plantings. Expectations for continued good citrus market conditions, through 2009, are likely to encourage additional investments in Valley citrus properties.

The market for Rio Grande water rights continues to be active; several recent sales of “river farms” have occurred in which the water right were reserved by the seller and leased back to the purchaser for an initial term of five years, without an additional options to extend the leases. The holders of these rights report that they anticipate significant appreciation in the value of the rights due to development pressures.. When land is taken out of agricultural production and developed, the developer must give the municipality a specified amount of water rights. In many cases, the developer must buy water rights on the open market to fulfill this need.

With regard to areas close to Edinburg, McAllen, Mission, etc., a significant trend is for agricultural lands to be converted into residential developments. The transition from productive land into development acreage is absorbing existing farmland acreage, along with Rio Grande Valley citrus groves, near the population centers, i.e., especially in Hidalgo and Cameron counties. Subdivision development is less prevalent in Willacy County.

Recreational ranches have excellent demand. There are few available ranches for sale in the Valley due to the large, long-held ownerships in the northern reaches of the area. Many of the Rio Grande Valley land investors are local buyers. In summary, the Valley is booming.

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Region 6 - Hill Country, South Texas, Coastal Plains
Coastal Bend and Rio Grande Valley

Land Use or Class	Value Ranges			Activity/Trend	Rental Range			Activity/Trend
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Transition Zone
Atascosa, Bexar, Comal, Guadalupe, Medina, Uvalde and Wilson Counties

Class I Irrigated Crop*	\$2,100	to	\$3,000	Active/Up	\$75	to	\$150	Active/Up
Class II Dry Crop	\$1,850	to	\$2,500	Active/Up	\$160/AU			Active/Up
Permanent Pasture	\$1,900	to	\$2,750	Active/Up	\$160/AU			Active/Up
Rangeland <2,000 Acres	\$1,450	to	\$6,500	Very Active/Up	\$160/AU			Active/Up
Rangeland >2,000 Acres	\$1,350	to	\$3,500	Active/Up	\$160/AU			Active/Up
Development Land**	\$5,500	to	\$45,000	Active/Up	\$160/AU			Active/Up
Transferable Edwards***	\$5,000							
Aquifer Water Rights		to	\$5,500	Very Active/Up	\$99	to	\$140	Active/Up
Hunting Lease					\$8	to	\$20	Very Active/Up/Up

Value ranges are generally reflective of partial mineral transactions
*Speculation on water rights in Bexar, Medina and Uvalde counties
Live water features or subdivision development potential increases the achievable pricing throughout region
**A number of Bexar County area farms are being acquired for subdivision development
*** 5 year leases \$99 to *105/AF; 10 year leases \$115 escalating to \$140AF in the last 5 year term

Upper South Texas - Upper to Mid Brush Country
Dimmit, Frio, La Salle, Live Oak, Maverick, McMullen, Webb & Zavala Counties

Class I Irrigated Crop	\$2,000	to	\$2,500	Active/Up	\$75	to	\$150	Active/Up
Class II Irrigated Crop	\$1,650	to	\$1,800	Active/Up	\$70	to	\$135	Active/Up
Class II & III Dry Crop	\$1,300	to	\$1,500	Active/Up	\$15	to	\$20	Active/Up
Permanent Pasture/Improved Pasture	\$1,400		\$2,200	Active/Up	\$160/AU			Active/Up
Rangeland <2,000 Acres	\$1,300	to	\$2,850	Very Active/Up	\$160/AU			Active/Up
Rangeland >2,000 Acres	\$1,200	to	\$2,500	Active/Up	\$160/AU			Active/Up
Hunting Lease (Rangeland)					\$8		\$20	Very Active/Up/Up

Value ranges are generally reflective of partial mineral or surface only transactions; few tracts sell with significant minerals in this market

Lower South Texas - Lower Brush Country
Brooks, Duval, Jim Hogg, Jim Wells, Starr & Zapata Counties

Dry Cropland	\$900	to	\$1,800	Stable/Stable	\$20	to	\$30	Active/Up
Rangeland <2,000 Acres	\$1,300	to	\$2,700	Active/Up	\$160/AU			Active/Up
Rangeland >2,000 Acres	\$1,200	to	\$2,400	Active/Up	\$160/AU			Active/Up
Hunting Lease (Rangeland)					\$8	to	\$20	Very Active/Up/Up

Value ranges are generally reflective of surface only transactions; few tracts sell with significant minerals in this market

Coastal Plains
Aransas, Bee, Karnes, Goliad & Refugio Counties

Class II & III Dry Crop	\$1,000	to	\$1,500	Active/Up	\$25	to	\$45	Active/Up
Permanent Pasture & Improved Pasture	\$1,200	to	\$2,000	Active/Up	\$160/AU			Active/Up
Rangeland <2,000 Acres	\$1,700	to	\$2,500	Very Active/Up	\$160/AU			Active/Up
Rangeland >2,000 Acres	\$1,800	to	\$2,250	Very Active/Up	\$160/AU			Active/Up
Hunting Lease (Rangeland)					\$8	to	\$15	Very Active/Up/Up

Value ranges are generally reflective of partial mineral or surface only transactions; few tracts sell with significant minerals in this market

Coastal Bend
Kenedy, Kleberg, Nueces & San Patricio Counties

Class I Dry Crop	\$1,650	to	\$2,250	Active/Up	\$60	to	\$100	Active/Up
Class II Dry Crop	\$1,350	to	\$1,800	Active/Up	\$25	to	\$50	Active/Up
Rangeland	\$1,700	to	\$2,700	Very Active/Up	\$160/AU			Active/Up
Hunting Lease (Rangeland)					\$8	to	\$20	Very Active/Up/Up

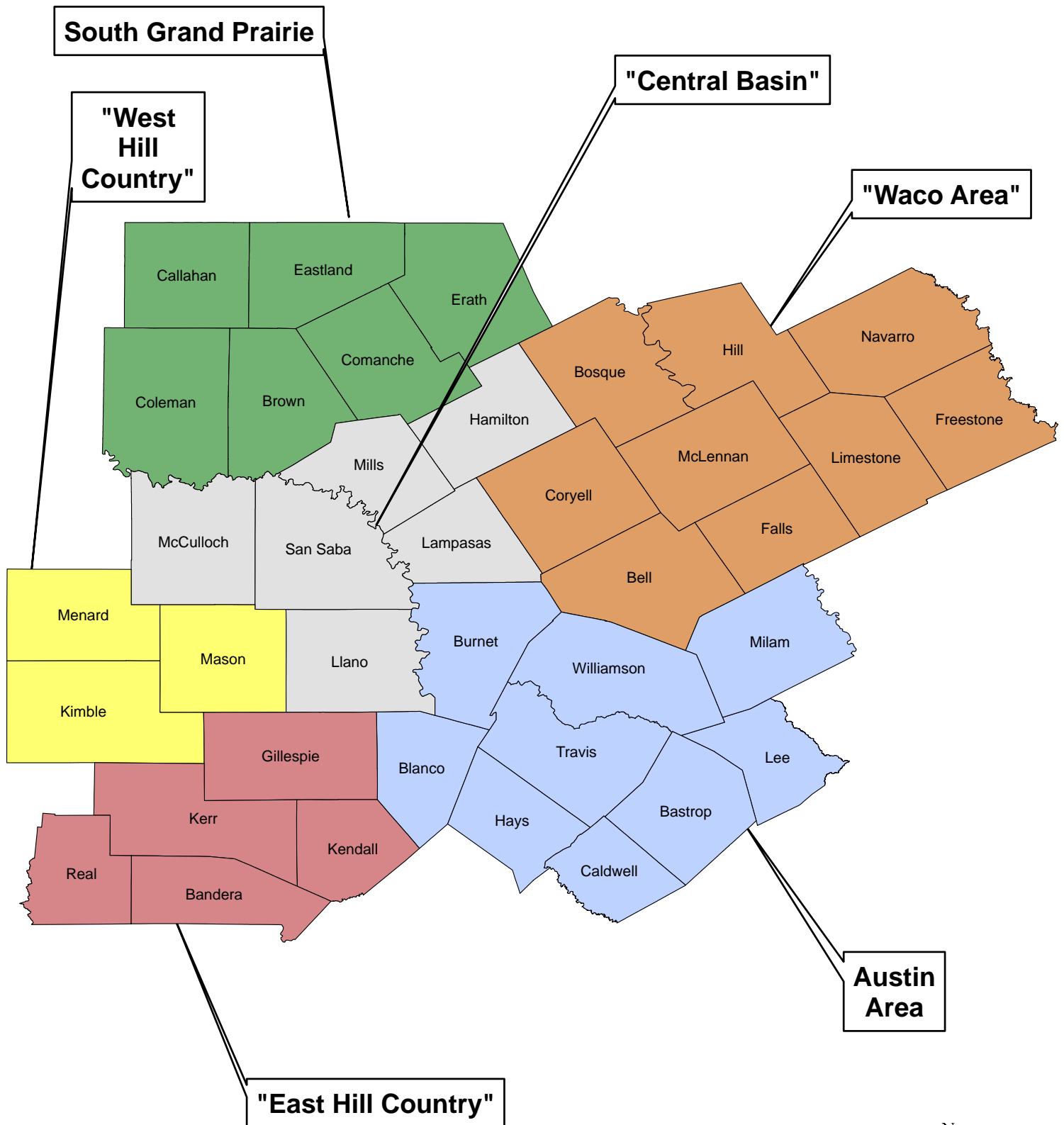
Value ranges are generally reflective of surface only transactions; few tracts sell with significant minerals in this market

Rio Grande Valley
Willacy, Cameron and Hidalgo Counties

Class I Irrigated Crop	\$1,800	to	\$2,500	Active/Up	\$90	to	\$135	Active/Up
Class II Irrigated Crop	\$1,400	to	\$1,800	Active/Up	\$50	to	\$75	Active/Up
Class I Dry Crop	\$1,500	to	\$2,000	Active/Up	\$65	to	\$90	Active/Up
Class II Dry Crop	\$1,400	to	\$1,900	Active/Up	\$35	to	\$65	Active/Up
Permanent Pasture	\$1,500	to	\$2,250	Very Active/Up/Up	\$160/AU			Active/Up
Rangeland	\$1,750	to	\$3,850	Very Active/Up/Up	\$160/AU			Active/Up
Hunting Lease (Rangeland)					\$8	to	\$20	Very Active/Up/Up

Value ranges are generally reflective of surface only transactions; few tracts sell with significant minerals in this market

Texas Chapter ASFMRA Region 7



**REGION SEVEN – SOUTH GRAND PRAIRIE, CENTRAL BASIN, BLACKLANDS,
POST OAK BELTS, EDWARDS PLATEAU AND HILL COUNTRY
GENERAL MARKET CONDITIONS FOR 2007**

Prepared By
Wendell Wood, ARA – Region Seven Team Captain

Region Seven forms the central core of the State of Texas. The geographic center of Texas is in this region, at a point some fifteen miles northeast of Brady, the county seat of McCulloch County.

Overall market highlights for Region Seven precede brief discussions related to each sub-region.

- Value trends throughout the region continued to show strength through mid-year, with the second half of 2007 showing a slower pace of sales activity. Overall, sales volumes were lower in 2007 than in 2006.
- Recreational use of land, primarily hunting, continues to be a primary influence in the mind of buyers. Investment is also a significant motivating factor and is often in conjunction with recreational use.
- Buyers from throughout Texas were active in the region's land market. Certain market areas within Region 7 also observed out-of-state buyer activity.
- The aesthetic characteristics of the land, which consider views and live water, continues to be an important factor in the formation of land values. Productivity characteristics come into play in the market for cultivated lands within the region.
- Buyer motivation to purchase and retain rural land seems to be reinforced by diversification of investments and continued confidence that land is a safe investment with long-term appreciation potential.
- Annual cash returns on investments in most central Texas rural land have become more nominal as land prices increase. Thus, expectations toward continued appreciation motivates most land investments.

Southern Grand Prairie

Callahan, Eastland, Erath, Coleman, Brown and Comanche Counties

The South Grand Prairie continued to experience an active market through 2007. While some portions of Region 7 showed slower sales activity in the later half of the year, the western areas of this portion continued to have strong sales activity. It is noted that volume was lower in the eastern portions. Overall, value trends remained positive with strong upward price movement noted in areas such as Callahan, Brown and Eastland counties.

The demand for native pasture and recreational properties has been very active. The buyers are predominately motivated by recreational activities along with investment. In general, land values

tend to increase as one moves from west to east, with the higher values being associated with properties in counties nearer to the Dallas-Fort Worth metroplex. Erath County enjoys the benefits of its proximity to Fort Worth, but also has support provided from buyers within the Stephenville area seeking recreational home sites.

Central Basin

McCulloch, San Saba, Mills, Hamilton, Lampasas and Llano Counties

Land sales were active through the first half of 2007, with sales volumes notably lower in the later half of the year and with value trends remaining higher. Investment continued to be a motivating factor behind many as did outdoor recreation, i.e., hunting and general enjoyment of the outdoors. Retirement buyers are active in the sub-region and especially in the southern portions of this area. Land values tend to increase as one moves from the west to the east.

The Central Basin includes Llano County where recreational buyers have historically sought properties for deer hunting. The Highland Lakes influence sales prices near these lakes and the buyer motivation related to some properties. The higher values in the Llano County area have pushed buyers north and west in search of more affordable properties. Values in south San Saba County are noted as being similar to those observed in north Llano County.

Hamilton County, on the northeast side of the sub-region, has also been very active as the Dallas-Fort Worth metroplex area buyers continue to extend their acceptable travel time in order to find more affordable per acre prices.

Central Blacklands, Grand Prairie and Post Oaks within a 50-Mile Radius of Waco

Bosque, Hill, Navarro, Coryell, McLennan,
Limestone, Freestone, Bell and Falls Counties

This area is influenced by the population centers of Dallas, Fort Worth and Austin in addition to residents in Waco, Temple and Killeen. The northern portion of the region represents the area with the strongest demand, which is generated by its location relative to Dallas-Fort Worth buyers seeking recreational land and retirement properties. The southeastern areas tend to provide the lower range of values due to their more remote locations with respect to the major metro centers.

Land values continued to increase throughout the area by continuing the trends observed in 2006. The later half of 2007 showed signs of diminishing buyer activity with a corresponding decline in sales volumes. The eastern portion of this region has productive cultivated land. The demand for cultivated acreage increased in 2007 although the number of farms, offered for sale, showed stable trends with landowners benefitting from higher farm commodity prices.

The impact of mineral interests has become more well defined within the northern portion of this sub-region. Area respondents indicate that sellers are hesitant to convey any minerals as part of the sale, while buyers are reluctant to buy properties where control of the surface estate is limited.

Properties having recreational appeal, including wooded pasture, properties with small lakes and river front properties, were in the greatest demand. The Richland Chambers Lake area in Navarro/Limestone counties is gaining popularity and sales prices for both small acreage tracts and larger tracts increased significantly during 2007.

East Edwards Plateau, Central Blackland and South Post Oaks – Austin Area

Burnet, Blanco, Hays, Travis, Williamson,
Milam, Caldwell, Bastrop and Lee Counties

This sub-region includes the Austin MSA and, as a result, significant urban influence is present in Travis, Williamson and Hays counties with the adjacent counties being influenced by trends in the development market of Austin and adjacent cities.

Location, with respect to Austin and the primary cities in the region, is a primary factor impacting land values in this area. Generally, as one moves further from Austin, land values decline, with land values to the west being stronger than land values to the east. This tendency continued to be evident in 2007. Even with higher asking prices, sales volume was good through the first half of the year with closed sales activity declining in the later half of the year. National economic trends appear to have motivated some buyer concern as did increasing interest rates. The notable increase in asking prices over the past two years in portions of this region also impacted buyer interest.

The Austin MSA's domination over this region continues to draw investors to the area land market as buyers seek lands in the path of future development and overall urban growth.

Much of the rural acreage within this sub-region has recreational qualities, which support demand. The level of demand for properties with above average aesthetic qualities continued to be strong with these properties being purchased for recreational uses, estate homes and weekend outdoor retreats.

The Blackland farming area experienced higher land price trends during 2007 and continued the trend from 2006. While crop yields were average, higher commodity price trends have had a positive impact on the level of demand for the higher productivity lands in the region. Due to the prospects for higher crop prices, some potential sellers may have delayed selling in hopes of achieving higher rent payments.

Buyers from the urban sector continued to keep prices moving upward.

East Hill Country

Gillespie, Kerr, Kendall, Real and Bandera Counties

During 2007, the East Hill Country continued to be the highest priced area within Region Seven. Price levels continued to appreciate. The demand for recreational properties, retirement properties and weekend/vacation homes continues to support upward land price trends. Properties with live water features are in the greatest demand and command the highest prices.

Buyers from the metropolitan areas of the state represent the bulk of land buyers, with many of these buyers seeking to retire to the area. Buyers continue to seek properties with strong aesthetic qualities and prefer locations within a short drive of the primary cities.

The greatest percentage increases in values over the past year have been observed in the western areas of the region as buyers seek more affordable per acre prices. The average size of properties sold continues to decline and is reinforced by homesite demands.

West Hill Country
Menard, Mason and Kimble Counties

Sales activity was strong through the first half of 2007 with slower trends noted in the second half. Significant appreciation rates were noted in 2007 as compared to 2006. Division of area ranches for resale continues to occur in the West Hill Country.

Area buyers are typical of the buyers throughout the Hill Country in that they seek properties with strong aesthetic and recreational features.

Investors seeking land for gains from price appreciation as well as division and resale are evident in the area.

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**Region 7 - Grand Prairie, Central Basin, Blacklands,
Post Oak Belts, Edwards Plateau and Hill Country - 2007**

Land Use or Class	Value Range		Activity/Trend	Rental Range		Activity/Trend
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**Southern Grand Prairie
Callahan, Eastland, Erath, Coleman, Brown and Comanche Counties**

Dry Cropland	\$800	to	\$1,600	Active/Increase	\$10	\$25	Moderate/Stable
Improved Pasture	\$1,000	to	\$2,500	Active/Increase	\$10	\$20	Moderate/Stable
Native Pasture - Open	\$1,200	to	\$2,500	Active/Increase	\$4	\$10	Moderate/Stable
Native Pasture - Wooded	\$1,500	to	\$3,000	Active/Increase	\$4	\$12	Moderate/Stable
Live Water - Recreational	\$2,000	to	\$4,000	Active/Increase	\$5	\$15	Moderate/Stable
Pecan Groves - Improved	\$1,500	to	\$3,000	Moderate/Stable			
Hunting Leases					\$5	\$15	Moderate/Stable

**Central Basin
McCulloch, San Saba, Mills, Hamilton, Lampasas and Llano Counties**

Dry Cropland	\$800	to	\$1,800	Moderate/Stable	\$7	\$22	Moderate/Stable
Improved Pasture	\$750	to	\$1,800	Moderate/Stable	\$7	\$20	Moderate/Stable
Native Pasture - Open	\$1,200	to	\$2,200	Active/Increase	\$3	\$7	Moderate/Stable
Native Pasture - Wooded	\$1,200	to	\$4,000	Active/Increase	\$3	\$7	Moderate/Stable
Pecan Groves - Improved	\$1,500	to	\$3,000	Moderate/Stable			Owner or shares
Live Water - Recreation	\$2,200	to	\$7,000	Active/Increase	\$10	\$20	Owner dominated
Transitional <50 Acres	\$3,000	to	\$10,000	Active/Increase			
Hunting Leases - Rangeland					\$10	\$25	Active/Increase

**Central Blacklands, Grand Prairie and North Central Post Oaks (±50 Mile Radius of Waco)
Bosque, Hill, Navarro, Coryell, McLennan, Limestone, Freestone, Bell and Falls Counties**

Dry Cropland - Good	\$1,200	to	\$2,750	Active/Increase	\$25	\$60	High Demand
Dry Cropland - Marginal	\$1,200	to	\$2,300	Active/Increase	\$20	\$30	Moderate Demand
Improved Pasture	\$1,500	to	\$2,700	Active/Increase	\$15	\$25	Moderate Demand
Native Pasture - Open	\$1,200	to	\$2,300	Active/Increase	\$8	\$15	Moderate Demand
Native Pasture - Wooded	\$1,500	to	\$5,000	Active/Increase	\$8	\$15	Moderate Demand
River Properties	\$2,500	to	\$7,500	Active/Increase	15	30	Moderate Demand

**Eastern Edwards Plateau, Central Blacklands, and Southern Post Oaks (Austin Area)
Burnet, Blanco, Hays, Travis, Williamson, Milam, Caldwell, Bastrop and Lee Counties**

Dry Cropland - Good	\$1,700	to	\$3,200	Active/Increase	\$30	\$60	High Demand
Dry Cropland - Marginal	\$1,500	to	\$2,700	Active/Increase	\$15	\$40	Moderate/Stable
Improved Pasture	\$1,500	to	\$3,500	Active/Increase	\$15	\$25	Moderate/Stable
Native Pasture - Wooded	\$2,000	to	\$8,000	Active/Increase	\$10	\$20	Moderate/Stable
Single Family - Utilities	\$25,000	to	\$40,000	Active/Increase			
Urban Fringe - No Utilities	\$6,000	to	\$25,000	Active/Increase			
Ranchette <50 Acres	\$3,000	to	\$10,000	Active/Increase			

**Eastern Hill Country
Gillespie, Kerr, Kendall, Real and Bandera Counties**

Recreational w/ Live Water	\$4,000	to	\$15,000	Active/Increase			
Recreational w/o Live Water	\$2,250	to	\$7,000	Active/Increase			
Rangeland	\$2,000	to	\$5,000	Stable/Increase	\$4	\$10	Moderate/Stable
Hunting Leases-Rangeland					\$10	\$25	Active/Increase

**Western Hill Country
Menard, Mason and Kimble Counties**

Native Rangeland >500 <1,500 Acres	\$1,600	to	\$3,500	Active/Increase	\$2	\$5	Moderate/Stable
Native Rangeland >1,500 Acres	\$1,250	to	\$2,000	Active/Increase	\$2	\$5	Moderate/Stable
Native Rangeland - Live Water >1,000 Acres.	\$2,500	to	\$10,000	Active/Increase	\$2	\$6	Moderate/Stable
Native Rangeland-Live Water +/- 500 Acres	\$5,000	to	\$10,000	Active/Increase	\$2	\$6	Moderate/Stable
Hunting Leases					\$10	\$20	Active/Increase