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As a local cooperative, we share our profits with the Texans we serve. Since 2006, we’ve returned almost $2 billion in combined cash and allocated equities to our members through our cooperative returns program. So, when you’re ready to secure a loan for that perfect retreat, try a partnership that really pays. Together we’re better.
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American Society of Farm Managers and Rural Appraisers

TEXAS CHAPTER
Texas Chapter of the American Society of Farm Managers and Rural Appraisers, Inc.
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A MESSAGE FROM THE 2020-2021 PRESIDENT OF THE TEXAS CHAPTER ASFMRA®

The Texas Chapter of the American Society of Farm Managers and Rural Appraisers is proud once again to present the Texas Rural Land Trends publication for you to share with coworkers, clients and for that matter, anyone with an interest in rural land in Texas. 2020 was a wild year in the Texas Real Estate Markets as the impacts of COVID and the resulting economic lockdowns took some time to filter through market activity. Last year at this time, real estate practitioners were in somewhat of a wait and hold approach. Now, with 2020 behind us, our organization has come together for some interesting stories. Many of the regions throughout the State demonstrated remarkable gains throughout the year. Most members report buyers being highly motivated to leave urban areas to more open space with the goal of regaining some normalcy in their lives. Others state that buyers were motivated due to companies moving toward work from home scenarios. Still others reported more influx into the rural markets from out of state buyers transitioning to Texas. Regardless of the reason, on a statewide level the demand curve clearly shifted, particularly in the last two quarters. To date, those trends have held through June of 2021.

In the past, we traditionally have pointed to the population growth of Texas placing high demand on the vast rural areas of the State for both agricultural production and recreational and investment opportunities. That trend is still relevant in today’s markets, but the added demand of local urban dwellers seeking an outlet outside of the cities has reached a level that has impacted the total demand in a measurable way. We hope that the information in this publication is useful insight into how population and other economic factors impact the market across the State and we sincerely hope you find the publication a valuable tool.

Additional copies of this publication are available in either printed or PDF format through the Texas Chapter website at https://www.txasfmra.com. We are pleased to make these available, and based upon past experience they are well received by real estate professionals and their clients across the State.

We are appreciative of the Texas A&M Real Estate Research Center’s inclusion of our Chapter in this years Virtual Texas Rural Land Outlook Conference. Our panel made the trip to College Station and presented an overview of our Chapter’s findings and we hope those of you attending enjoyed the insight. The Real Estate Center has been a great partner regarding data collection and publication and we are grateful for all of the support and recognition they give our organization. The Texas Chapter has participated in the land value panel since its inception 17 years ago and you can find links to those presentations on our website. We look forward to another presentation at next year’s conference and look forward to getting back in person for those discussions.

This publication would not be possible without the financial support of our sponsors. Thank you to all and particularly our major sponsor, Capital Farm Credit, a member of the Farm Credit System, and premier sponsors LoneStar Ag Credit and Farmers National Company. While financial support is a necessity, the publication could not thrive without the dedication of Chapter members across the State who donate their time and expertise to compile the data that goes into this publication. The information is accumulated via a panel of 7 team captains
CONTINUED FROM PAGE 5

PRESIDENT’S MESSAGE

representing all parts of the State. Many thanks to the team captains this year, Mikey Nixon, ARA, Paul Loeffler, Victor Probandt, ARA, Scott Seely, ARA, MAI, Wade Kubecka, ARA, John “Tooter” Robertson, Jr, ARA and Michael D. Mays, ARA, MAI. Also deserving recognition are two members who provided articles for this year’s publication. Thanks to Mike Lansford, AFM and William Thompson, AFM for providing insight into the impact of agriculture on the Concho Valley and grazing theory in relation to ranch management. Our Chapter began sharing some appraisal and management-based articles several years ago and continues that this year with these two articles. Our goal with such articles is not to promote a particular viewpoint for such topics, but rather provide an elementary education to readers regarding industry accepted practices and procedures to tackle valuation and management situations. The entire membership contributes in some shape, form or fashion and I want to personally thank each and every one of you.

The publication you see today is a result of the entire Chapter coming together and working as a team to put the information together. Its final form would not be possible without the tremendous work and dedication of our Chapter Secretary, Carmen Bierschwale. Carmen spends countless hours getting our information organized, edited, and submitted for publication. She also works tirelessly on the graphics contained within the publication and handles all disseminations of the magazine. From all of our Chapter members, we extend a huge thank you to Carmen for her efforts.

The American Society of Farm Managers and Rural Appraisers, founded in 1929, is the largest professional association for rural property land experts. The Texas Chapter is growing in membership and is one of the largest in the country. The Texas Chapter was chartered in 1978 and last year was one of four chapters nationwide honored as a Patron Chapter of the American Society. While many of our membership are quite “seasoned”, part of the requirements to be a Patron Chapter is having a young professional’s network. I was blessed to have a mentor that encouraged me to become a part of this organization more than 30 years ago. Our shared appreciation for a rural lifestyle and love of the land make us as much family as professional organization. If you are an experienced real estate professional, or just starting out in your career, and are interested in our membership and having a young professional’s network.

Our Chapter website at https://www.txasfmra.com/.

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TEXAS RURAL LAND VALUE TRENDS

TEXAS CHAPTER FALL MEETING & CONTINUING EDUCATION
Location TBD
November 2-5, 2021

ASFMRA EDUCATION WEEK
Omaha (La Vista), Nebraska
July 19-21, 2021

AGRONOMICS / ASFMRA 92ND ANNUAL MEETING
Las Vegas, Nevada
November 2-5, 2021

Check out txasfmracom and asfma.org for changes to the calendar, complete listing of course offerings and registration information. In person education will be offered in 2021.

The American Society of Farm Managers & Rural Appraisers is an association for rural property land experts. The Texas Chapter was chartered in 1978 and last year was one of four chapters nationwide honored as a Patron Chapter of the American Society. While many of our membership are quite “seasoned”, part of the requirements to be a Patron Chapter is having a young professional’s network.

I was blessed to have a mentor that encouraged me to become a part of this organization more than 30 years ago. Our shared appreciation for a rural lifestyle and love of the land make us as much family as professional organization. If you are an experienced real estate professional, or just starting out in your career, and are interested in our membership and having a young professional’s network, I invite you to visit our national website at https://www.asfma.org/, or The Texas Chapter website at https://www.txasfmra.com/.
As a member of the American Society of Farm Managers and Rural Appraisers (ASFMRA), you join a select group of professionals who share your passion for agriculture and the rural landscape – and for helping others understand and capture the value of the land and rural assets.

ASFMRA is the only professional society focused on the dedication and advancement of professionals in agricultural property management, appraisal, and consulting. ASFMRA maintains high ethical and educational standards for its members, and as a result, our members are The Most Trusted Rural Property Professionals.

Membership Includes:
- Access to the highest quality, Management, Appraisal and Consulting Education at discounted rates.
- A competitive advantage in the marketplace with ASFMRA Accreditations, providing you with the differentiation that you need in order to increase your client base and better serve your existing clients.
- Opportunities for Continuing Education to maintain licensure and/or your designation.
- Vast network of professionals via the ASFMRA Community and ASFMRA’s professionals share comparable sales information and have access to data and expertise that you can’t find via any other organization or source.
- National, regional and local leadership opportunities through the network of members, chapters, affiliates and committees.
- Membership Directory listing to strengthen industry contacts and gain access to other rural land experts, including wide distribution to assist you in developing new business leads.
- Access to a list of providers and potential clients the ability to find you and your expertise.
- Up-to-date industry information delivered weekly to your inbox via Weekly AgNews and Land Trends.
- You should join ASFMRA if YOU:
  - Want to clearly demonstrate your skills.
  - Are driven to be the best you can be at what you do.
  - Want to distinguish yourself from others in your industry and prepare yourself for advancement in your career.
  - Are just getting started in the business and want to improve your skills.
  - Want to clearly demonstrate your commitment to improving, high ethical standards and professional development.
  - Enjoy being among peers in the industry – and having a nationwide network of professionals at your fingertips.
  - Value relationships with other industry professionals and enjoy networking opportunities to build your business.
  - Would like the opportunity to share your industry on a state and national level.

Benefits of Membership

To be the most trusted resource for rural property professionals and the clients they serve.

Mission

ASFMRA is the premier organization for rural property professionals, focused on advancing the standards and disciplines we represent through an unparalleled level of expertise and integrity. We empower our members to provide best-in-class service with an invaluable balance of education, accreditation and support.

Values

Integrity: ASFMRA values ethical and professional service - ultimately holding the disciplines we represent to a higher standard.

Excellence: ASFMRA is the conduit through which our members learn, maintain standards of professional service and ultimately advance their careers.

Support: ASFMRA connects members to a network of trusted and respected colleagues, providing expanded opportunities for professional and personal growth.

About ASFMRA

The American Society of Farm Managers and Rural Appraisers® (ASFMRA®) is the largest professional association for rural property land experts, boasting over 2,100 members in 31 chapters throughout the United States. Over 40 percent of ASFMRA’s members hold a designation as an Accredited Farm Manager (AFM), Accredited Rural Appraiser (ARA), Real Property Review Appraiser (RPRA) or Accredited Agricultural Consultant (ACC).

ASFMRA was founded in 1929 and the average member has been part of the organization for over 17 years. Our Farm Managers and Agricultural Consultants are in strong demand, with over 40 percent of farmland in the United States currently being rented. Our Farm Managers and Agricultural Consultants on average manage 55 to 75 farms, consisting of 14,000 to 20,000 acres. They also have influence over more than just the farms they manage as a typical professional farm manager will work with a farm operator who has a farm in addition to the land. Farm Managers and Agricultural Consultants typically work with 50 to 70 landowners, family members and their beneficiaries. Our Farm Managers and Consultants have influence on input and output production and marketing decisions on acreage representing millions of dollars.

The Texas Chapter of the American Society of Farm Managers and Rural Appraisers (ASFMRA) was chartered in 1978 as an affiliate of the national organization. The Texas Chapter is a non-profit 501(c)(6) corporation. It supports the educational, ethical and professional standards set by national level.

The object of the Chapter is to promote, without profit to itself, the professions of farm management and rural appraisal by holding meetings for the exchange of ideas, by conducting schools and other devices for disseminating information, by building and maintaining a code of business and professional ethics, and by other means approved by the Board of Directors.

2020 RURAL LAND VALUE TRENDS SPONSORS

ASFMRA Membership Classifications

- Accredited Members — Persons who have obtained the Accredited Farm Manager (AFM), Accredited Rural Appraiser (ARA), Real Property Review Appraiser (RPRA) and/or Accredited Agricultural Consultant designation(s).
- Associate Members — Persons, who manage, appraise or provide related valuation services, review appraisals, and/or consult for a fee that are working towards Professional or Accredited status and do not yet meet the additional criteria for those membership classifications.
- Affiliate Members — Persons and/or organizations who are not providing farm and ranch management, agricultural consulting, rural appraisal or related valuation services and/or appraisal review services on rural property belonging to others, but desire to be affiliated with the American Society of Farm Managers and Rural Appraisers.
- Academic Members — Persons whose work is primarily educational and who are devoting most of their time working at a college or university, in the agricultural consulting, farm and ranch management, rural appraisal and/or review appraisal field for a fee or salary.
- Student Members — Persons who are full-time students or graduated and/or terminated their college enrollment within the past year. And who are currently not providing farm and ranch management, agricultural consulting, rural appraisal or related valuation services and/or appraisal review services on rural property belonging to others for a fee or salary.
- Retired Members — Persons who have been members of ASFMRA and held the Accredited, Professional, Associate or Academic membership status for at least ten (10) years and who are no longer providing management, consulting, appraisal, valuation or appraisal review on property belonging to others for a salary or a fee.
- Honorary Members — Those members nominated by their Chapters whose service to their Chapter and the Society, as determined by the national Board of Directors, is outside the scope of regular membership and services.
- Inactive Members — Those members who no longer provide farm and ranch management, agricultural consulting, rural appraisal or related valuation services, and/or appraisal review services. Members need to return to active status within three years.

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ASFMRA Accredited Designations

AAC Accredited Agricultural Consultant
AFM Accredited Farm Manager
ARA Accredited Rural Appraiser
RPRA Real Property Review Appraiser

TXASFMRA.COM

TEXAS RURAL LAND VALUE TRENDS

8
9
The first quarter of 2021 presaged over a surge in transactions as buyers flooded markets. Preliminary reports show that statewide volume of sales shot up 53.7 percent to 8,137 sales. Two regions posted greater than a 44 percent increase in closed sales. This explosion in volume confirms reports of buyers flocking to the country in uncertain times. Bucking the trend, the Panhandle and South Plains. In addition, the South Texas region saw prices remain flat, reflecting a move to smaller property sales, confirming the hypothesized movement to the countryside.

**TEXAS REAL ESTATE RESEARCH CENTER**

**MARKET RESEARCH**

data on all Texas MSAs
www.recenter.tamu.edu/research/market-research

**RED ZONE PODCAST**

hottest happenings
www.recenter.tamu.edu/news/podcasts

**NEWSTALK TEXAS**

Charles E. Gilliland, Ph.D.
www.recenter.tamu.edu/news/newstalk-texas

**GULF COAST – BRAZOS BOTTOM:** Despite the importance of the oil and gas industry to Houston, activity in this region remained active in the small end of the market. Total dollar volume managed to increase by 1.07 percent to $249.3 million with the number of sales ballooning 3.97 percent to 995 transactions. Regional price rose 8.30 percent to $6,887 per acre. The typical size dropped -2.6 percent settling at 147 acres. However, reflecting a move to smaller property sales, total acres sold expanded by 42.7 percent to 35,930 acres. Wharton County accounted for a larger than normal number of sales in this region.

**SOUTH TEXAS:** South Texas market prices climbed up 2.51 percent in the fourth quarter, settling at $1919 per acre. Those results mark the fifth quarterly year-over-year price increase since the third quarter of 2019. Size also grew rising by 5.44 percent to 297 acres. Even total dollar volume increased 10.38 percent to $196.8 million. At 611, the number of sales grew by a modest 8.34 percent. Total acres sold expanded by 7.68 percent to 297,226 acres. Unusually quiet, the number of lower-priced grassland sales may have contributed to this drop. Hutchinson County was very active compared to historical norms while Ochilote County registered far fewer transactions than normal. At 1$91 per acre, this price may have begun to reflect weakness fundamentals in agricultural products as well as collapsing oil prices. The number of sales increased 23.89 percent from 2019 to 503 transactions. Total dollar grew 42.70 percent to $124.9 million. This indicated an active market with strong demand for all types of land. Size declined -9.32 percent to 381 acres while total acres sold shot up a substantial 15.00 percent to 114,484 acres.

**WEST TEXAS:** Buyers from the prosperous Dallas/Ft. Worth area migrated into this region searching for recreational and investment opportunities. This increase in demand drove up prices in the eastern counties of the region. At $1,657 per acre, prices rose only 0.36 percent. However, sales volume exploded by 46.19 percent to 892 sales. The typical size increased 83 percent to 378 acres. Total dollar volume grew 26.06 percent to $473.8 million. The number of sales also grew rising by 5.44 percent to 297 acres. Even total dollar volume increased 10.38 percent to $196.8 million. At 611, the number of sales grew by a modest 5.44 percent. Total acres sold expanded by 7.68 percent to 297,226 acres. Unusually quiet, the number of lower-priced grassland sales may have contributed to this drop. Hutchinson County was very active compared to historical norms while Ochilote County registered far fewer transactions than normal. At 1$91 per acre, this price may have begun to reflect weakness fundamentals in agricultural products as well as collapsing oil prices. The number of sales increased 23.89 percent from 2019 to 503 transactions. Total dollar grew 42.70 percent to $124.9 million. This indicated an active market with strong demand for all types of land. Size declined -9.32 percent to 381 acres while total acres sold shot up a substantial 15.00 percent to 114,484 acres.

**NORTHEAST TEXAS:** Fourth quarter developments posted very strong results given the turbulence roiling economies and societies plagued by the coronavirus. The unprecedented cessation of economic activity generated a tremendous pull throughout Texas and the southeast as numbers of transactions and total dollar volume contracted in the second quarter. In normal times, those negative developments on a broad front would signal weakened prospects. However, the economic environment has radically changed from the moribund second quarter. Currently, market professionals report a remarkable flood of interest in land purchases that shows no sign of abating. Prices should rise.

Fourth quarter developments posted very strong results given the turbulence roiling economies and societies plagued by the coronavirus. The unprecedented cessation of economic activity generated a tremendous pull throughout Texas and the southeast as numbers of transactions and total dollar volume contracted in the second quarter. In normal times, those negative developments on a broad front would signal weakened prospects. However, the economic environment has radically changed from the moribund second quarter.
A grazing operation must maintain a constant supply of suitable grazing. Another definition expounds that grazing is a method of animal husbandry whereby domestic livestock are allowed to consume wild vegetation in order to convert grass and other forages into meat, milk, wool or other animal products. Needless to say, the nurturing of the native forage is critical to the success of a livestock operation’s longevity. It has been said before, “That to be a good rancher, one has to first be a grass farmer.” Regardless of the climate, rainfall, type of forage, and type of livestock, the grazing plant itself grows back with rest, all with measurement simplified. A soil and plant disturbances are caused by numerous hooved, herding animals walking, running, eating, bedding down, urinating, and defecating on the range site. There are numerous schools of thought regarding the timing of such rotations, the size of the individual grazing cells, as well as the animal densities. Without delving into the details of the science, this article simply supports the theory and notion that impact, rest and recovery are critical components in the success and sustainability of a ranching operation. The old adage of “take half and leave half” is still sound from the standpoint, it recommends that one doesn’t graze all of the standing forage, and one leaves enough of the plant to be able to respond and regrow with rest, all with measurement simplified. Soil and plant disturbances are caused by numerous hooved, herding animals walking, running, eating, bedding down, urinating, and defecating on the range site. All such activity stimulates plant growth and plant spread. Once a given pasture or range site is impacted, a certain period of time should be allowed for these plants to rest and recover, and in theory expand. Once the individual plants recover and regrow, the pasture is ready for another round of animal impact. Depending on the given owner’s goals, intensity level of management, pasture size and herd size, this cycle could be short or very long. However, the cycle should be continuous to maintain a sustainable grazing operation.
Cash leases for irrigated cropland are common in the northwest-quadrant of the Panhandle and appear to have stabilized in 2020 after a slight drop in previous years. The decline is directly attributable to the low commodity prices. A crop-share lease is most prevalent in the eastern sector of the Panhandle.

Cotton leases are below-average with very little dryland being produced. Corn production was limited to a few producers growing food grade corn on contract for local masa plants or dairy producers growing corn for silage. Most acreage was planted to cotton. The land market for good irrigated farms was generally stable. Light water farms were also stable to slightly weaker. Typical buyer profile is a local producer buying family or rented land to expand operations.

The panhandle dairy industry has been stable after the recovery that began in 2013. Most dairies operated at above breakeven levels until the beginning of the COVID-19 pandemic, when prices declined dramatically. Milk prices recovered significantly in 2020.

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

- Overall, 2020 was a disappointing year for Texas High Plains cotton farmers due to hot, dry and windy weather. According to the USDA National Agricultural Statistics Service’s Cotton Ginnings report, the region produced just over 1.5 million bales, down almost 1.7 million bales from 2019. About 1.2 million bales were produced in the Southern High Plains and just over 380,000 in the Northern High Plains; however, several counties have not reported bale numbers.

- Strong demand for better quality irrigated land throughout the region. Typical seller profiles include estate liquidations, absentee landowners selling inherited properties and an occasional distressed operator. Buyers tend to be existing producers looking to expand operations along with a few private investment groups and institutional investors. The number of sales of cropland remained steady throughout the region. Light water farms continue to meet market resistance, but will sell if priced where cash flow at current commodity prices will service the debt.

- Recreational ranches have seen an increase in demand and the higher quality tracts with superior land features or live water are commanding higher prices. Large number of working and recreational ranches available for sale with stable activity and increasing prices.

- Except for a few large dairy operators, dairy expansion in 2020 was limited. Irrigated cropland continued to be purchased by dairy operators for the purpose of forage production. For several years, these buyers have been the primary market makers in some areas of the Panhandle and to a significant extent in the northwest sector of the South Plains. Milk prices fluctuated significantly in 2020. Prices started out the year at above breakeven levels, but dropped dramatically at the beginning of the COVID-19 pandemic. By mid-year, prices had recovered significantly. For the remainder of the year, milk prices were mostly above breakeven levels.

The Panhandle dairy industry has been stable after the recovery that began in 2013. Most dairies operated at above breakeven levels until the beginning of the COVID-19 pandemic, when prices declined dramatically. Milk prices recovered significantly in 2020.
South Plains to the South of Lubbock
Andrews, Borden, Dawson, Ector, Gaines, Garza, Howard, Lynn, Martin, Midland, Terry and Yoakum Counties

This area is comprised 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.

Due to severe early season drought, very little dryland cotton was produced in the region. Overall, the South Plains experienced a high abandonment rate of acres planted. Most of this was dryland. Irrigated cotton brought in average yields. The COVID-19 pandemic negatively affected cotton demand and disrupted supply chains. Cotton lint prices fluctuated between $0.55 and $0.67 per pound. 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. Some expired CRP acreage being placed back into production, especially those with irrigation potential. Much of this land is being utilized to grow organic peanuts.

The number of sales and land prices both increased for cropland in the southern part of Region 1. This is likely due primarily to lower interest rates along with government assistance as a result of the pandemic. Oil & gas lease activity was stable. In recent years, horizontal drilling for oil and gas has increased substantially in the southern portion of Region 1. Horizontal drilling requires a lot of surface uses such as multi-well well pads for on-lease and off-lease locations, along with numerous easements for oil and gas pipelines and pipelines for produced water, caliche, and water. Those activities create surface damages for the landowners. There is strong demand for water for drilling and fracking. Due to the demand, small water fields have been developed in most counties in the southern portion of Region 1. Groundwater can be sketchy in this area being the southern portion of the Ogallala Aquifer and there may be 20 to 50 small water wells with submersible pumps on 100 to 160 acres of land. Farmland that used to command prices of $400 to $1,000 per acre are sometimes selling in the range of $1,500 to $4,000. Some for sale listings in areas with irrigation wells are higher. The market tends to build up and sell land for future well locations and demand.

### North Panhandle

<table>
<thead>
<tr>
<th>Land Use or Class</th>
<th>Value Ranges</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Irrigated Cropland Good Water</td>
<td>$3,000 to $5,000</td>
<td>Stable/Increasing</td>
<td>$150 to $235</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Irrigated Cropland Average Water</td>
<td>$2,000 to $3,000</td>
<td>Stable/Increasing</td>
<td>$125 to $150</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Irrigated Cropland Fair Water</td>
<td>$1,200 to $1,750</td>
<td>Stable/Increasing</td>
<td>$75 to $125</td>
<td>Stable/Declining</td>
</tr>
<tr>
<td>Dry Cropland East</td>
<td>$1,000 to $1,500</td>
<td>Stable/Increasing</td>
<td>$50 to $95</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Dry Cropland West</td>
<td>$700 to $900</td>
<td>Stable/Increasing</td>
<td>$15 to $35</td>
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<tr>
<td>Rangeland Reserve Program</td>
<td>$600 to $1,350</td>
<td>Stable/Increasing</td>
<td>$70 to $12</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Conservation Reserve Program</td>
<td>$700 to $1,000</td>
<td>Stable/Increasing</td>
<td>$80 to $95</td>
<td>Stable/Stable</td>
</tr>
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</table>

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)

<table>
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<td>$150 to $200</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Irrigated Cropland Fair Water</td>
<td>$1,100 to $2,500</td>
<td>Stable/Increasing</td>
<td>$100 to $150</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Drip Irrigation</td>
<td>$1,000 to $3,100</td>
<td>Stability/Increasing</td>
<td>1/3 Crop</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Dry Cropland Wheat</td>
<td>$800 to $1,000</td>
<td>Stable/Increasing</td>
<td>$25 to $45</td>
<td>Stable/Stable</td>
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<tr>
<td>Dry Cropland Cotton</td>
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South Plains (South of Lubbock)

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<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Irrigated Cropland Better Water</td>
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<td>Stable/Increasing</td>
<td>20%–25% Crop</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Irrigated Cropland Fair Water</td>
<td>$1,500 to $2,000</td>
<td>Stable/Increasing</td>
<td>20%–25% Crop</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Dry Cropland Cotton</td>
<td>$800 to $1,500</td>
<td>Stable/Increasing</td>
<td>20%–25% Crop</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland</td>
<td>$500 to $1,100</td>
<td>Stable/Increasing</td>
<td>$4 to $7</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Conservation Reserve Program</td>
<td>$800 to $1,500</td>
<td>Stable/Increasing</td>
<td>5 to 10</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

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. Does not include water purchases in the southernmost part of the territory in the Permian Basin. Expecting CRP contracts will likely renew at lower rental rates in 2021.

South Plains (Permian Basin)

<table>
<thead>
<tr>
<th>Land Use or Class</th>
<th>Value Ranges</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Irrigated Cropland Better Water</td>
<td>$2,000 to $2,250</td>
<td>Stable/Stable</td>
<td>20%–25% Crop</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Irrigated Cropland Fair Water</td>
<td>$1,100 to $1,900</td>
<td>Stable/Stable</td>
<td>20%–25% Crop</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Dry Cropland Cotton</td>
<td>$650 to $1,500</td>
<td>Stable/Stable</td>
<td>20%–25% Crop</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland</td>
<td>$350 to $1,100</td>
<td>Stable/Stable</td>
<td>$4 to $7</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Conservation Reserve Program</td>
<td>$650 to $1,000</td>
<td>Stable/Stable</td>
<td>5 to 10</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Industrialized Ag Land*</td>
<td>$1,500 to $4,000</td>
<td>Increase/Increase</td>
<td>Surface damages</td>
<td>No Rental Data</td>
</tr>
</tbody>
</table>

In recent years, horizontal drilling for oil and gas has increased substantially in the southern portion of Region 1. Horizontal drilling requires a lot of surface uses such as multi-well pads for on-lease and off-lease locations, along with numerous easements for oil and gas pipelines and pipelines for produced water, caliche, and water. These activities create surface damages for the landowners. There is strong demand for water for drilling and fracking. Due to the demand, small water fields have been developed in most counties in the southern portion of Region 1. Groundwater can be sketchy in this area being the southern portion of the Ogallala Aquifer and there may be 20 to 50 small water wells with submersible pumps on 100 to 160 acres of land. Farmers that used to command prices of $400 to $1,000 per acre are sometimes selling in the range of $1,500 to $4,000. Some for sale listings in areas with irrigations wells are higher. The market tends to build this factor into sale prices. Some of the price increase could be attributed to a business component, as some individuals who develop water have some insight to future well locations and demand.
Region Two encompasses West Texas and is bounded on the north by the State of New Mexico and on the south by the Republic of Mexico. Andrews County forms a small portion of the region's north boundary and Ector County forms the northern portion of the region's east boundary; both of these counties are in Region One (Panhandle and South Plains). The counties of Upton, Crockett and Val Verde; located in Region Three (South Central Texas), form the balance of the region's east boundary.

Guadalupe Peak, at 8,749 feet, is the highest point in Texas and is in Region Two, i.e., in Culberson County. In terms of land mass, the region includes the four largest Texas counties – Brewster, Hudspeth, Presidio, and Culberson. It is noted that Loving County, the least populated county in Texas, is also in Region Two.

**Far West Texas**

**Culberson, El Paso and Hudspeth Counties**

Big East

Brester, Jeff Davis and Presidio Counties

The Big Bend area encompasses some 12,513 square miles and topographically is characterized as mountainous with broad rolling upland areas and canyon bottoms. The geology of the Big Bend is unique, as is the agriculture. The area attracts more than 420,000 recreational visitors.

Some areas in the valley along the Rio Grande were historically cultivated under irrigation utilizing adjudicated water rights from the river. The typical crops were alfalfa, sorghum, lettuce, and melons. The amount of farmed acreage has steadily decreased over the last two decades due to reduced water supply, increased labor costs and decreased market availability. The farmland market continues to be very limited, with the major forces being those mentioned previously, as well as increased operating costs and decreasing market demand.

In the areas that are associated with the Davis Mountains, demand for high quality grasslands has driven the market, while the market for sub-divisions will continue in certain areas. In the Highland's grassland area, the market is driven primarily by investment operators. Within the Desert Mountains, the market continues to be influenced by purchases for investment purposes, as well as for use as recreational properties. It is noted that very limited to no 2020 sales were reported in the areas of these sub-regions.

**Far West Texas**

**Land Use or Class**

<table>
<thead>
<tr>
<th>Value Range</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rangeland*</td>
<td>$500 to $500</td>
<td>Slow/Decr</td>
<td>$0.00 to $1.00</td>
</tr>
<tr>
<td>Dell City Irrigated Cropland*</td>
<td>None</td>
<td></td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>El Paso Upper Irrigated</td>
<td>None</td>
<td></td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>El Paso Lower Irrigated*</td>
<td>$4,500 to $12,000</td>
<td></td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Van Horn Irrigated Cropland*</td>
<td>$500 to $750</td>
<td>Slow/Stable</td>
<td>Limited Activity</td>
</tr>
</tbody>
</table>

**Big Bend**

**Land Use or Class**

<table>
<thead>
<tr>
<th>Value Range</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Davis Mountains Rangeland*</td>
<td>$1,000 to $3,500</td>
<td>Decrease/Increase</td>
<td>$1.00 to $1.50</td>
</tr>
<tr>
<td>Highlands Rangeland*</td>
<td>$250 to $575</td>
<td>Decrease/Stable</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Desert Mountains Rangeland*</td>
<td>$700 to $700</td>
<td>Decrease/Stable</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

**Trans-Pecos**

**Land Use or Class**

<table>
<thead>
<tr>
<th>Value Range</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rangeland - Agriculture</td>
<td>$252 to $515</td>
<td>Stable/Decr</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland - Special Purpose**</td>
<td>No Activity</td>
<td>No Activity</td>
<td>No $0 to $10</td>
</tr>
<tr>
<td>Irrigated Cropland*</td>
<td>None</td>
<td></td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

*Little to no new (2020) data available.

**Trans-Pecos**

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

This multi-county sub-region covers approximately 12,905 square miles and is characterized by mountainous, high plains, broad rolling upland, and flood plains.

Prior to the 1970’s, significant acreage in the Pecos River Valley was cultivated under irrigation. The area possesses substantial supplies of relatively poor quality underground water, along with large areas of relatively fertile alkaline soils. Numerous factors have contributed to the historic decline in farming operations; however, a slight resurgence in crop production has occurred in the last decade. Most of these real estate transfers of agricultural properties are found in Pecos, Reeves, and Culberson Counties and involve lands currently or formerly cultivated under irrigation practices.

The specific agricultural use as a factor is considered by most landowners in the area, as generally speaking, the area lacks scenic splendor, geologic uniqueness and variable environmental opportunities. The native rangelands in the higher elevations above the Pecos River are generally utilized for livestock grazing. There are very few acquisitions specifically for agricultural purposes in this particular sub-region. A major market impact in these areas is the exploration and production of oil and gas resources. All facets of this industry, from the leasing of mineral rights to the varied surface impacts involved, are a critical part of every land transaction. The price of domestic oil and gas, and the future of such prices, have a significant effect on the area’s market. The most significant market influence on land prices in a majority of this sub-region is the ongoing and planned exploration of the small and large land holdings by energy companies. Control of the surface estate benefits people and companies dealing with these lands, while the surface estates are potentially valuable to energy companies, eliminating the payment of surface damages to a third party and providing leasing executive rights to lands where the mineral estate is owned by the same company. Multiplication of smaller parcels at elevated prices for use as service yards, compressor stations, tank farms and similar functions were common throughout most of the area. The number of these types of land acquisitions and the elevated prices paid for such necessitated the inclusion of a “Specifications” entry in the data grid for this sub-region. It is noted that the significant downturn in the oil and gas industry during 2020 effectively eliminated this specialized market sector, at least for a time.

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**REGION**

**2**

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REGION THREE

Region Three encompasses a large area and 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. General highlights of the overall regional market are as follows.

General highlights of the overall regional market are as follows.

- Stability would be the name for 2020. However, this would be considered a win due to the pandemic and resulting slow down of the US economy. The prices for farmland and pasture were stable. The primary reason for stability in farmland is the increased cost of production. This has offset any increase in commodity prices.
- Larger rangeland properties have seen some demand in 2020. This was primarily during the latter part of the year when the effects of the pandemic were mitigated and fears of inflation could have pushed some buyers into the rural real estate market. However, this increased demand did not result in an increase in prices.
- Solar and wind development has continued in North Texas and Central Texas. This is particularly in Knox County. Most of these wind farms are new versus expansion of old farms. It seems that this area has continued to receive demand for solar and wind due to several factors. The amount of oil and gas drilling in Region III as compared to farther west would have less effect on those areas that are either covered with solar panels or wind turbines. Additionally, the number of transmission lines in the area allows for a larger number of solar and wind farms.

Central Texas

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

The land prices in the eastern portion of Central Texas have stabilized in 2020. There was not a large increase in any of the land values. This was due primarily to the large jump in 2019. The difference would be a slight increase in Class II and Class III dry cropland from $4,000 to $4,500 per acre. There is continued demand for farmland, but the demand has slowed significantly due to the lack of drilling in the western area, which resulted in increased income to farmers in 2019 from water sales and damages.

CONTINUED ON PAGE 26
The rangeland prices have been stable. The demand has also remained relatively stable with properties being priced within the market eventually selling. However, some change has been with the few high fenced properties located in this region. In 2020, there were several high fenced properties in Concho County and east that have sold. While the prices have been stable to slightly increasing, the one interesting development has been the tendency of these properties selling with all the furnishings and equipment. In discussions with a broker, it was learned that many of these properties are sold and the sellers are not buying another property or are buying a property with a smaller residence. Rather than moving the furnishings, they are sold with the land.

The area around Abilene and San Angelo continues to see new construction of residential homesites. South of Abilene has seen a significant increase in subdivisions with the only limiting factor being water.

### South Central Texas

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

Prices in this area have remained stable for both farmland and pasturage. Properties have generally sold within a year of being on the market. The number of purchases by oil companies in Crane, Glasscock and Reagan Counties has dropped significantly. This is due to the drop in oil prices in 2020 and the resulting decrease in drilling in the entire area.

### Region 3 Land Price Overview (Median Size 350 - 442 Acres)

<table>
<thead>
<tr>
<th>Land Use or Class</th>
<th>Value Ranges</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Irrigated Cropland</td>
<td>$1,200 to $2,000</td>
<td>Stable/Stable</td>
<td>$40 to $90</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Class II &amp; III Dry Crop</td>
<td>$900 to $1,600</td>
<td>Stable/Stable</td>
<td>$30 to $50</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Class IV &amp; V Dry Crop</td>
<td>$800 to $900</td>
<td>Stable/Stable</td>
<td>$15 to $30</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland &gt; 2,000 Acres</td>
<td>$700 to $1,500</td>
<td>Stable/Stable</td>
<td>$8 to $12</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland &lt; 2,000 Acres</td>
<td>$700 to $2,000</td>
<td>Active/Stable</td>
<td>$8 to $15</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Hunting Lease Rangeland</td>
<td>$6 to $15</td>
<td>Stable/Stable</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Rangeland lease rates per animal unit year long range from $150 to $240.

### North Texas

Rangeland lease rates per animal unit year long range from $150 to $240.

### Central Texas

Rangeland lease rates per animal unit year long range from $150 to $240.

### South Central Texas

Rangeland lease rates per animal unit year long range from $150 to $200.
On the north and east sides, Region Four is bordered by the states of Oklahoma, Arkansas, and Louisiana. The Dallas-Fort Worth metropolitan area is located in the northwest 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 four sub-regions.

Highlights of the overall regional market precede a brief discussion of each sub-region.

• In most counties, prices have begun to increase. Real estate brokers reported marketing time has lessened to a more reasonable days on the market. In 2019 and 2020 demand increased in the recreational areas near Dallas and north of Houston. Rental demand for pasture and recreational leases exceeded the supply.

• In many counties, the continuing subdivision of woodland and pasture tracts into rural residential or recreational tracts, almost eliminated sales that were larger than 300 acres. This subdivision has increased, and well located tracts with substantial road frontage continue to be sold for subdivision.

• Wooded tracts, with good recreational qualities, consistently commanded prices on par with good pasture lands.

• In the North and Northeast Texas areas, most buyers were from the Dallas-Fort Worth metropolitan.

• In the Piney Woods, the influence of the International Paper and Louisiana Pacific.

• Temple-Inland self- -offs has now moved to long term or end users with TIMOs (Timberland Investment Management Organizations) owning large timber tracts and acquiring others. Some of these end users have now re-priced their tracts at higher prices.

North Texas

Coose, Ellis, Fannin, Grayson, Hunt, Kaufman, Montague, Rains, Somervell, and Van Sandt Counties

In that there is a total lack of rural lands in Dallas, Tarrant, Collin, Denton, Parker, Rockwall, Hood, and Johnson counties, these counties were not considered in the development of the sub-region’s value trends. Beyond these counties, transitional land sales along highway, tollway, and interstate corridors in all directions from the Dallas-Fort Worth Metroplex have not been reported due to developmental influences. These fringe counties and corridors are becoming an extension of the Dallas-Fort Worth Metroplex and development is occurring rapidly.

In the North Texas land market, 2020 saw a frenzy of sales activity and strong values increased across essentially all rural property types. This was at least partially attributable to the COVID-19 pandemic as urban dwellers looked for additional space and to manage the increased value for residential tracts, recreational tracts, etc. Overall land values increased at an accelerated pace over years past while average tract size continued its downward trajectory. Land tracts smaller than 100 acres continue to make up the bulk of the market within the North Texas sub-region. Smaller tracts now account for over 90 percent of all transactions in 2020, up several percentage points over 2019, according to MLS data. Values and number of sales for tracts less than 100 acres continued their upward trend in 2020 with very strong demand. Land tracts larger than 100 acres showed more moderate, but still strong value increases while the number of sales slid further from 2019. The decrease in number of sales is due largely to lower supply of actively listed large tracts in North Texas as compared to years past, even though demand for large tracts remains high.

The North Texas land market is generally dominated by investors from the Dallas-Fort Worth Metroplex in all segments and across all property types. Local producers provide a secondary market base which must compete with metropolitan investors. Land values of the region are principally a function of proximity to the Dallas-Fort Worth Metroplex or interstate and major highways corridors for ease of access to and from the metropolis. Investors commonly pay premiums for properties with enhanced recreational appeal in the form of above average topography, live water creeks, springs, lakes, or suitability to develop lakes and other surface water on the site. The emphasis on aesthetic and recreational appeal has negated the use of traditional land classes based on productivity. Highest value rural land in this market will typically have a mixture of multiple land types allowing the owner several different uses of the property. Production type properties which are exclusively cropland or pasture lands, generally showed an increase in value, while large timber sales remained stable. The demand for pasture tracts is always fairly strong and unrealistic asking prices are the main culprit in reducing the number of sales. Large timber sales remain scarce, demand is stable, and prices were stable.

As in the past few years, demand for recreational tracts of all sizes continued to be the most active segment of the rural land market. Varied terrain, rolling topography, surface water, flowing creeks or rivers, and the availability of at least electricity are all positive factors. These tracts seem especially sensitive to size. Having some production land either pasture, hay meadow, or crop land enables the tract to maintain a tax exemption. Recreational land values increased sharply throughout the year and large bodies of surface water are a definite plus for their appeal.

Piney Woods North

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

The Piney Woods North land market activity increased during 2020, with prices continuing to increase. Brokers are beginning to report lower listing volume of good properties. Some sellers have high price expectations. Some sellers are willing to negotiate but others remain steadfast which causes sales not to happen.

The northern portion of this sub-region has easier access to the Dallas area, and prices are higher than in the southern portion of this sub-region. The market for the southern portion compares favorably to the Piney Woods South sub-region. There is not enough cropland in the Piney Woods North to have a separate reporting classification.

Demand for pasture tracts continued to be primarily from Dallas-area investors that was coupled with some local market participants. The areas closer to the Dallas-Fort Worth Metroplex experienced the higher prices and also higher demand. In the northwest portion of this region, proximity and ease of access from the Dallas area have caused increased activity and also increased prices. The recreational buyer is probably the predominant buyer in this area.

Hunting and recreation dominate this region’s rural land market. Purchasers continue to seek tracts of timberland, farms, ranches, with good surface water and woodlands conducive to hunting. In the northwest part of this region, demand exists for land for weekend homes primarily from the Dallas area.

This strong demand, coupled with the decreasing number of available for lease, caused hunting lease rates to generally increase.

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**North Texas**

<table>
<thead>
<tr>
<th>Land Use or Class</th>
<th>Value Ranges</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dry Cropland &gt; 200 Acres</td>
<td>$2,750 to $5,500</td>
<td>Increase/Increase</td>
<td>$40 to $60</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Improved Pasture &gt; 200 Acres</td>
<td>$2,750 to $7,000</td>
<td>Increase/Increase</td>
<td>$15 to $25</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Native Pasture &gt; 300 Acres</td>
<td>$2,750 to $7,000</td>
<td>Increase/Increase</td>
<td>$10 to $20</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Hardwood Timber &gt; 200 Acres</td>
<td>$2,250 to $3,000</td>
<td>Increase/Increase</td>
<td>$6 to $12</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

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

**Northeast Texas**

<table>
<thead>
<tr>
<th>Land Use or Class</th>
<th>Value Ranges</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class II Dry Cropland &gt; 400 Acres</td>
<td>$2,200 to $2,710</td>
<td>Weak/Stable</td>
<td>$40 to $60</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Improved Pasture &gt; 300 Acres</td>
<td>$2,250 to $4,500</td>
<td>Stable/Increase</td>
<td>$30 to $40</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Native Pasture &gt; 300 Acres</td>
<td>$1,850 to $2,150</td>
<td>Stable/Increase</td>
<td>$15 to $25</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Hardwood Timber &gt; 300 Acres</td>
<td>$3,000 to $2,200</td>
<td>Stable/Increase</td>
<td>$6 to $10</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

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

**Pinney Woods North**

<table>
<thead>
<tr>
<th>Land Use or Class</th>
<th>Value Ranges</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved Pasture &gt; 300 Acres</td>
<td>$2,500 to $5,000</td>
<td>Increase/Increase</td>
<td>$15 to $30</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Native Pasture &gt; 300 Acres</td>
<td>$2,200 to $3,500</td>
<td>Increase/Increase</td>
<td>$12 to $20</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Upland Pine Timber &gt; 300 Acres</td>
<td>$1,500 to $2,500</td>
<td>Increase/Increase</td>
<td>$8 to $12</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Bottomland Hardwood Timber &gt; 300 Ac</td>
<td>$1,500 to $2,000</td>
<td>Increase/Increase</td>
<td>$8 to $12</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

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

**Pinney Woods South**

<table>
<thead>
<tr>
<th>Land Use or Class</th>
<th>Value Ranges</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Improved Pasture &gt; 300 Acres</td>
<td>$2,500 to $4,500</td>
<td>Increase/Increase</td>
<td>$15 to $30</td>
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<tr>
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<td>$2,200 to $3,200</td>
<td>Increase/Increase</td>
<td>$12 to $20</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Upland Pine Timber &gt; 300 Acres</td>
<td>$1,500 to $2,400</td>
<td>Increase/Increase</td>
<td>$8 to $12</td>
<td>Stable/Stable</td>
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<tr>
<td>Bottomland Hardwood Timber &gt; 300 Ac</td>
<td>$1,200 to $1,600</td>
<td>Increase/Increase</td>
<td>$8 to $12</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

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

Piney Woods South

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

The demand for pasture tracts in this region is from both out of the area and local. Demand for pasture remains strong; however, the supply of available tracts, in excess of 300 acres is limited. Both upland and bottomland pastures are in demand with mixed tracts being in particular demand. Large acreage homestead use for pasture units in the northern part of the region is influencing prices.

The market for smaller properties increased substantially during 2020 which caused some market increase for the larger tracts. The Piney Woods South market activity increased 2020, with prices showing an increase. Activity has increased for properties greater than 3,000 acres, with more sales during 2020 than in previous years. Buyers and sellers have begun to agree upon prices for which these larger tracts will sell. The demand for high quality recreational properties/timberland has increased. Sellers are asking more reasonable prices and as a result, these larger properties have begun to sell. Brokers are reporting an average number of sales, reasonably priced listings for tracts greater than 300 acres.

The demand for properties in the Piney Woods South continued to be primarily from the Houston area buyer, and hunting and recreation dominate this region’s rural land market. Purchasers continued to seek tracts of timberland with good interior roads, good surface water and woodland conducive to hunting. Owners who lease hunting land report an increase in the lease rates and report a preference in multi-type timber properties. Properties with upland and bottomland tend to command the highest lease rates. Multi species properties also tend to increase lease rates. When turkey and duck potential is added to the typical deer and hogs, the lease rate increases.

In this sub-region, there are significant timberland holdings which are part of the region is influencing prices.

**Source:** TimberArt South Annual Averages

<table>
<thead>
<tr>
<th>Product</th>
<th>2017 $/Ton</th>
<th>2018 $/Ton</th>
<th>2019 $/Ton</th>
<th>2020 $/Ton</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pine Sawtimber</td>
<td>$27.01</td>
<td>$25.19</td>
<td>$27.42</td>
<td>$26.83</td>
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<tr>
<td>Pine Chip-n-Saw</td>
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<td>$13.19</td>
<td>$15.03</td>
<td>$13.27</td>
<td>-11.7%</td>
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<tr>
<td>Pine Pulpwood</td>
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<td>$7.72</td>
<td>$10.40</td>
<td>$9.72</td>
<td>-8.5%</td>
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<tr>
<td>Hardwood Sawtimber</td>
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<td>$27.38</td>
<td>$29.46</td>
<td>$31.14</td>
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<tr>
<td>Hardwood Pulpwood</td>
<td>$8.64</td>
<td>$9.97</td>
<td>$13.05</td>
<td>$6.50</td>
<td>-50.0%</td>
</tr>
</tbody>
</table>

**Source:** Texas A & M Forest Service Annual Averages

<table>
<thead>
<tr>
<th>Product</th>
<th>2017 $/Ton</th>
<th>2018 $/Ton</th>
<th>2019 $/Ton</th>
<th>2020 $/Ton</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pine Sawtimber</td>
<td>$25.90</td>
<td>$26.32</td>
<td>$27.48</td>
<td>$24.47</td>
<td>-10.9%</td>
</tr>
<tr>
<td>Pine Chip-n-Saw</td>
<td>$9.71</td>
<td>$13.10</td>
<td>$14.68</td>
<td>$12.19</td>
<td>-17.0%</td>
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<tr>
<td>Pine Pulpwood</td>
<td>$7.98</td>
<td>$7.05</td>
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<td>-13.0%</td>
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<td>Hardwood Sawtimber</td>
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<td>$29.91</td>
<td>$34.59</td>
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<td>Hardwood Pulpwood</td>
<td>$9.90</td>
<td>$10.01</td>
<td>$13.56</td>
<td>$8.00</td>
<td>-41.0%</td>
</tr>
</tbody>
</table>

**CONTINUED FROM PAGE 29**

**CONTINUED ON PAGE 32**
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, along with the Woodlands and Katy areas dominate the region.

Highlights for the overall market for the counties in Region Five preclude brief discussions related to the urban sub-regions.

• As has been the case for many years the City of Houston and nearby densely populated areas impact all properties within Region Five to a significant degree. In general as you move north, northwest and west the most probable use of land, in the counties adjacent to Harris County, is traditional agricultural areas east and southwest from Houston and the timber industry impacts the northeast, however not to the degree it has in the past.
• Due to the extremes found in land prices in both Harris and Galveston counties, they have not been included in the value/trend grid as has been the case for some time. While they have not been excluded from the analysis these counties that join Harris and Galveston Counties have become increasingly difficult to include in the analysis due to extremes in price dispersion within the areas in those counties, with great proximity to employment centers, command prices that are certainly reflective of suburban areas.
• Over the last few years, the variance in land prices has tended to increase. In most cases it is a move of proximity to Houston than a wider dispersion within any land class. For example, the value of pasture in any one location is not necessarily selling for a wider range, but pasture near Houston is appreciating faster than similar pasture in a more remote part of the area, than the extremes from high to low.
• As the demand for recreational property in out-lying areas has increased, the prices 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 acreage are tending to overlap significantly. While the individual factors are difficult to isolate, in aggregate they do have impact on price. More and more recreational properties can be divided into pasture, average and good. Factors that impact a properties appeal change from area to area and the challenge, from an appraisal standpoint, is to know what combination creates the greatest value in the area you are working.
• In general, those tracts with varied topography, water features, trees, and pastures are superior to the upper end, and tracts that are flat, open with poor access establish the lower end.
• Individuals in and around Houston have purchased farms and ranches in out-lying counties for investment, recreation and use as weekend retreats. Historically, a major motivation for the purchase was hunting, and while that is still a significant factor, “quality of life” issues have replaced hunting as the primary motivation for purchasing properties in the more scenic counties in the region.
• Pasture lease rates have remained essentially constant over the last several years. The market has appeared to be disconnected from land value. Cropland prices and lease rates which had both increased along with commodity prices from 2012 through 2014 have now somewhat stabilized at current rates. The decline in commodity prices since 2014 suggested lease rates would start to come down as farmers can no longer afford to pay the higher price per acre based on crops which yield 30-40% less in gross sales. However, the “logical” decrease in cropland prices and lease rates due to lower commodity prices does not appear to have followed the decrease since the first signs of some marginal decreases in those numbers appeared in 2017. In fact, the trends for crop and pasture lease rates in 2018 through 2020 have shown a slight increase throughout most of the region’s traditional farmland areas. Several irrigated cropland transactions in the Brazos Bottom which occurred during 2019-2020 suggest a recent upward trend in activity and pasture lease rates in this area relative to the prices several years.
• The discussion above has remained essentially unchanged for the last several years. As mentioned earlier, Houston and the surrounding area is the predominant driver of values in this region of the State. As goes Houston, so goes the region. Typically if anything changes it is the radius of impact.
• In 2017, this region was undoubtedly one of the most widely impacted regions of the state when Hurricane Harvey came ashore near Rockport, Texas and left a path of flooding and destruction along the Texas Gulf Coast all of the way to Houston. Record rainfall amounts eclipsing 60” over the four-day period left its mark on the areas in close proximity to Houston and the aftermath has left its impact on the real estate markets through 2020. Properties located outside FEMA Floodplain map boundaries were not immune to flooding throughout the storm and as predicted, those properties suffered significant discounts in the year following the natural disaster, especially those properties with building improvements which were flooded. However, analysis of the sales within the region are showing some signs of a “short-term” memory for those properties located outside the traditional 100-year floodplain boundaries. Sales of those flooded properties which were purchased after the storm at a discount in late 2017 and early 2018, then were remodeled and resold are actually showing fairly strong resale rates, especially in those counties where the FEMA map boundaries have not been updated since Hurricane Harvey.
• As the intermediate term effects of the major hurricane continue to reveal themselves through market transactions in this area, it is still too early to definitively say where the long-term market impacts will stabilize, but this continues to be an interesting area to observe during the “post-hurricane recovery period.”
• For the past 12-18 months, the entire country (as well as most of the world) has been in the midst of the global COVID-19 pandemic which has significantly altered our daily routines. Many of the day-to-day tasks we have taken for granted have now become different and unusual with shortages in household goods on a scale most of us have not seen in quite some time, if ever. Initially, the impact these changes had on market real estate prices did not appear to be moving prices in any sort of significant direction, however with a 30-40% reduction in the stock market in a very short time, many in the real estate market expected some sort of impact to land prices in 2020. The federal government reduced interest rates in an attempt to stabilize the downturn in markets which has triggered some re-financing opportunities in real estate. What was expected to be a likely “short-term” fix to the nationwide problem has in reality held real estate prices stable, if not increasing in most areas as coincided with an increase in overall demand for rural properties. Oil and gas markets took a steep dive in the midst of oil price wars between Russia and Saudi Arabia in early 2020 to the point where we actually saw a negative price for oil on the commodities market in April 2020 which caused many production and exploration and as a result, the price being paid at the pump for a gallon of gasoline has seen a sharp increase in recent months. Going forward into 2021, there are still many variables and uncertainty as to what the long-term effects of COVID-19 will have on this region which has remained relatively strong when compared to the entire State of Texas in recent years.
• Construction sales have skyrocketed over the past 12 months due to a limited supply of processed goods which could further curb the demand for new construction and in turn, also impact rural land throughout this region. We will continue to keep a keen eye towards the future to see where all the effects of this global pandemic surface.

Eastern Coastal Prairie and Southeastern Piney Woods

Chambers, Hardin, Jefferson, Liberty and Orange Counties

“Rural Residential/Agricultural” accounts for most of the tracts typically considered a small-to-moderate (50-250 acres) farm. This type of property has been gaining...
in popularity as Houston continues to move east and Beaumont moves west. Drainage is often a critical factor in this category as much of the area is low lying. The booming petrochemical refining and petrochemical industries east of Houston have seen to tap off. Momentum from rapid growth in the fracturing boom has largely dissipated after two years of no job growth; the exuberant petrochemical boom is ebbing; and upstream drilling jobs are not yet returning. However, demand for real estate in the area has remained relatively stable.

Cropdiv sales are very scarce and are not in the trend flow. Most of the tracts that were historically rice farms have been converted to pasture. It is noted there are a few transactions each year with existing producers expanding operations.

Some of the small to medium size tracts are being cutover or selectively cut and are then being sold as brushcut/ recreational tracts. The slowdown of the petrochemical industry has had a slight influence over 2020. There doesn’t appear to be quite as many cash deals taking place, but demand does appear to relatively stable. Regarding recreational land, as Houstonians look west and north for land there is competition from the San Antonio, Austin and the Dallas Metroplexes. Growth will continue in this direction as there is still a considerable supply of “new land” that appears to be selling at reasonable prices relative to other areas.

Southwestern Piney Woods

San Jacinto and Walker Counties

Price differentials cannot be attributed to improved pasture versus native. If there is a price difference, the buyers and sellers will likely say it was “prettier” as opposed to it had better grass. As mentioned earlier typically the purchase decision is a “quality of life” issue. There are very few large pasture tracts that sell in either county. It is difficult to establish a trend in pasture prices and for all practical purposes most pasture tracts would fit in the rural/residential category. Growth and commercial development along I-45 and near Huntsville has been significant compared to years past. There was general improvement with essentially all categories of land in the area at the bottom end of the range.

Brazos Bottom

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

The Brazos / College Station area has seen increased development through the last decade in part influenced by the construction of significant healthcare facilities, particularly the Baylor Scott & White Hospital completed in August 2013. The five-story, 122-bed hospital is located along the Highway 6 corridor in south College Station. Significant commercial, multi-family, and residential development has also continued in this area, further stressing demand for agricultural/rural residential tracts and lifestyle farms in Brazos County and surrounding counties. The growth in Brazos County along with decreasing supply has positively influenced outward demand for “cheaper” residential land. Agricultural properties in surrounding counties (Grimes, Robertson, Burleson, Madison), as premium land prices required in Brazos County have become too expensive for the average buyer. Increasing demand in these counties has over 20 acres suitable for recreational / rural residential uses. The high demand for good quality tracts with strong aesthetic appeal continues to be strong and prices are stable to gradually increasing.

A recent wave of rural demand from urban buyers has been significant since 2012. The five-story, 143-bed hospital is located along the Highway 6 corridor in the northwestern part of the county. Major developments in the area include subdivision growth has also continued in this area, further spurring demand for ranches and recreational tracts. The booming downstream refining and petrochemical industries east of Houston have seemed to taper off. Momentum from rapid growth in the fracking boom has largely dissipated after two years of no job growth; the exuberant petrochemical boom is ebbing; and upstream drilling jobs are not yet returning. However, demand for real estate in the area has remained relatively stable.

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Some of the small to medium size tracts are being cutover or selectively cut and are then being sold as brushcut/recreational tracts. The slowdown of the petrochemical industry has had a slight influence over 2020. There doesn’t appear to be quite as many cash deals taking place, but demand does appear to relatively stable. Regarding recreational land, as Houstonians look west and north for land there is competition from the San Antonio, Austin and the Dallas Metroplexes. Growth will continue in this direction as there is still a considerable supply of “new land” that appears to be selling at reasonable prices relative to other areas.

Dry Cropland

Dry cropland have stabilized in recent years and the demand for these tracts appears to be gradually increasing as they have been for several years. This portion of the region has seen a continued “stair step” increase in overall land values starting in 2018 which has continued through 2020, with the area along US Highway 29/Interstate 35 continuing to show significant increases. Cropland inventories available for sale are once again scarce and quality tracts that do appear for sale are quickly placed under contract. Lease rates for cropland have stabilized in recent years and the demand for these tracts appears to be gradually increasing as they have been for several years.

Harris and Galveston Counties - Removed from grid as these is essentially no open land not impacted by development.
to continue to be strong. Commodity prices and dry early spring weather have subdued crop production projections for the area.

Rural recreational properties with strong aesthetic appeal and recreational hunting potential have also seen another “stat" step increase within the area and is most notably attributed to continued demand increases with a relatively limited number of quality tracts coming onto the market available for sale.

In the southern part of this five-county area, two industrial plants in Calhoun County (Alcoa and Invista which are in the aluminum manufacturing industry) initiated large layoffs for a total of 200+ lost jobs to the nearby communities in early 2016. Some of the workforce has been able to find new jobs in the area with plant expansions at Formosa and other area plants, while others were relocated to another Alcoa plant in the Midwest. Additionally, with continued low prices for oil there have recently been a number of oilfield service companies based in Victoria and Jackson Counties who shut their doors in 2016. While there has been a slight reduction in the total sales volume in this area, rural real estate prices continue to be strong, especially for high quality tracts with good aesthetic appeal and recreational hunting potential.

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 H augnford and East Bernard areas. Wharton County is located along the U.S. Highway 59 corridor (future Interstate 69) and has shown a marked increase in the overall price per acre for acreage tracts within the immediate vicinity of this corridor, similar to what Fort Bend County (adjacent on its northeast border) has experienced over the previous 5-8 year period. Construction progress along the roadway continues to increase urban expansion influence throughout the area and is expected to be felt forward to Victoria in the coming years.

The improved and native range category is again combined. Many brokers from surrounding areas, where property available for sale is limited, continue to come into this area.

North Coastal Prairie

Colorado, Duval, Fayette, Gonzales and Lavaca Counties

There is limited cropland in the North Coastal Prairie region, with most concentrated in the far southeast portion of Colorado County. Sales volume in the region have remained relatively stable with most sales being tracts under 100 acres. Most of the demand is from people living in the Houston and Austin areas that are looking for a small weekend getaway or a recreational tract for hunting purposes. Also, land values are slightly lower than Hamilton and Austin Counties which leads buyers to this region. Rural recreational properties with recreational hunting potential along with aesthetic appeal are in demand due to the limited number of tracts coming on the market. Fayette and Colorado Counties account for most of the higher priced land in this 5-county region, with tracts closer to Round Top typically commanding a premium. However, Lavaca County is beginning to command a higher price with an increase in activity over the last few years.

Oil and gas activity has been a significant factor in this region over the last few years and it slowed considerably in 2015 and 2016. The total sales volume has remained relatively stable in this area, however, prices continue to be strong, especially for above average tracts with good aesthetic appeal. Seldom do properties in this area transfer with minerals intact, but when they do the inclusion of minerals impacts price.

Belville and Brenham Area

Austin and Washington Counties

Land in this area has essentially combined into one land class with price being determined by location and aesthetic appeal rather than land type. Driving forces creating value are tree coverage, significant amount of road frontage, hills and views. Buyers are willing to pay a premium for well-maintained or “ready to go” properties. After pairing area sales, a desirable recreational tract can sell for twice as much as an adjoining property due to aesthetics. The Region Five grid has a scenic category that combines some or all of the characteristics and mainly encompasses the areas of Cat Springs, Chapell Hill and Burton. There have been several rural subdivisions developed in the Chapell Hill area which represent the higher values in this category. Overall, this area has remained relatively stable regarding total sales volume and prices continue to be strong for each land type.

The area around Sealy is predominantly flat, with less tree cover, this area historically has sold for less than the lands to the north. However, due to proximity to I-10, SH 130 and the expansion of the Katy area, Sealy and the surrounding areas have seen the biggest increase in activity along with values over the last several years. However, in the last several years, the number of sales and values have remained relatively stable. The Interstate 10 expansion from the Brazos River through Sealy finally began in 2019 and will continue for three and a half years. The expansion of I-10 will increase commercial construction along this roadway and the area is being developed with new residential subdivisions all of which will further enhance the urban influence throughout the area. There has been more activity from investors purchasing larger tracts to hold for future development.

Central Coastal Prairie

Land Use or Class | Value Ranges | Activity/Trend | Rental Range | Activity/Trend
--- | --- | --- | --- | ---
Improved Cropland | $3,300 to $4,200 | Stable/Up | $65 to $90 | Stable/Up
Dry Cropland | $1,500 to $2,000 | Active/Up | $55 to $95 | Stable/Stable
Improved and Native Pasture | $2,500 to $3,200 | Active/Up | $10 to $20 | Stable/Stable
Rural Residential/Ap 50-100 | $5,200 to $11,000 | Active/Up |

North Coastal Prairie

Land Use or Class | Value Ranges | Activity/Trend | Rental Range | Activity/Trend
--- | --- | --- | --- | ---
Improved Cropland | $2,000 to $4,400 | Slow/Stable | $20 to $50 | Stable/Stable
Dry Cropland | $2,000 to $3,000 | Slow/Stable | $20 to $30 | Stable/Stable
Improved and Native Pasture | $3,500 to $14,000 | Stable/Stable | $15 to $25 | Stable/Stable
Rural Residential/Ap 50-100 | $8,800 to $125,000 | Stable/Stable |

Belville and Brenham Areas

Land Use or Class | Value Ranges | Activity/Trend | Rental Range | Activity/Trend
--- | --- | --- | --- | ---
Scenic Recreational Land | $6,000 to $25,000 | Active/Up |
Rural Residential/Ap 50-100 | $7,000 to $25,000 | Active/Up |
Improved and Native Pasture | $5,000 to $12,000 | Stable/Stable |
Sealy Area | $6,500 to $25,000 | Stable/Stable |
The following highlights the South Texas market.

Market Activity – 2020 started the year with somewhat “steady” activity. Following the declaration of COVID-19 in the “Corona Virus” a worldwide pandemic in March of 2020 the market was fairly quiet for approximately one month; however, starting in approximately April of 2020 market activity appeared to steadily increase. Demand for properties under the approximate two to three million dollar price range was very strong; however, higher priced properties, over five million dollars, were far less active. Conversations with ranch brokers indicated that there were pockets of very strong activity that appeared to escape any potential future lock downs, outbreaks, etc. associated with the Corona Virus or any political unrest which was common in 2020.

• Eagle Ford Shale activity was remained down in 2020, with the exception of proven locations, known for strong production. An oil price war between Saudi Arabia and Russia created a significant fall in the price of United States oil to historic levels not seen since the 1980’s and 1990’s. At certain times, a barrel of oil was trading at negative pricing. Along with the drop in oil pricing there was a significant decrease in demand as many consumers were not driving and therefore did not need fuel. The result was an excess supply of oil and natural gas and depressed pricing. As such, oil, and natural gas prices were significantly slowed in any production and market essentially halted. The average price of oil in 2020 was in the $35 to $45 price range as compared to $57.88 per barrel in 2019, and $65 to $70 per barrel in 2018. Drilling permit numbers were down by 1,082 in 2020 compared to 2019.

Weather Conditions – The first half of 2020 saw adequate rainfall for Region 6, particularly in the spring; however, rainfall drastically decreased and essentially stopped from June through the end of the year resulting in significant drought conditions.

Land Values/Land Pricing – Most land class values in the region were stable to slightly increasing in 2020. Similar to the past many years, if a listing was perceived as overpriced the marketing period increased; however, properties with pricing aligned with market value sold within a reasonable time frame. It appears that 2020 pricing in South Texas was generally similar to slightly higher than 2019 and modestly higher than 2015, 2016, 2017, and 2018 levels. The slight increases in pricing mostly occurred from the middle to later part of the year. Limited sales volumes due to a lack of inventory in certain sectors of South Texas may not have accurately portrayed pricing for Region 6.

• Sellers – Mostly long term owners and investors.

• Buyers – End users continue to be the most prevalent land buyers. As mentioned, the end user buyers were mostly looking for a rural property to escape any potential future lock downs, outbreaks, etc. associated with the Corona Virus or any political unrest. Historically energy funded buyers have been very active; however, the depressed oil and natural gas market significantly reduced profits to companies and top level executives, and oil and natural gas royalties to mineral owners were significantly less. The direct impact appeared to have temporarily taken some “energy funded” farm and ranch buyers out of the 2020 market. Energy funded buyers are one of the largest segments of farm and ranch buyers in Texas, tax deferred exchange buyers that sold a property and were looking for a replacement property were active. Limited ranch investors were in the market offering cash and a quick close in early 2020, but as the year progressed these buyers became more active. Investors actively looking for ranches to divide, enhance and resell were active in the later months of 2020. It appears that the average tract size for Region 6 continues to get smaller.

• Demand for Ranches – Recreational and investment demand accounted for most of the activity in 2020. Demand for recreational ranches with good amenities and within a moderate driving distance of South Texas cities remains better than the more remote ranches. There are “pockets” of very strong demand and substantial strong pricing mostly within an hour to one hour and half of San Antonio. Hunting ranches with improvements and established game management and live water ranches continue to be the most desirable. Most active ranch brokers reported more qualified buyers than inventory in 2020.

• Demand for Farmland – The demand for farmland continued to maintain strength in 2020. Institutional investors/agricultural REIT’s as well as established farmers show strong interest in farmland. The positive return investment provided by cropped income, possible appreciation, and potential tax benefits related to depreciation continue to drive the demand for farmland. Farm sales pricing in South Texas slightly increased in 2020 despite commodity prices. Essentially, demand is not necessarily commodity driven but instead driven. It is reported that rents are generally stable and there have been reports of somewhat lower cap rates in certain farming areas. Also, demand by farmer/buyer for the end product is the good demand.

• Financing – Interest rates remained attractive to farm and ranch buyers and credit is available with standard underwriting. Interest rates were favorable in 2020.

• Border Wall/Illegal Immigration – Border wall construction was active in South Texas in 2020. The wall has been constructed in certain places, under construction in other places, and the easement for the wall was established throughout. Border wall construction and immigration concerns related to such were “status quo” in 2020.

• Mining – There had historically been a lot of mining activity in the heart of the Eagle Ford Shale and other areas in Region 6. Most sellers in South Texas are reluctant to sell over any minerals particularly to establish in mineral areas known for significant production. In marginal mineral areas where leases have expired or were never negotiated, there is a trend of some minerals conveying with the surface land. If minerals are offered with the surface, the minerals raised the overall price per acre as increased the length of time mineral and surface. The boundary of the Eagle Ford Shale have become narrowly defined thus allowing certain buyers to acquire minerals. Drilling activity on the Eagle Ford Shale, according to the Texas Railroad Commission, is detailed as follows: 26 drilling permits issued in 2008, 24 in 2009, 3,010 in 2010, 2,846 in 2011, 4,143 in 2012, 4,014 in 2013, 2,561 in 2014, 2,335 in 2015, 1,190 in 2016, 2,123 in 2017, 2,288 in 2018, 2,043 in 2019, and 146 in 2020.

• Water – Region 6 has three major water sources which influence the rural land market. Each water source is unique to the sub-regions which comprise Region 6.

• The Edwards Aquifer, the only fully adjudicated ground water resource in the state occupies the bulk of the Transition Zone and is the primary source of both drinking and irrigation water. The Edwards represents the bulk of the both the Upper and Lower South Texas counties and although not adjudicated like the Edwards, several irrigation districts have active water rights in each with different rules and requirements. The Carrizo is the primary aquifer for this sub-region but the Rio Grandes and Nueces Rivers are also a factor in the water picture for the area. An active water market is yet to emerge in this sub-region relative to the Carrizo aquifer.

### Transition Zone

#### Land Use or Class

- **Class I Irrigated Crop**
  - Value Range: $2,800 to $6,500
  - Activity/Trend: Active/Stable to Slight Increase
  - Rental Range: $75 to $200
  - Stable/Stable

- **Class II Dry Crop**
  - Value Range: $1,800 to $5,500
  - Activity/Trend: Stable/Stable
  - Rental Range: $20 to $150
  - Stable/Stable

- **Permanent Pasture**
  - Value Range: $2,000 to $5,500
  - Activity/Trend: Stable/Stable
  - Rental Range: $150/Acre
  - Stable/Stable

- **Rangeland <2,000 Acres**
  - Value Range: $1,500 to $2,000
  - Activity/Trend: Stable/Stable
  - Rental Range: $150/Acre
  - Stable/Stable

- **Rangeland >2,000 Acres**
  - Value Range: $1,400 to $5,000
  - Activity/Trend: Stable/Stable
  - Rental Range: $150/Acre
  - Stable/Stable

- **Development Land**
  - Value Range: $5,000 to $45,000
  - Activity/Trend: Active/Stable to Slight Increase
  - Rental Range: n/a
  - Stable/Stable

- **Translatable Edwards Aquifer Water Rights**
  - Value Range: $4,000 to $5,000
  - Activity/Trend: Stable/Decrease
  - Rental Range: $150 to $100
  - Stable/Stable

- **Hunting Lease**
  - Value Range: $5 to $25
  - Activity/Trend: Stable/Stable
  - Rental Range: n/a
  - Stable/Stable

#### Value ranges are generally reflective of partial mineral or surface only transactions. Properties with water rights, live water features or rangeland improvements and infrastructure will sell at a higher achievable pricing throughout the region similar to these properties without these amenities.

### Upper South Texas - Upper to Mid Bush Country

#### Land Use or Class

- **Class I Irrigated Crop**
  - Value Range: $2,000 to $5,000
  - Activity/Trend: Active/Stable to Slight Increase
  - Rental Range: $50 to $150
  - Stable/Stable

- **Class II Irrigated Crop**
  - Value Range: $2,000 to $5,000
  - Activity/Trend: Active/Stable to Slight Increase
  - Rental Range: $50 to $125
  - Stable/Stable

- **Class II and III Dry Crop**
  - Value Range: $1,500 to $2,000
  - Activity/Trend: Stable/Stable
  - Rental Range: $20 to $40
  - Stable/Stable

- **Permanent/Improved Pasture**
  - Value Range: $2,000 to $2,500
  - Activity/Trend: Stable/Stable
  - Rental Range: $150/Acre
  - Stable/Stable

- **Rangeland <2,000 Acres**
  - Value Range: $1,500 to $2,000
  - Activity/Trend: Active/Stable to Slight Increase
  - Rental Range: $150/Acre
  - Stable/Stable

- **Rangeland >2,000 Acres**
  - Value Range: $1,500 to $2,000
  - Activity/Trend: Stable/Stable
  - Rental Range: $150/Acre
  - Stable/Stable

- **Hunting Lease (Rangeland)**
  - Value Range: $10 to $25
  - Activity/Trend: Stable/Stable
  - Rental Range: n/a
  - Stable/Stable
CONTINUED FROM PAGE 39

Lower South Texas - Lower Brush Country

<table>
<thead>
<tr>
<th>Land Use or Class</th>
<th>Value Ranges</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dry Cropland</td>
<td>$1,200 to $3,000</td>
<td>Stable/Stable</td>
<td>$20 to $30</td>
</tr>
<tr>
<td>Rangeland &lt; 2,000 Acres</td>
<td>$1,200 to $2,500</td>
<td>Stable/Stable to Slight Increase</td>
<td>$150/AU</td>
</tr>
<tr>
<td>Rangeland &gt; 2,000 Acres</td>
<td>$1,200 to $2,000</td>
<td>Stable/Stable</td>
<td>$150/AU</td>
</tr>
<tr>
<td>Hunting Lease (Rangeland)</td>
<td>$8 to $15</td>
<td>Stable/Stable</td>
<td></td>
</tr>
</tbody>
</table>

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

Properties with turnkey improvements and infrastructure sell at higher achievable pricing throughout region than similar properties without these amenities.

Coastal Plains

<table>
<thead>
<tr>
<th>Land Use or Class</th>
<th>Value Ranges</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class II &amp; III Dry Crop</td>
<td>$2,000 to $2,500</td>
<td>Active/Stable to Slight Increase</td>
<td>$175/AU</td>
</tr>
<tr>
<td>Permanent/Improved Pasture</td>
<td>$2,000 to $3,000</td>
<td>Stable/Stable</td>
<td>$175/AU</td>
</tr>
<tr>
<td>Rangeland &lt; 2,000 Acres</td>
<td>$2,000 to $3,500</td>
<td>Active/Stable to Slight Increase</td>
<td>$175/AU</td>
</tr>
<tr>
<td>Rangeland &gt; 2,000 Acres</td>
<td>$2,000 to $3,500</td>
<td>Stable/Stable</td>
<td>$175/AU</td>
</tr>
<tr>
<td>Hunting Lease (Rangeland)</td>
<td>$8 to $15</td>
<td>Stable/Stable</td>
<td></td>
</tr>
</tbody>
</table>

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

Properties with turnkey improvements and infrastructure sell at higher achievable pricing throughout region than similar properties without these amenities.
The Eagle Ford Shale is the primary economic generator in South Texas and in this area. However, with continued lower oil prices, the oil and gas industry in South Texas has notably slowed down. The location of Texas has demand and subsequent strong pricing. The most desirable location is mostly within an hour to one and one-half hours of San Antonio in Frio County and northeastern Zavala County. Farmland pricing is generally stable to slightly increasing in Upper South Texas. Inventory in this sub region is limited and pricing slightly increased in 2020.

Lower South Texas (Lower Brush Country)
Brooks, Duval, Jim Hogg, Jim Wells, Starr and Zapata Counties
Lower South Texas has a similar source of demand as Upper South Texas. This is one of the most popular hunting areas in South Texas. Land prices remained stable to slightly increased in 2020. Smaller ranches appeared to have price increases while larger ranches appeared to maintain price stability. Ranch investors are willing to drive further to these good hunting areas, with hopes of finding lower land pricing and large blocks of native land. Most all of the area has experienced adequate to strong demand for good quality ranches, particularly for properties in the two to three million dollar price range and less.

Farmland pricing (limited sampling) is considered to have remained stable. Farms adjoining low fenced brush properties offer limited recreational appeal. This area is south of the Eagle Ford Shale formation. However, there is oilfield activity off of other formations in the historic oil and gas producing areas.

Coastal Plains
Aransas, Bee, Goliad, Karnes and Refugio Counties
This area is 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 other portions of South Texas. The blend of live oaks and South Texas brush found in this area is very appealing to a large market segment. Bee and Goliad are the most active counties in this market. Karnes County mostly relates to local or San Antonio investors. It appears that land pricing has generally become consistent for the live oak covered portions of the area, from Bee and San Patricio Counties up to Jackman and Lavaca Counties (just north/northeast of Victoria). The market for land along the coast was stable to slightly increasing in 2020 depending on the level of investment.

Coastal Bend
Kendall, Kleberg, Nueces and San Patricio Counties
The primary demand for rural land is for recreation and agricultural purposes. Only limited land holdings sale in the lower portion of this area due to high and closely held ownerships.

This location for farmland in the coastal bend was strong. There were only a small number of farmland tracts of significance which traded throughout the year but those that did confirmed strong pricing and demand for row crop farmland despite lower commodity pricing and below average yields in 2020 due to drought conditions. 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. As an alternative to securities, farmland is viewed as a long-term investment that has a return and appreciation potential. Rental rates for Coastal Bend farmland have remained stable. Many farmers have an interest in crop share leases as opposed to cash rents due to volatile commodity prices. There has been a noted transition in farmland located near the Port of Corpus Christi and along Corpus Christi Bay for industrial uses.

Wind energy continues to expand in the Coastal Bend. Further, increased installations of pipelines in this location of South Texas, and the associated payments from the easements, has further supported the strong demand for Coastal Bend land.

Rio Grande Valley
Cameron, Hidalgo and Willacy Counties
This portion of the tri-county area is largely production agriculture driven. Irrigated and dry farmland pricing appears to have been stable to slightly increasing in 2020; however, limited sales volume may not have accurately portrayed pricing for the Rio Grande Valley. The farmland is generally purchased by producers or large institutional investors; demand for the best irrigated land is typically equal to demand for the best dry cropland. The volume of sales activity, in the irrigated and dryland property classes has remained low and the higher quality row crop farms continue to be very closely held. Sale activity in the larger farms in 2020 was very limited. The bulk of the sales were smaller tracts, mostly 40 to 80 acres, and were often purchased as rural homesteins. Typically, less than one or two quality farms, of 300 acres or over, change hands in a year, even in boom periods. Most realtors report numerous clients wanting to acquire farmland, but most observe that there was little inventory of quality larger irrigated or dryland properties.

The market for Rio Grande water rights is active; however, the pace of activity has slowed. Municipalities are a major purchaser of water rights in the area. In some cases, a municipality will buy farmland to gain water rights, only to later sell the land as dryland. Water rights sales generally ranged around $2,500 to $3,500 per acre for Class A rights and $2,200 to $2,500 for Class B rights. Mining water lease rates have settled in the $125/AF range and agricultural water rights are in the $245 to $300 per AF range.

The primary source of irrigation water for the Valley is the Rio Grande River. The water is supplied to the farming community through individually-held water rights or through water districts, which purvey water to land owners within the water district. Water is transported by a mix of above-ground ditches and underground pipes; the pipes emanate at diversion points on the river and gravity flow to the north away from the river delta. Irrigation is critical to agricultural endeavors in the Rio Grande Valley. Recreational ranches continued to have demand and prices were stable to slightly increasing in 2020. It is noted that many of the Rio Grande Valley land investors are local buyers.

Coastal Bend
<table>
<thead>
<tr>
<th>Land Use or Class</th>
<th>Value Ranges</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class I Dry Crop</td>
<td>$2,000 to $4,000</td>
<td>Active/Stable to Slight Increase</td>
<td>$65 to $95</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Class II Dry Crop</td>
<td>$1,500 to $2,500</td>
<td>Active/Stable to Slight Increase</td>
<td>$40 to $60</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland</td>
<td>$2,000 to $3,500</td>
<td>Active/Stable to Slight Increase</td>
<td>$200/AU</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Hunting Lease</td>
<td>$8 to $25</td>
<td>Stable/Stable</td>
<td></td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

Rio Grande Valley
<table>
<thead>
<tr>
<th>Land Use or Class</th>
<th>Value Ranges</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class I Irrigated Crop</td>
<td>$3,400 to $4,400</td>
<td>Active/Stable to Slight Increase</td>
<td>$60 to $160</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Class II Irrigated Crop</td>
<td>$2,500 to $3,200</td>
<td>Active/Stable to Slight Increase</td>
<td>$40 to $50</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Class I Dry Crop</td>
<td>$2,000 to $2,500</td>
<td>Active/Stable to Slight Increase</td>
<td>$30 to $50</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Class II Dry Crop</td>
<td>$1,500 to $2,000</td>
<td>Active/Stable to Slight Increase</td>
<td>$30 to $50</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Permanent Pasture</td>
<td>$1,250 to $1,750</td>
<td>Stable/Stable</td>
<td>$200/AU</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Rangeland</td>
<td>$1,750 to $4,000</td>
<td>Active/Stable to Slight Increase</td>
<td>$200/AU</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Hunting Lease</td>
<td>$10 to $25</td>
<td>Stable/Stable</td>
<td></td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

Value ranges are generally reflective of partial mineral or surface only transactions; five tracts sell with significant minerals in this market. Properties with turnkey improvements and infrastructure sell at higher achievable pricing throughout region than similar properties without these amenities.
Region 7 covers the central portion of the state, containing as much diversity in land features as it does in population and demand factors. The land mass provides a sampling of five of the state’s ecoregions, including Post Oak Savannah, Blackland Prairie, Cross Timbers, Edwards Plateau and Rolling Plains. From east to west, this land market transitions from productive Blackland Prairies along east and along the IH 35 corridor through the Edwards Plateau hill country before settling on the edge of the Rolling Plains at the region’s northwestern limits. While variety shapes the region’s land supply, population densities within the region influence its demand. With about 1.3 million residents, Travis County is the most populated county in the region and has a population density approaching 1,300 people per square mile. In contrast, Menard County on the western edge of the region has a population of less than 2.4 people per square mile.

The abundance of land resource diversity combined with disparities in population interact to form land values across the region. Rural land within Travis County is in short supply where strong urban growth over the past forty years continues to accelerate. Most vacant land in the county is on the urban fringe in transition from agrarian roots to urban sprawl. The ability to obtain water and wastewater services is a primary factor determining urban development potential in more densely populated areas of the region. Areas east of IH 35 tend to have greater production appeal while locations to the west have greater recreational market appeal. Continued growth of the Austin-Round Rock, Killeen-Temple and Waco population centers provide not only strong urban flight and telecommuting trends, placing somewhat less emphasis on connectivity.

Southern Grand Prairie

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

This sub-region spans the northwest corner of Region 7, containing a combination of rolling terrain which varies from open pastures to wooded areas dominated by oak trees and cedar transitioning to mesquite pastures through its western extents. Proximity to Fort Worth plays a critical role in purchase decisions for this sub-market with the eastern counties benefiting in higher land values due to shorter metro-plus drive times. Tract sizes are typically smaller in the eastern part of the sub-region while larger rangeland properties dominate in the west. The demand for acreage home sites and get-away tracts is accelerated in the eastern portions of the region where urban influence is the greatest. Recreational demand has been increasingly active with water features and property diversity topping most buyers’ criteria. One observer noted high-priced properties appear to be more prevalent in Brown County than in year’s past. Production agriculture is dominated by cattle operations while dairies remain widespread in Erath and Comanche Counties. Pecan orchards play a significant agribusiness role in Comanche County, but are generally held by long-term producers and do not trade often. While some agriculture continues to be the area’s primary water users still noted, the greatest demand for properties comes from recreational and home site motivated buyers. Sales volumes in the Southern Grand Prairie region during 2020 increased over 20% from 2019 results, marking the sub-region’s fourth straight year of gains. Survey participants indicate upward price trends with continued activity across most land classes.

Southern Grand Prairie Land Use or Class Value Ranges Activity/Trend Rental Range Activity/Trend

<table>
<thead>
<tr>
<th>Land Use or Class</th>
<th>Value Ranges</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved Pasture</td>
<td>$1,800 to $6,000</td>
<td>Active/Increasing</td>
<td>$4 to $10</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Improved Pasture</td>
<td>$1,800 to $6,000</td>
<td>Active/Increasing</td>
<td>$4 to $12</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Live Water - Recreational</td>
<td>$3,200 to $5,000</td>
<td>Active/Increasing</td>
<td>$5 to $15</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Pecan Groves - Improved</td>
<td>$2,500 to $5,000</td>
<td>Active/Increasing</td>
<td>$10 to $25</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>

Central Basin

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

Regional users remain the primary drivers for land transactions in the Central Basin, with similar buyer pressure from the Dallas-Fort Worth Metropolitan and the Austin area. Drive time from these urban centers is consistently noted as a strong buyer consideration in purchase decisions. Central Basin buyers are primarily looking for hunting tracts or scenic weekend retreats. Live water properties demand significant price premiums over their upland counterparts. The Colorado River feeds the Highland Lakes starting with Lake Buchanan in northeastern Llano County. The remaining Highland Lakes within the Central Basin include the constant-level Inks Lake and Lake LBJ. Properties near these lakes remain attractive to Austin buyers due to reporting low inventories of available properties for sale, demand has increased for previously less-desirable properties. Subdivision of larger tracts into acreage home sites has accelerated with urban-flight and telecommuting trends, placing somewhat less emphasis on connectivity.

Central Basin Land Use or Class Value Ranges Activity/Trend Rental Range Activity/Trend

<table>
<thead>
<tr>
<th>Land Use or Class</th>
<th>Value Ranges</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved Pasture</td>
<td>$1,800 to $5,000</td>
<td>Active/Increasing</td>
<td>$5 to $8</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Improved Pasture</td>
<td>$1,800 to $5,000</td>
<td>Active/Increasing</td>
<td>$5 to $8</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Improved Pasture</td>
<td>$1,800 to $5,000</td>
<td>Active/Increasing</td>
<td>$5 to $8</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Pecan Groves - Improved</td>
<td>$2,500 to $5,000</td>
<td>Active/Increasing</td>
<td>$10 to $25</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Live Water - Recreational</td>
<td>$6,000 to $18,000</td>
<td>Active/Increasing</td>
<td>$10 to $25</td>
<td>Stable/Stable</td>
</tr>
<tr>
<td>Recreational - &lt; 5 Acres</td>
<td>$6,000 to $20,000</td>
<td>Active/Increasing</td>
<td>$10 to $25</td>
<td>Stable/Stable</td>
</tr>
</tbody>
</table>
proximity. Other desirable water features in the area include the Llano, San Saba, and Nolan rivers, as well as the Leon, Salado, and Lampasas rivers. The physical features of the region are characterized by steep terrain and rugged topography. The region is known for its scenic beauty, natural resources, and outdoor recreational opportunities.

The following table provides a summary of land use and class, value ranges, activity/trend, and rental range for various property types within the region:

<table>
<thead>
<tr>
<th>Land Use or Class</th>
<th>Value Ranges</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved Pasture</td>
<td>$45,000 to $75,000</td>
<td>Active/Increasing</td>
<td>$50,000 to $75,000</td>
<td>Stable/Moderate</td>
</tr>
<tr>
<td>Improved Pasture</td>
<td>$25,000 to $50,000</td>
<td>Active/Increasing</td>
<td>$20,000 to $40,000</td>
<td>Stable/Moderate</td>
</tr>
<tr>
<td>Native Pasture - Open</td>
<td>$25,000 to $50,000</td>
<td>Active/Increasing</td>
<td>$20,000 to $40,000</td>
<td>Stable/Moderate</td>
</tr>
<tr>
<td>Native Pasture - Wooded</td>
<td>$35,000 to $70,000</td>
<td>Active/Increasing</td>
<td>$30,000 to $60,000</td>
<td>Stable/Moderate</td>
</tr>
<tr>
<td>River Properties</td>
<td>$5,000 to $15,000</td>
<td>Active/Strong Increase</td>
<td>$5,000 to $15,000</td>
<td>Stable/Moderate</td>
</tr>
</tbody>
</table>

East Edwards Plateau, Central Blacklands, and Southern Post Oaks – Austin Area

The East Edwards Plateau, Central Blacklands, and Southern Post Oaks area is located in the eastern part of the state, bordered by the Edwards Plateau to the west, the Central Blacklands to the east, and the Southern Post Oaks to the south. This region is known for its diverse topography, ranging from flat plains to rugged hills and mountains. The climate is characterized by hot summers and mild winters.

The following table provides a summary of land use and class, value ranges, activity/trend, and rental range for various property types within the region:

<table>
<thead>
<tr>
<th>Land Use or Class</th>
<th>Value Ranges</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved Pasture</td>
<td>$40,000 to $70,000</td>
<td>Active/Increasing</td>
<td>$50,000 to $70,000</td>
<td>Stable/Moderate</td>
</tr>
<tr>
<td>Improved Pasture</td>
<td>$25,000 to $50,000</td>
<td>Active/Increasing</td>
<td>$20,000 to $40,000</td>
<td>Stable/Moderate</td>
</tr>
<tr>
<td>Native Pasture - Wooded</td>
<td>$35,000 to $70,000</td>
<td>Active/Increasing</td>
<td>$30,000 to $60,000</td>
<td>Stable/Moderate</td>
</tr>
<tr>
<td>Single Family - Utilities</td>
<td>$50,000 to $80,000</td>
<td>Active/Strong Increase</td>
<td>$50,000 to $80,000</td>
<td>Stable/Moderate</td>
</tr>
<tr>
<td>Ranchette &lt; 5 Acres</td>
<td>$5,500 to $15,000</td>
<td>Active/Strong Increase</td>
<td>$5,500 to $15,000</td>
<td>Stable/Moderate</td>
</tr>
</tbody>
</table>

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CENTINUED ON PAGE 45

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REGION 7
### Texas Rural Land Value Trends

#### ASFMRA Texas Chapter

**Land Use or Class**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value Ranges</th>
<th>Activity/Trend</th>
<th>Rental Range</th>
<th>Activity/Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Native Rangeland &gt; 500 &lt; 1,500 Acres</strong></td>
<td>$2,000 to $4,500</td>
<td>Active/Stable</td>
<td>$3 to $7</td>
<td>Moderate/Stable</td>
</tr>
<tr>
<td><strong>Native Rangeland &gt; 1,500 Acres</strong></td>
<td>$1,700 to $3,000</td>
<td>Active/Stable</td>
<td>$3 to $7</td>
<td>Moderate/Stable</td>
</tr>
<tr>
<td><strong>Native Rangeland Live Water &gt; 1,000 Acres</strong></td>
<td>$5,000 to $20,000</td>
<td>Active/Higher</td>
<td>$5 to $10</td>
<td>Moderate/Stable</td>
</tr>
<tr>
<td><strong>Hunting Leases</strong></td>
<td>$5 to $12</td>
<td>Moderate/Stable</td>
<td>$10 to $50</td>
<td>Moderate/Stable</td>
</tr>
</tbody>
</table>

**Eastern Hill Country**

- **Land Use or Class**
  - Recreational with Live Water: $8,000 to $40,000
  - Recreational without Live Water: $3,000 to $17,500
  - Rangeland: $2,750 to $7,500
  - Hunting Leases - Rangeland: $10 to $30

**Western Hill Country**

- **Land Use or Class**
  - Native Rangeland > 100 < 1,000 Acres: $2,000 to $4,500
  - Native Rangeland > 1,000 Acres: $1,700 to $5,000
  - Native Rangeland Live Water > 1,000 Acres: $5,000 to $20,000
  - Hunting Leases: $5 to $12

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**Bierschwale Land Company, LLC** is a full-service appraisal, brokerage, and consulting firm established in 1980. Through the years, our office has provided valuation expertise, litigation support, and consultation services to our clients throughout the nation. Our background in real property valuation provides a unique perspective to clients in search of brokerage services. Learn more about how our office can assist you in all your real property needs.

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- **Valuation Issues**
- **Commercial**
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**Continued on Page 50**

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**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 is the home to the Austin-Round Rock MSA which is the 4th largest metro area in the state. The population in the metro area has surpassed 1.2 million with growth rates consistently between 2% and 3%/year. Income generated in Travis, Williamson and Hays Counties permeates throughout the region as urban based buyers seek acreage home sites, recreational and investment properties. Location is a primary factor influencing regional land values with the highest values noted in proximity to the urban centers. Outside of urban influence, aesthetic characteristics of the properties is a key factor influencing the formation of land values in the region. Land values along the IH 35 corridor counties of Travis, Hays and Williamson receive the greatest urban influence while the adjacent counties have experienced the impact of growth in Austin.

The area’s economic growth was cut short during 2020 after losing about 44,000 jobs for the year. Most job losses appear to be the result of COVID-19 restrictions on hospitality and retail businesses. The outlook remains positive in the high-tech and manufacturing sectors with expansions of existing technology firms and relocations of others to the Austin area announced during the year. The expanding workforce combined with quick-paced population growth has continued the upward pricing trends for housing in Travis, southern Williamson and northern Hays Counties. The lack of affordable housing in the core urban areas has encouraged suburban development outside the core cities along with acreage tract development in the rural areas. Asking prices continued to escalate during the past year while the inventory of competitively priced land offered for sale remains severely limited. Consumer demand for recreational home sites has remained strong with buyers willing to travel further or employ telecommuting technologies to access lower cost land. Land price levels in the western portions of the region have typically resulted in livestock production ranking low in buyer motivation behind recreational, possible home sites and investment. The opportunity to maintain reduced ad valorem taxes through wildlife open space valuation has further reduced the production motivation for land purchases outside of cropland. The demand for ranchette home site properties remained very strong during 2020 with prices increasing in the small acreage tract market. In response, the demand for larger properties suitable for division...
and reside as small acreage tracts has continued to grow. The properties in demand for subdivision tend to have ample road frontage as small acreage tract developers seek to minimize development costs. Small acreage tract subdivision activity appears to be most common on marginal cropland which has lower prices that allow for affordable ranchette pricing. The availability of public water supply capacity has also tended to influence subdivision motivated buyers.

The demand for culivated acreage in the eastern portions of the area, namely eastern Williamson County and Milam County was stable to a limited inventory of properties being offered for sale. Population expansion within the area continues to push the prices for cropland near urban development to higher levels. As farmer owned land is sold to urban uses, the funds generated are commonly used to fund the acquisition of additional acreage through 1031 exchanges in an effort to maintain or expand existing farming operations. Cropland prices continued an upward climb outside the urban fringe during 2020 due to limited available supply. The number of closed transactions in 2020 rose sharply to over 35% above 2019 volumes. The average price per acre during 2020 for this sub-region increased by 10%-15% over 2019 price levels.

**Eastern Hill Country**

Gillespie, Kerr, Kendall, Real and Bandera Counties

Home to some of the most scenic areas of the state, Eastern Hill Country land continues to be a prized commodity among market participants who seek convenience of proximity to city employment centers and strong aesthetic qualities. Buyer profiles in this sub-market are heavily influenced by the San Antonio urban center supplemented by demand pressure from the Austin- Round Rock MSA. Land resources in greatest demand include live water, hardwood tree cover and dramatic elevation changes, affording views of the surrounding neighborhood. The area’s varied terrain forms multiple creeks and streams which contribute water to the Pedernales, Guadalupe and Frio Rivers. While land production characteristics in the area are generally of secondary concern to market participants, an exception is found in vineyard and winery motivated buyers. The U.S. Highway 290 corridor in eastern Gillespie County serves as the epicenter for the Texas wine industry, as ground previously used for crop production and peach orchards has become vineyards. Cash-flush investors have reportedly made several unsolicited purchases of wineries along the Highway 290 corridor. The neighborhood towns of Fredericksburg and Niederwald offer rural community atmosphere with good quality medical and shopping amenities. With San Antonio’s outward growth, the communities of Boerne and Bandera represent viable commuting options. Strong demand for estate ranches and acreage home sites in this five-county area will continue shaping land use patterns and promoting upward price movement on area land values as smaller average tract size leads to a higher prices per acre. Survey participants noted wide ranges in unit price for various land categories depending on tract size. A large influx of investors out of New York and California has been observed in the sub-region, frequently making unsolicited offers without employing the services of a real estate broker. Motivations for acreage home site developments are extremely strong and widespread with the average tract size decreasing by almost 15% throughout the Eastern Hill Country.

The number of 2020 land transactions rose between thirty and forty percent as compared to the previous year. Increasing prices were observed throughout most land classes in the sub-region. While prices for native rangeland in the region’s far western portion tend to show only modest increases, prime live water properties on the other end of the spectrum continue their upward surge as limited numbers of high-quality live water ranches are available for purchase. Vineyard and winery users maintain constant demand pressure along the U.S. Highway 290 corridor in eastern Gillespie County.

**West Hill Country**

Menard, Mason and Kimble Counties

Sales activity began slowly for the year, then saw a shift downward in April through July. Activity picked back up in August and outpaced previous years through the end of the year, with a wave of buyers looking for an escape flooding the market. Overall, this translated into a rise in total number of sales in the region around 40% from the previous year. Due to the influx of buyers, prices in the latter part of the year saw an increase, as the demand for top tier properties outpaced the level of supply.

Buyers continue to move west from the highest-priced regions nearer to metropolitan centers, seeking more affordable acreage in the region. New listings were scarce, and when listed, showed a large increase in listing price. In many cases, this did not deter the sale of tracts, as several properties saw the days from list to sale consumption greatly reduced from past years. Properties with frontage along live-water rivers and creeks in the area continue to top the market, while native rangeland lags behind these higher-priced options. Overall, the market saw a rise in sales prices in all categories, with properties in the eastern portion of the region showing the largest uplift. The flow of buyers westward continues to drive prices upward, with the accessibility of a particular property being a major factor for many buyers.

Buyers in the region continue to seek properties with desirable “Hill Country” traits, and properties with multiple desirable characteristics continue to trend upward. Aesthetic views and rolling topography continue to drive the recreational market of the region. The market for lower-tier properties, with less topography change or less desirable cover, saw a rise in 2020 as supply continued to dip with the influx of buyers in the latter part of the year. The large majority of buyers in the area continue to purchase properties solely for recreational purposes, with a slight increase in investment purchases in 2020, as the prices per acre seen in the region continue to rise over the course of the last several years.

[Continued on page 49]
Agriculture’s Impact on the Concho Valley

Agriculture has always played a key role in the development of what has become the State of Texas. The mechanization of agriculture, and the addition of processing, storage and distribution facilities, vertical supply channels, implement dealers and specialized crop and livestock production, marketing and financing consultants and other service providers have turned Texas agriculture into a world leader. All these entities have changed and evolved with the dramatic and rapid adoption of new technologies, changing consumer preferences and challenging economic conditions.

Agriculture has been no less of an economic driver in the Concho Valley. Today, agriculture is contributing more to the citizens of the Concho Valley than ever before, while at the same time, being asked to do even more. Aside from producing basic commodities, agriculture is being expected to provide jobs and economic stability, a tax base for local and county governments and a first-line defense against various food-borne illnesses and other livestock and wildlife diseases. Agriculture and rural lands across the Concho Valley and the rest of America are increasingly being expected to address an ever-widening array of issues, problems and policies from animal rights issues, environmental and climatic concerns, energy production, water, and other natural resource conservation measures.

The Concho Valley consists of 9.4 million acres of rural lands across the Concho Valley and the rest of Texas. Weather conditions and areas of available irrigation water have made the area an efficient diversified region of Texas. Weather conditions and areas of available irrigation water have made the area an efficient diversified region of Texas. Weather conditions and areas of available irrigation water have made the area an efficient diversified region of Texas. Weather conditions and areas of available irrigation water have made the area an efficient diversified region of Texas. Weather conditions and areas of available irrigation water have made the area an efficient diversified region of Texas.

The Impact of Agriculture Extends Well Past the Farm or Ranch Gate

Agricultural production and related agribusinesses provide an estimated 13,542 jobs with an annual payroll of $272.8 million. There are an additional 1,512 non-farming/ranching agribusinesses that are not providing additional jobs for other Concho Valley citizens but are still providing additional economic stability across the region. Employment estimates do not include federal and state government employees working in agriculture. Farm Program payments received by producers and landowners add another $40.4 million annually or about 5% of the agricultural economic activity.

Livestock Production

Livestock and livestock products include animals, fowl, fish and animal products (wool, mohair and dairy products). Although the Concho Valley is considered the sheep and goat capital of the U.S., cow-calf and stocker operations generate considerably more revenue for the Concho Valley. Beef production is second only to cotton by $138.9 million. Wheat and hay and forage crops are the second most valuable crops respectively in the region. Each year, crop production generates nearly $205 million in value of farm production in the Concho Valley and $359 million in economic output across the region (Table 2).

The importance of production agriculture in the Concho Valley is tremendous. Annual cash receipts for crops, value-added livestock and livestock products totals $467.9 million (Table 1). The semi-arid climate which averages 18.2 inches of rainfall per year and long growing season allow for a wide range of crops to be grown, though cotton is responsible for the most economic impact in the region at $138.9 million. Wheat and hay and forage crops are the second and third most valuable crops respectively in the region. Each year, crop production generates nearly $205 million in value of farm production in the Concho Valley and $359 million in economic output across the region (Table 2).

Analysis of Production Agriculture

The importance of production agriculture in the Concho Valley is tremendous. Annual cash receipts for crops, value-added livestock and livestock products totals $467.9 million (Table 1). The semi-arid climate which averages 18.2 inches of rainfall per year and long growing season allow for a wide range of crops to be grown, though cotton is responsible for the most economic impact in the region at $138.9 million. Wheat and hay and forage crops are the second and third most valuable crops respectively in the region. Each year, crop production generates nearly $205 million in value of farm production in the Concho Valley and $359 million in economic output across the region (Table 2).


<table>
<thead>
<tr>
<th>Category</th>
<th>Concho Valley 2014-2017</th>
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<tr>
<td>Agricultural Cash Receipts</td>
<td>$467,908,400</td>
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<tr>
<td>Insurance Indemnities</td>
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<tr>
<td>Government Payments to Farmers/Ranchers</td>
<td>$40,372,290</td>
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<tr>
<td>Agribusiness Payroll</td>
<td>$272,844,142</td>
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<tr>
<td>Non-Employer Agribusiness Receipts</td>
<td>$34,290,291</td>
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<tr>
<td>TOTAL</td>
<td>$815,415,123</td>
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</table>
Land Access Fees

Concho Valley rangelands vary from flat prairie towards the region’s west to rough canyon country to the south. This varied topography is matched by its diverse plant and wildlife communities. Fees paid for access to these privately held resources are likewise varied. Hunting fees are being paid for access to Concho Valley lands for the purposes of hunting deer, antelope and other native and exotic small game, predators such as bobcats, coyotes and mountain lions, and birds such as dove, quail, and turkey. Other access fees are being collected for fishing, bird watching, photography, star gazing, mountain biking and hiking and several other natural resource-based activities. These fees are generating an increasingly important revenue stream to landowners and managers and ultimately the entire Concho Valley economy (Figure 2).

Impact Analysis

The direct value of agricultural production and access fees is not the only benefit to the regional or local economies. Many production dollars are paid to local suppliers for both goods and services for the materials necessary for commercial production. Farmers and ranchers also spend part of their income within the region. Similarly, employees of these suppliers buy business supplies and spend wages and profits within the local economy, creating a multiplier effect across the region. The original $508 million contribution to the Concho Valley economy from direct agricultural production leads to a region wide economic output estimated to be $747.6 million (Table 2).

Total output values are smaller than cash receipts for some government payments. Government payments support both commodity production and the incomes of farmer-households and landowners. This analysis assumes the disaster, conservation, and federal farm program safety net payments serve primarily as an income support as opposed to increasing commodity production. Thus, these payments are treated as changes to household income. Local recipients may also spend a substantial portion of payments outside of the Concho Valley region on investments as well as other goods and services, reducing the total output associated with these payments. Payments received by non-resident landowners will also reduce the total output values for these government payments listed in Table 2.


<table>
<thead>
<tr>
<th>Crops</th>
<th>Value ($1,000)</th>
<th>Percent of State Total</th>
<th>Concho Valley Economic Impact ($1,000)</th>
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<tr>
<td>Cotton</td>
<td>$138,899</td>
<td>4.6%</td>
<td>$247,416</td>
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<tr>
<td>Wheat</td>
<td>$38,055</td>
<td>1.2%</td>
<td>$64,693</td>
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<tr>
<td>Hay and Ensilage</td>
<td>$10,971</td>
<td>0.3%</td>
<td>$19,146</td>
</tr>
<tr>
<td>G. Serst}</td>
<td>$7,657</td>
<td>0.2%</td>
<td>$13,017</td>
</tr>
<tr>
<td>Corn</td>
<td>$2,855</td>
<td>0.1%</td>
<td>$5,023</td>
</tr>
<tr>
<td>Peanuts</td>
<td>$1,175</td>
<td>0.0%</td>
<td>$4,190</td>
</tr>
<tr>
<td>Melons and Vegetables</td>
<td>$1,750</td>
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<td>$2,382</td>
</tr>
<tr>
<td>Other Crops</td>
<td>$2,556</td>
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<td>$4,508</td>
</tr>
<tr>
<td>Total Crops</td>
<td>$204,809</td>
<td>6.0%</td>
<td>$359,375</td>
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Table 3. Concho Valley Agribusinesses, 2017.

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Employees</th>
<th>Annual Payroll ($1,000)</th>
<th>Number of Establishments</th>
<th>Gross Receipts ($1,000)</th>
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<tr>
<td>Agricultural Services</td>
<td>334</td>
<td>$12,009</td>
<td>185</td>
<td>$4,745</td>
</tr>
<tr>
<td>Mining</td>
<td>14</td>
<td>$239</td>
<td>13</td>
<td>$65</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1,320</td>
<td>$55,694</td>
<td>97</td>
<td>$9,372</td>
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<tr>
<td>Retail Trade</td>
<td>1,673</td>
<td>$45,520</td>
<td>292</td>
<td>$6,791</td>
</tr>
<tr>
<td>Food Service</td>
<td>5,959</td>
<td>$90,342</td>
<td>295</td>
<td>$6,212</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>465</td>
<td>$21,647</td>
<td>40</td>
<td>$1,939</td>
</tr>
<tr>
<td>Transportation, Warehousing &amp; Storage</td>
<td>114</td>
<td>$55,585</td>
<td>97</td>
<td>$2,482</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>208</td>
<td>$9,190</td>
<td>39</td>
<td>$1,459</td>
</tr>
<tr>
<td>Real Estate</td>
<td>94</td>
<td>$2,713</td>
<td>126</td>
<td>$7,246</td>
</tr>
<tr>
<td>Farm and Ranch</td>
<td>3,861</td>
<td>$30,246</td>
<td>416</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>13,542</strong></td>
<td><strong>$227,844</strong></td>
<td><strong>1,510</strong></td>
<td><strong>$34,290</strong></td>
</tr>
</tbody>
</table>

Analysis of Agribusiness

Data collected by the U.S. Census Bureau and the National Agricultural Statistics Service indicates there are over 15,000 people working in jobs or operating businesses directly related to agriculture in the Concho Valley (Table 3). This excludes various federal and state government employees, Texas County Business pattern data and the 2017 Census of Agriculture that show Concho Valley Agribusinesses inject $827.8 million in payroll into the regional economy annually. Self-employed agribusiness operators generate an additional $84,3 million of economic activity. These agribusinesses are not directly involved in production agriculture, as those numbers are already included in Table 2, but are involved in delivering goods and services to Concho Valley farmers and ranchers or are otherwise engaged in value-added activities.

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REFERENCES

- IMPLAN Group, LLC. IMPLAN 2017 Data and Application. Huntsville, NC. IMPLAN.com
In the Spring of 1998, the Texas Chapter ASFMRA met with Dr. Gilliland at Texas A&M University to see what we could do to enhance the Annual Outlook for Texas Land Markets. The attendance had dropped. The program had transitioned to more academics and less “real world”. The Chapter proposed that in addition to Dr. Gilliland’s macro report, the Chapter could do a more micro-type report based on input from the appraisers in each of the regions. Initially, the idea was not a hit. With some additional discussion, the Real Estate Center agreed. In the fall of 1998, during the Texas Chapter meeting, we had the first land value discussions for each of the areas. We adjusted the regions with input from all. The members from each region filled out worksheets and the Team Captains wrote the narrative portions. Together, Nardie and Lynda Vine prepared the maps and transferred the handwritten worksheets to Excel. Lynda created the cover and the Texas Rural Land Value Trends. This document was forwarded to Dr. Gilliland for inclusion in the conference workbook. The Texas Chapter then printed reports to supply the chapter members as well as being available to anyone who wanted a copy. In the Spring of 1999, the Team Captains presented the report during the Outlook Conference and it was a real hit! The rest is history! Over the years, the information has developed into an invaluable resource tool for the industry with data compiled by experts who work in the field day-to-day, experiencing first hand valuation changes and the reasons behind them.

The annual full color publication includes charts and comprehensive editorial coverage. The publication encompasses all of Texas’ 254 counties.
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- All photos must be 300 DPI
- Acceptable files: TIF, EPS, JPG, or PDF

**QUESTIONS:** (325) 446-3052

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Space Reservation, Payment & Artwork

**APRIL 2022**

At the Annual Outlook for Texas Land Markets in San Antonio

**PUBLISH DATE**

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(325) 446-3052
info@txasfmra.com
texasfmra.com

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Texas Rural Land Value Trends

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**PAYMENT (deadline MARCH 15, 2022)**

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- MasterCard
- Discover
- AmEx

- Check payable to TX Chapter ASFMRA

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</table>

**2021 TEXAS RURAL LAND TRENDS**

<table>
<thead>
<tr>
<th>Size</th>
<th>Rate</th>
<th>Qty</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inside Front Spread</td>
<td>$3,000</td>
<td>5</td>
<td>$15,000</td>
</tr>
<tr>
<td>Back Cover</td>
<td>$2,000</td>
<td>5</td>
<td>$10,000</td>
</tr>
<tr>
<td>Inside Back Cover</td>
<td>$1,500</td>
<td>5</td>
<td>$7,500</td>
</tr>
<tr>
<td>Inside Full Page</td>
<td>$1,000</td>
<td>5</td>
<td>$5,000</td>
</tr>
<tr>
<td>Half Page</td>
<td>$500</td>
<td>5</td>
<td>$2,500</td>
</tr>
<tr>
<td>Quarter Page</td>
<td>$250</td>
<td>5</td>
<td>$1,250</td>
</tr>
<tr>
<td>Business Card</td>
<td>$150</td>
<td>5</td>
<td>$750</td>
</tr>
</tbody>
</table>

**TOTAL ENCLOSED** $15,000

**INDICATE PREFERRED REGION**

(see map above)

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There is a 3% credit card processing fee. Please include payment with completed contract. Please include payment with completed contract.
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