

Spring Annual Meeting

REALTORS® Land Institute – Iowa Chapter

Land Trends & Values Press Release

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March 10th, 2021



**Farm Credit Services
of America**

AGRICULTURE WORKS HERE..



**QUALIFIED
INTERMEDIARY
SERVICES**

REALTORS® Land Institute – Iowa Chapter

March 2021 Land Value Survey Press Release

- ▶ REALTORS® Land Institute is an affiliate of the National Association of REALTORS®
- ▶ Organized for REALTORS® who specialize in farm and land sales, management, development and appraisal



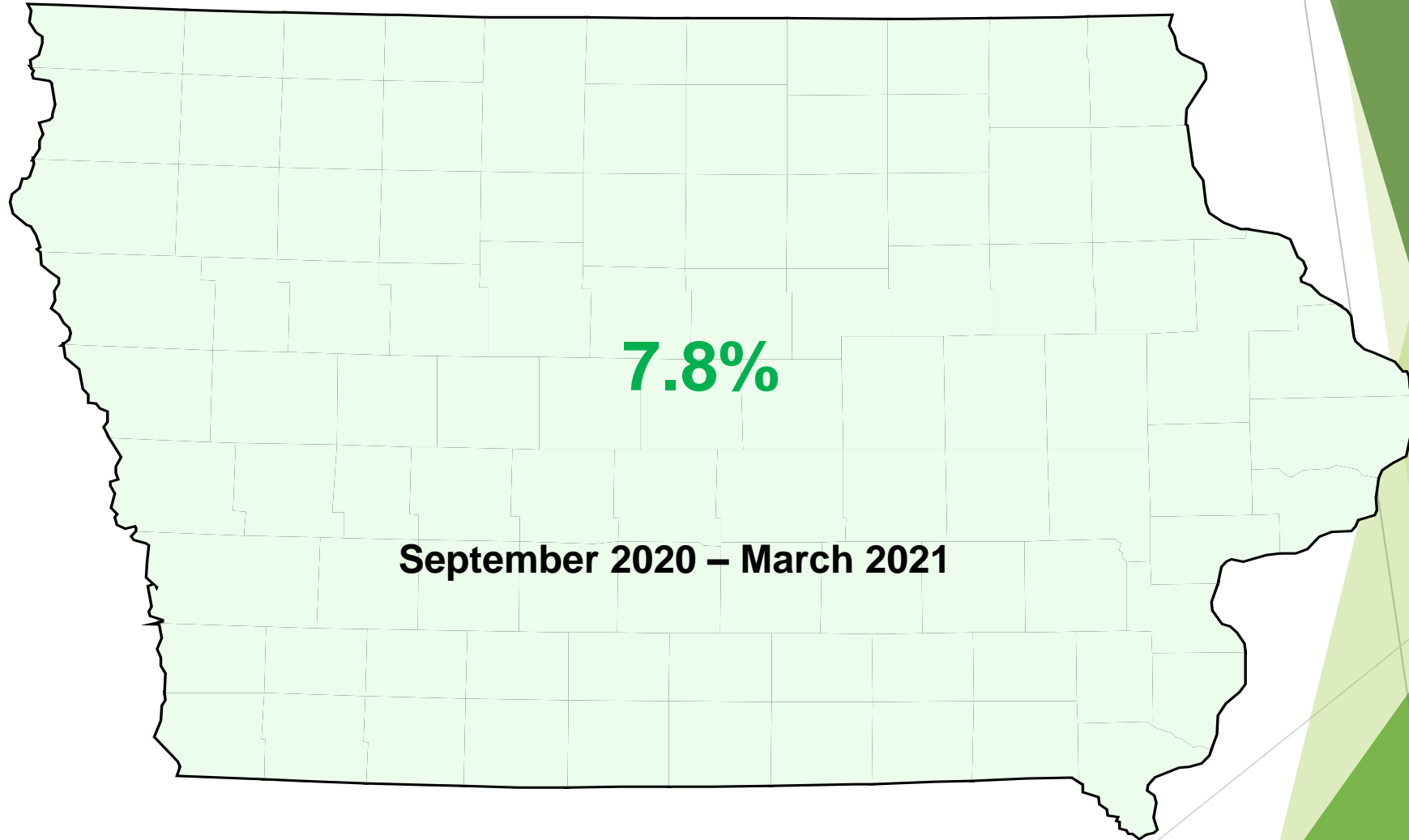
REALTORS® Land Institute – Iowa Chapter

March 2021 Land Value Survey Press Release

- ▶ Participants in the Survey
 - ▶ Asked for their opinions about the current status of Iowa's farmland market.
 - ▶ Asked to estimate the average value of farmland as of March 1, 2021.
 - ▶ Estimates are for bare, unimproved land with a sale price on a cash basis.

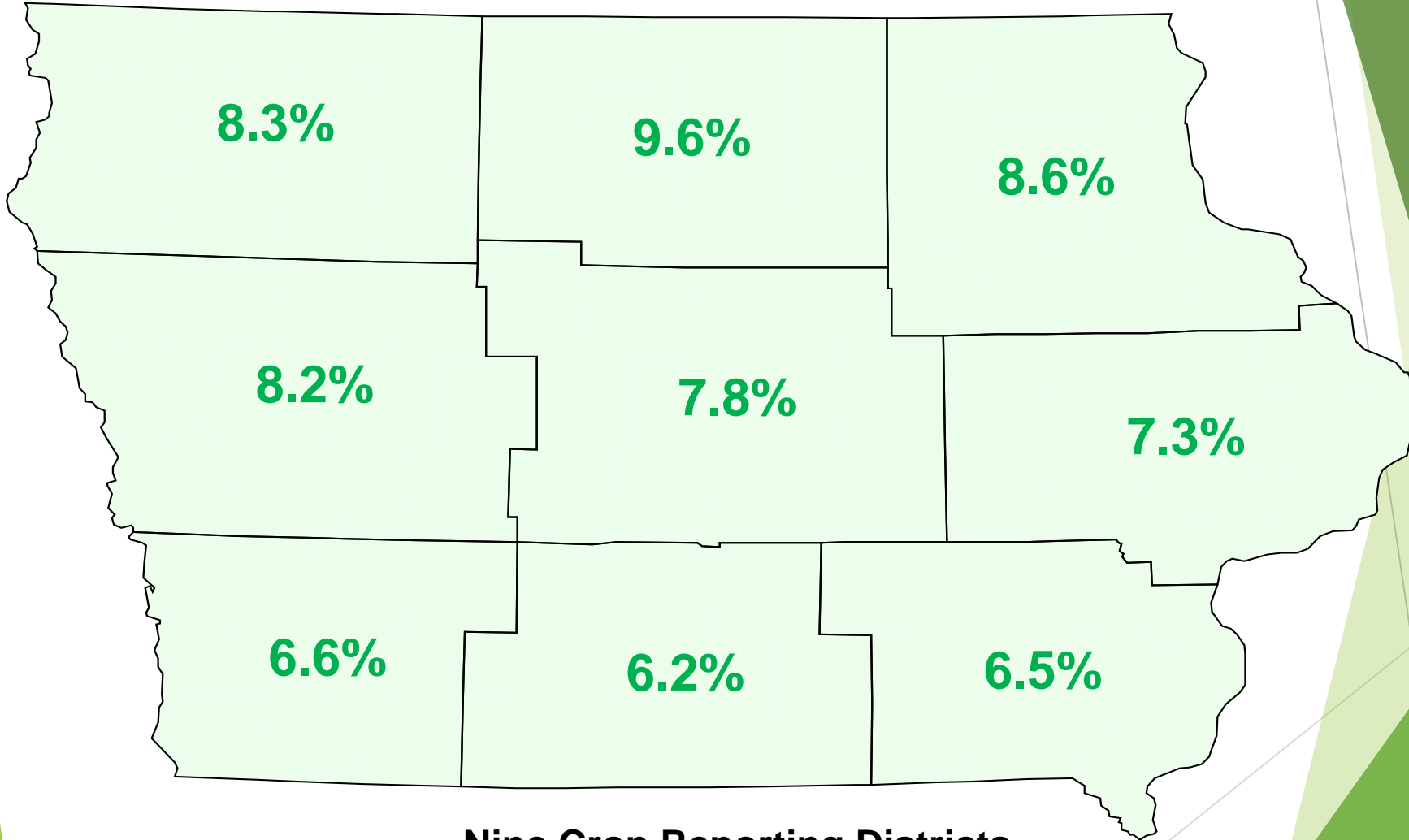


REALTORS® Land Institute- Iowa Chapter
March 1, 2021



REALTORS® Land Institute- Iowa Chapter March 1, 2021

September 2020 – March 2021

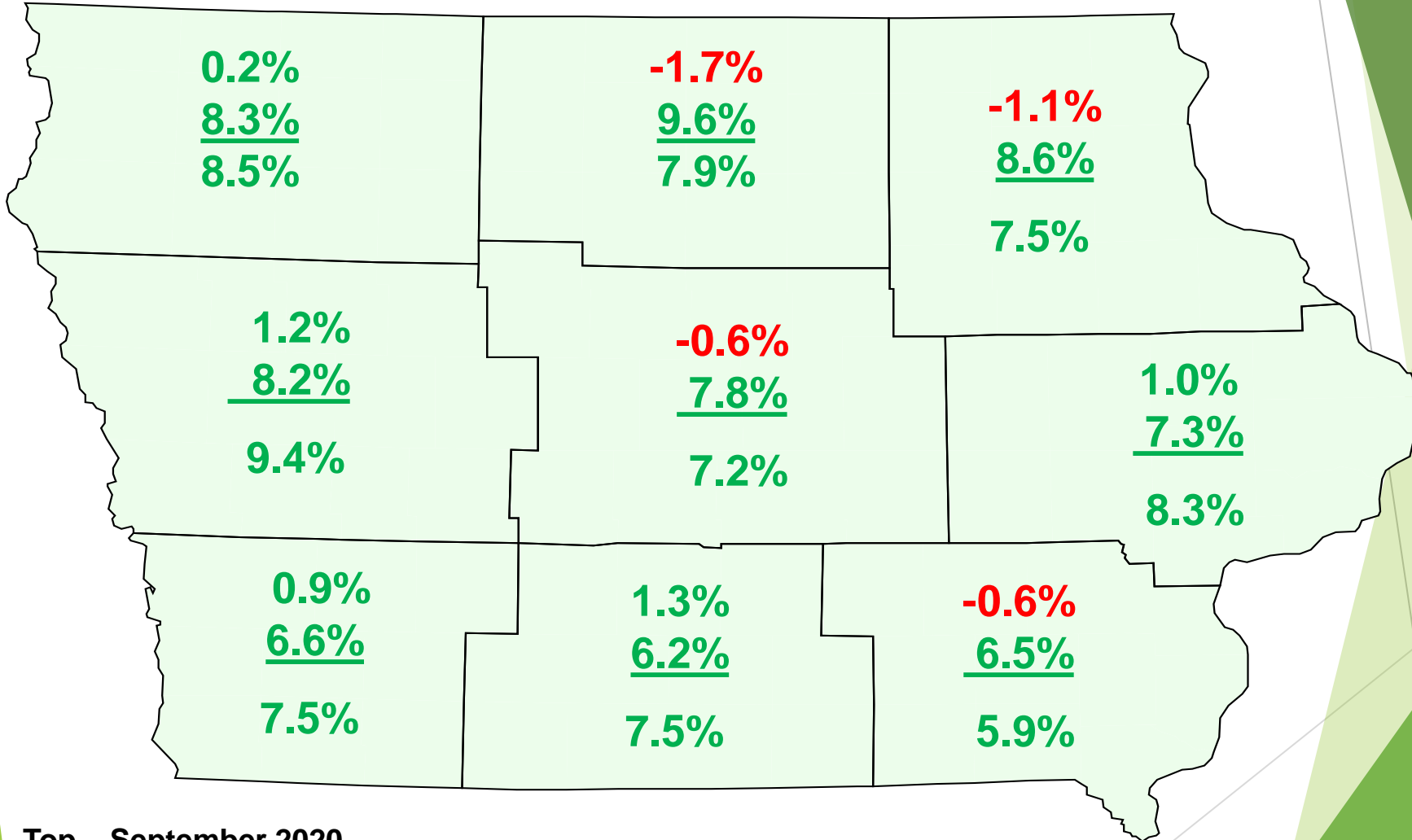


Nine Crop Reporting Districts

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March 1, 2021

March 2020 – March 2021

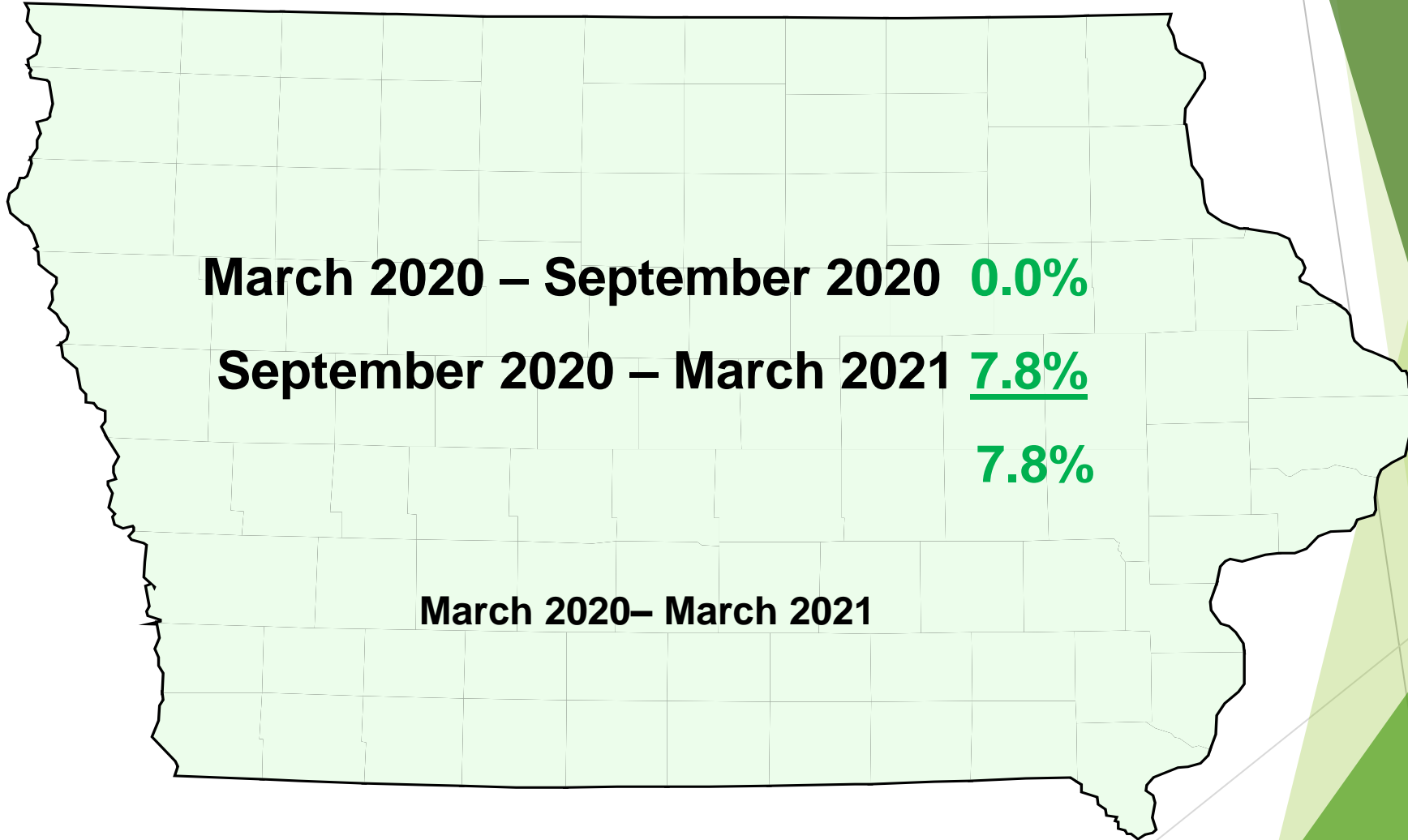


Top – September 2020

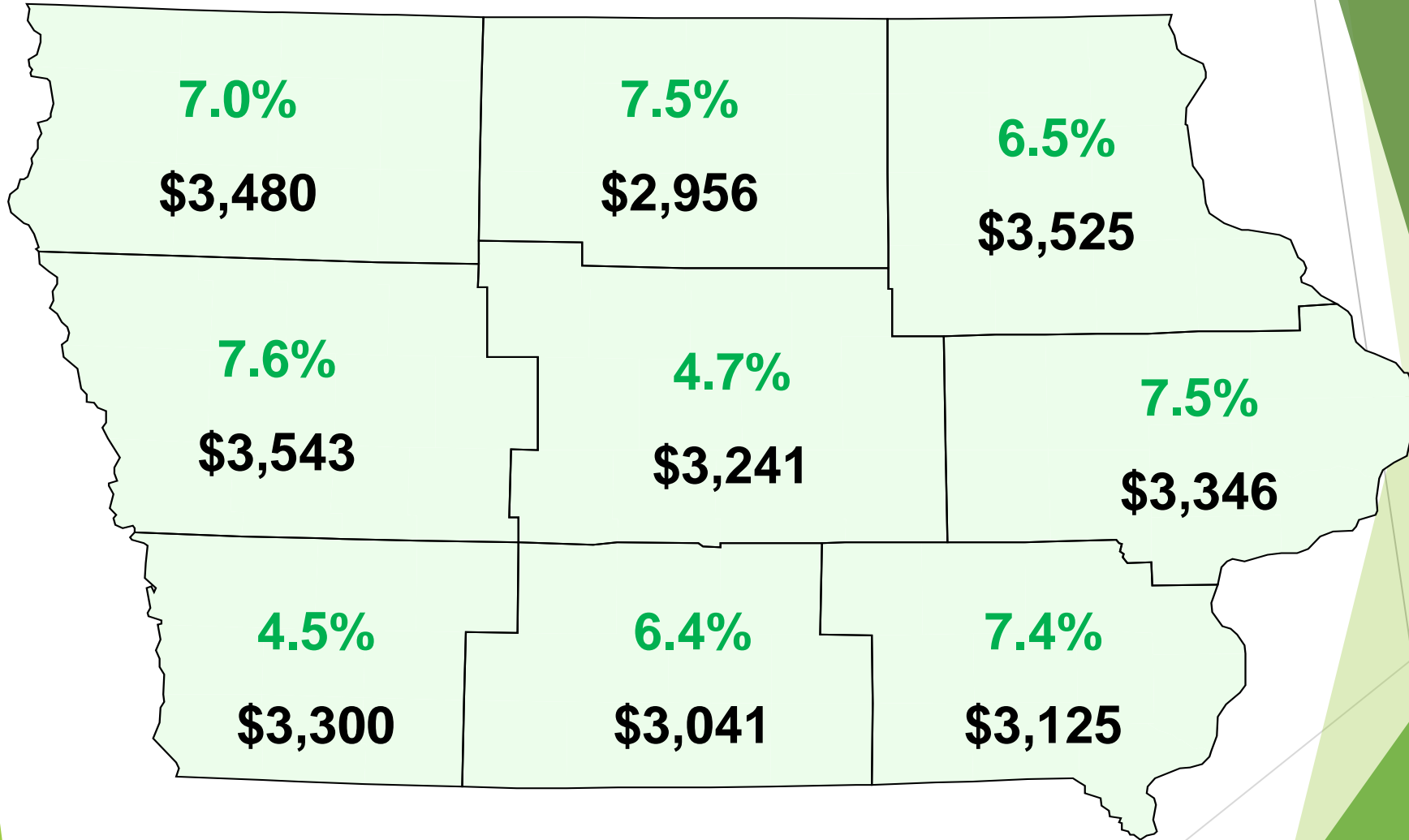
Bottom – March 2021

Nine Crop Reporting Districts

REALTORS® Land Institute- Iowa Chapter
March 1, 2021



REALTORS® Land Institute- Iowa Chapter
Pasture Acres
March 1, 2021

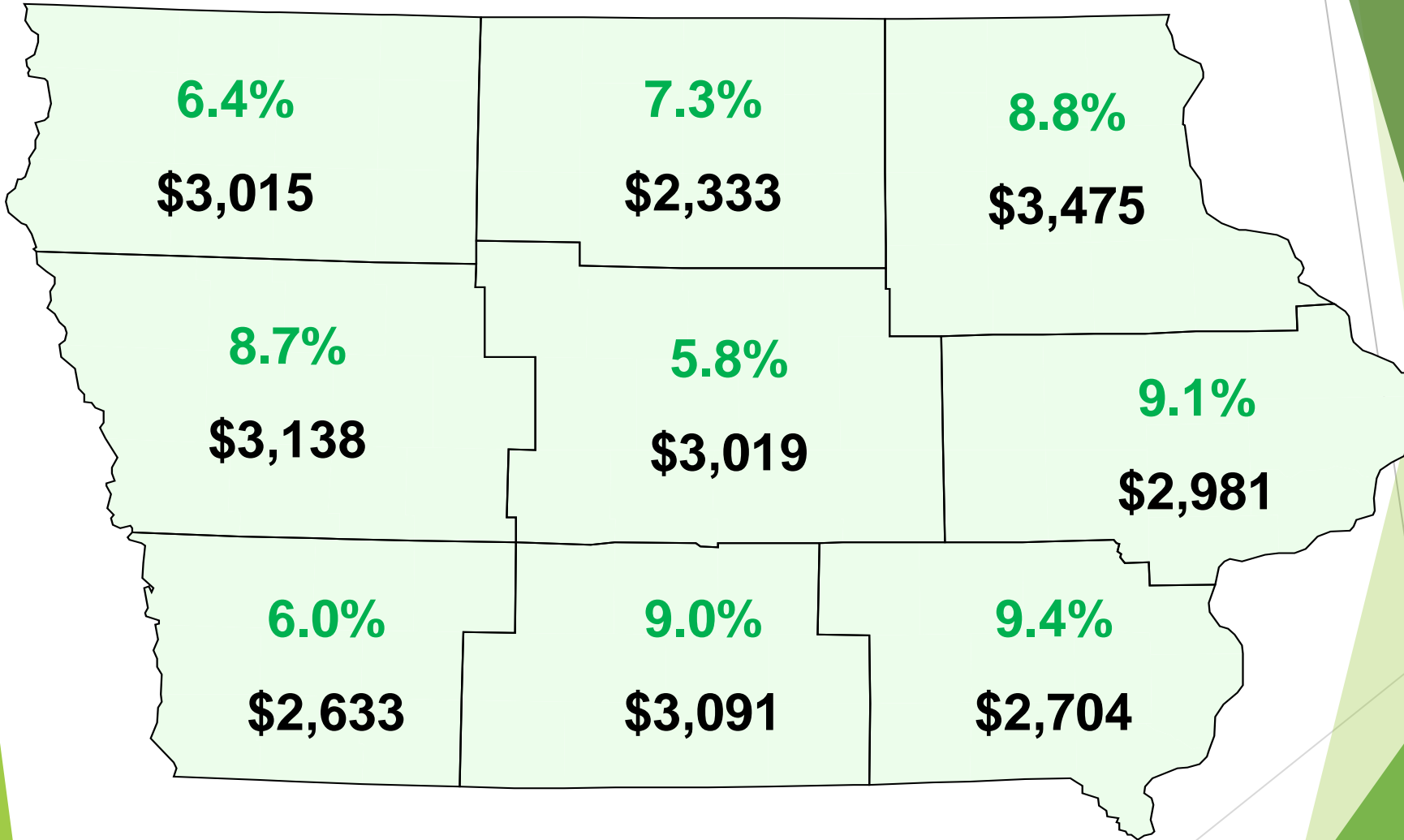


Top – Percent change
Bottom – Price per Ac

Nine Crop Reporting Districts

September 2020 – March 2021

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Non-Tillable / Timber Acres
March 1, 2021



Top – Percent change

Bottom – Price per Ac

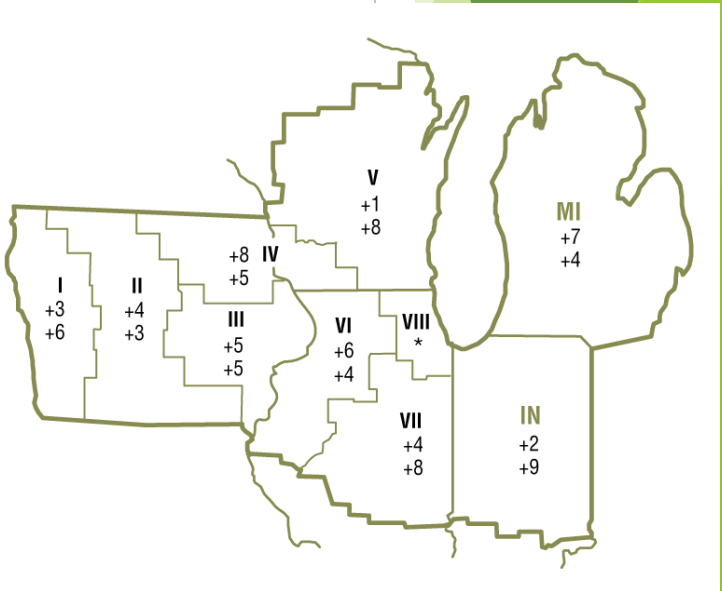
Nine Crop Reporting Districts

March 2020 – September 2020

Chicago Federal Reserve Study

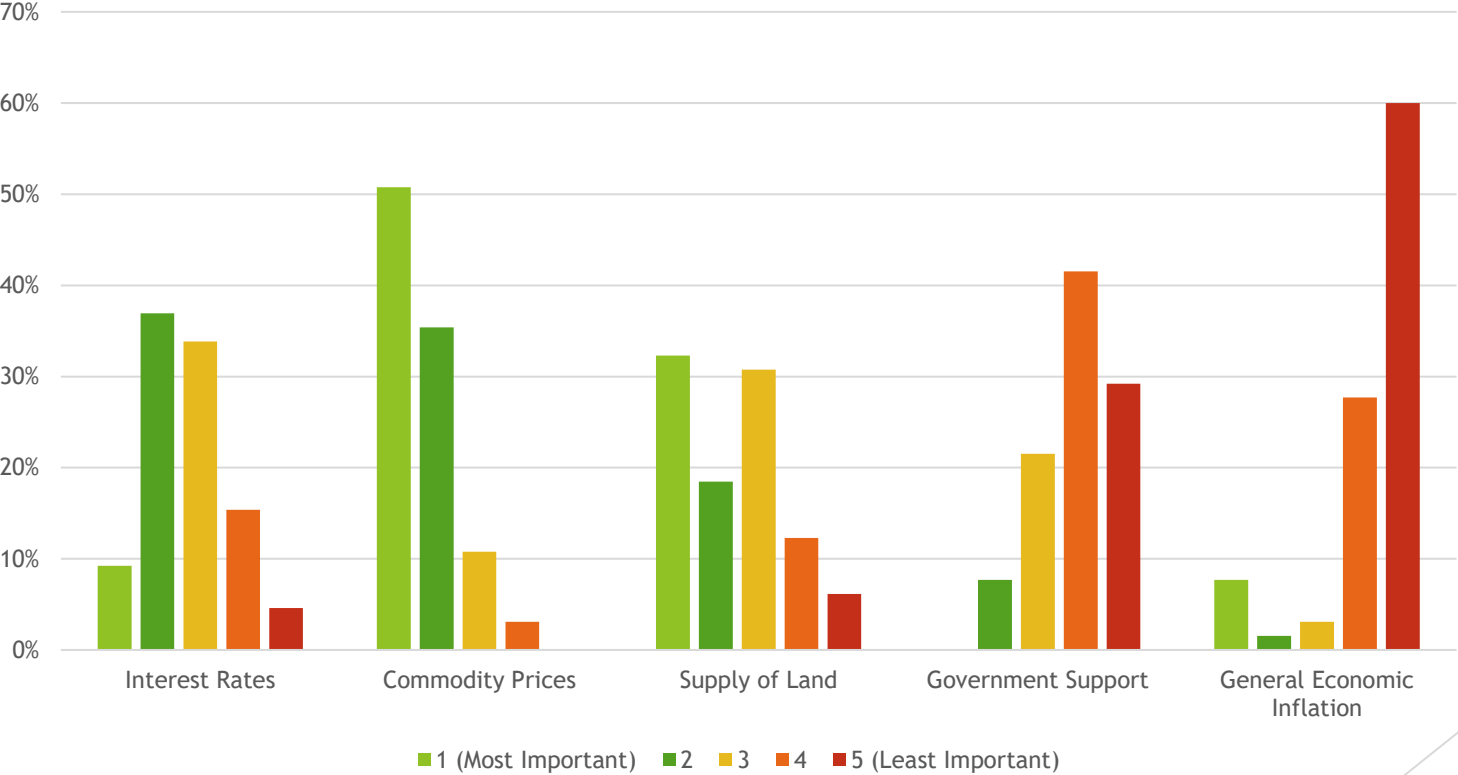
Percent Change in Dollar Value of “Good” Farmland

	October 1, 2020 to January 1, 2021	January 1, 2020 to January 1, 2021
Illinois	+4	+6
Indiana	+2	+9
Iowa	+6	+5
Michigan	+7	+4
Wisconsin	+2	+7
Seventh District	+4	+6

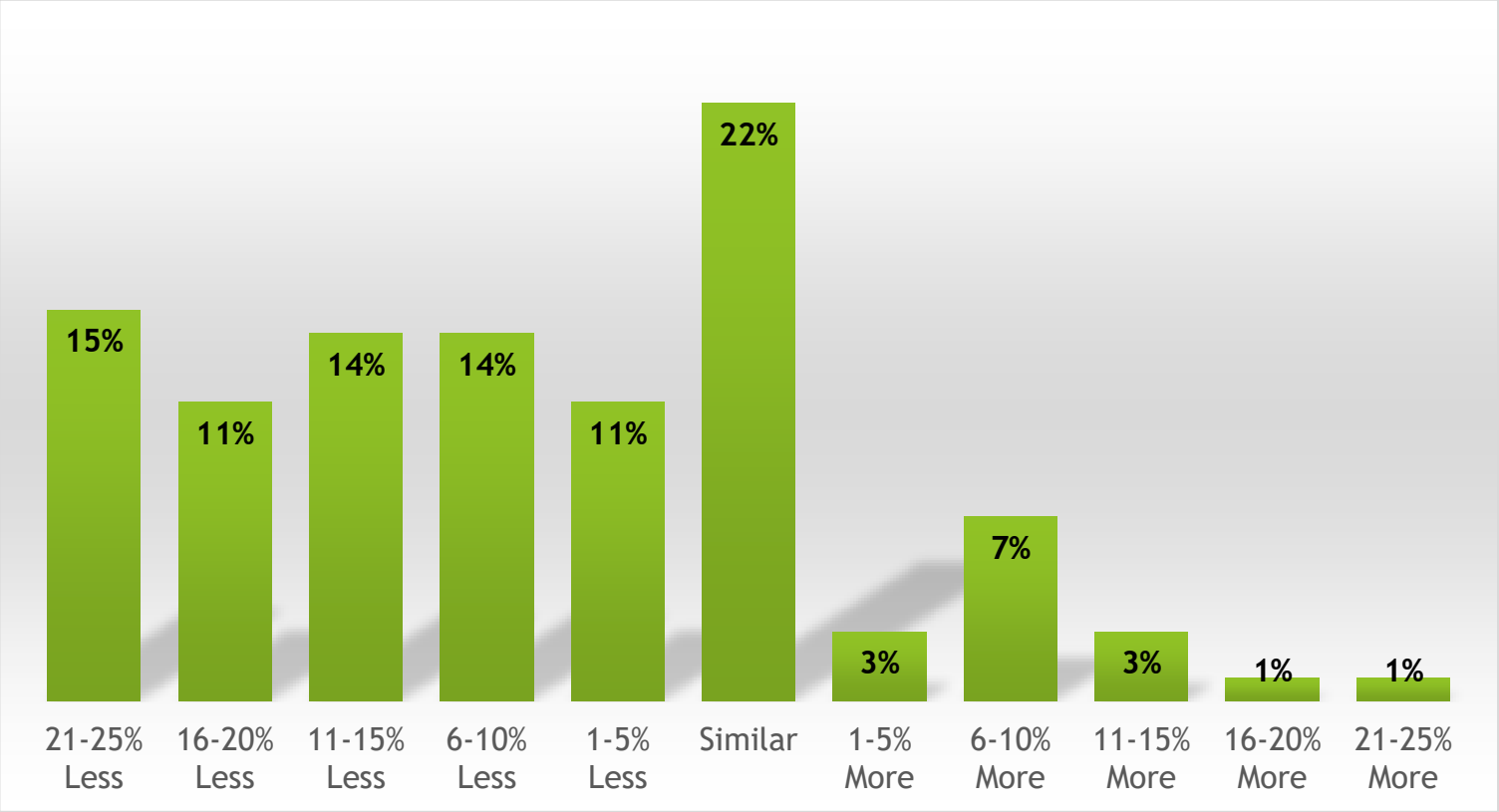


Top: October 1, 2020 to January 1, 2021
Bottom: January 1, 2020 to January 1, 2021

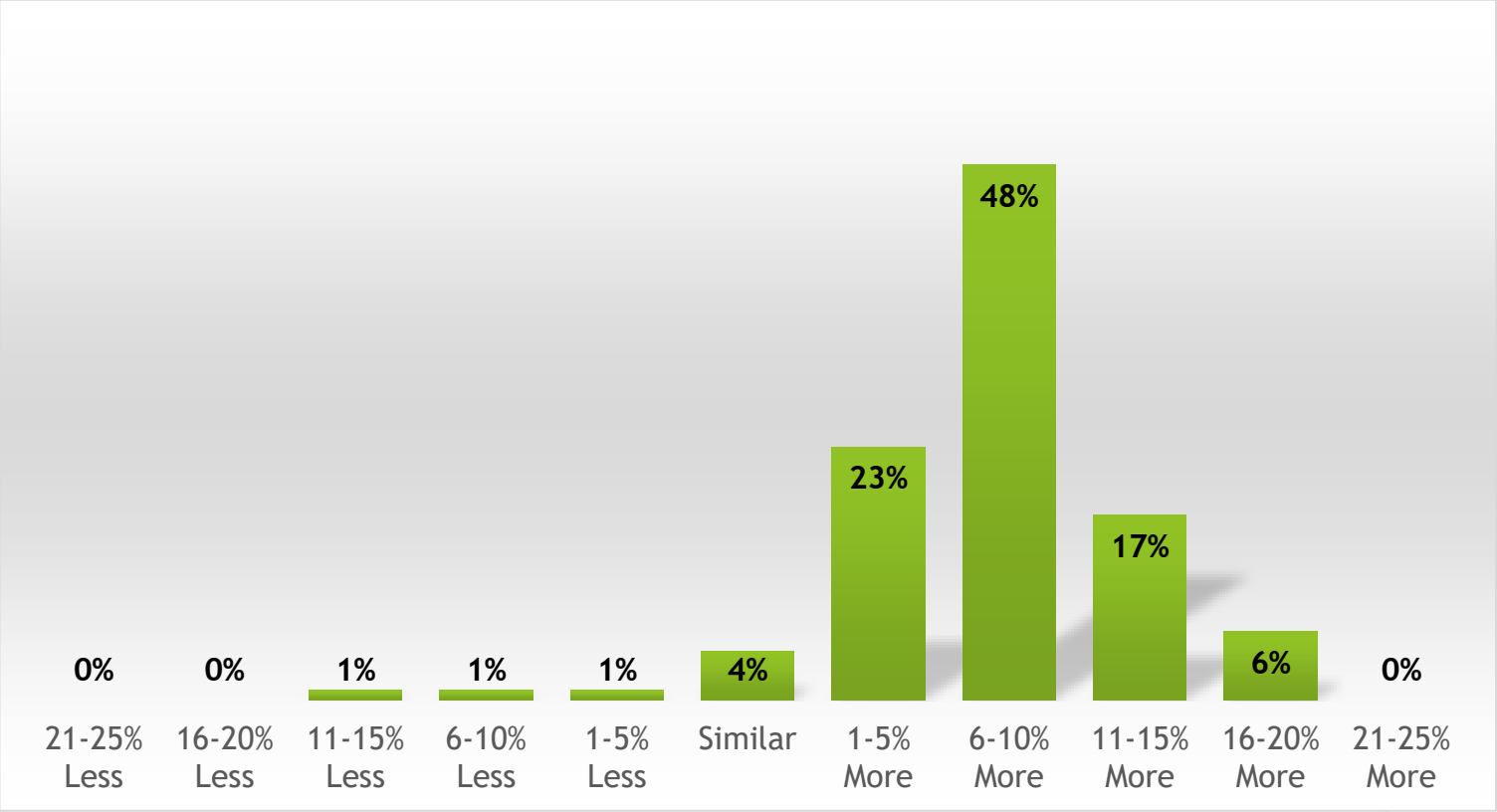
Factors Influencing the Land Market



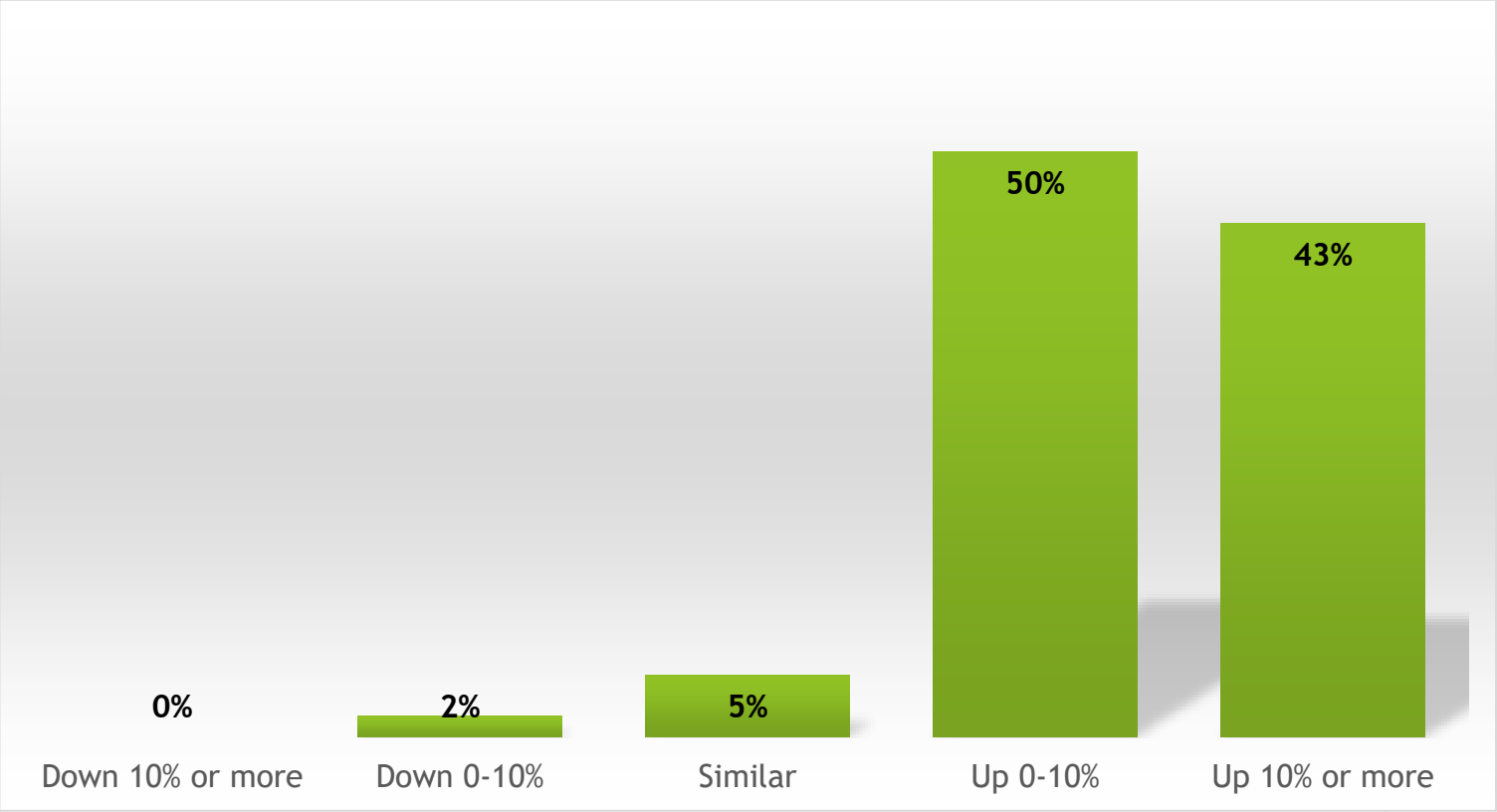
How does the number of farms for sale in your area compare to one year ago?



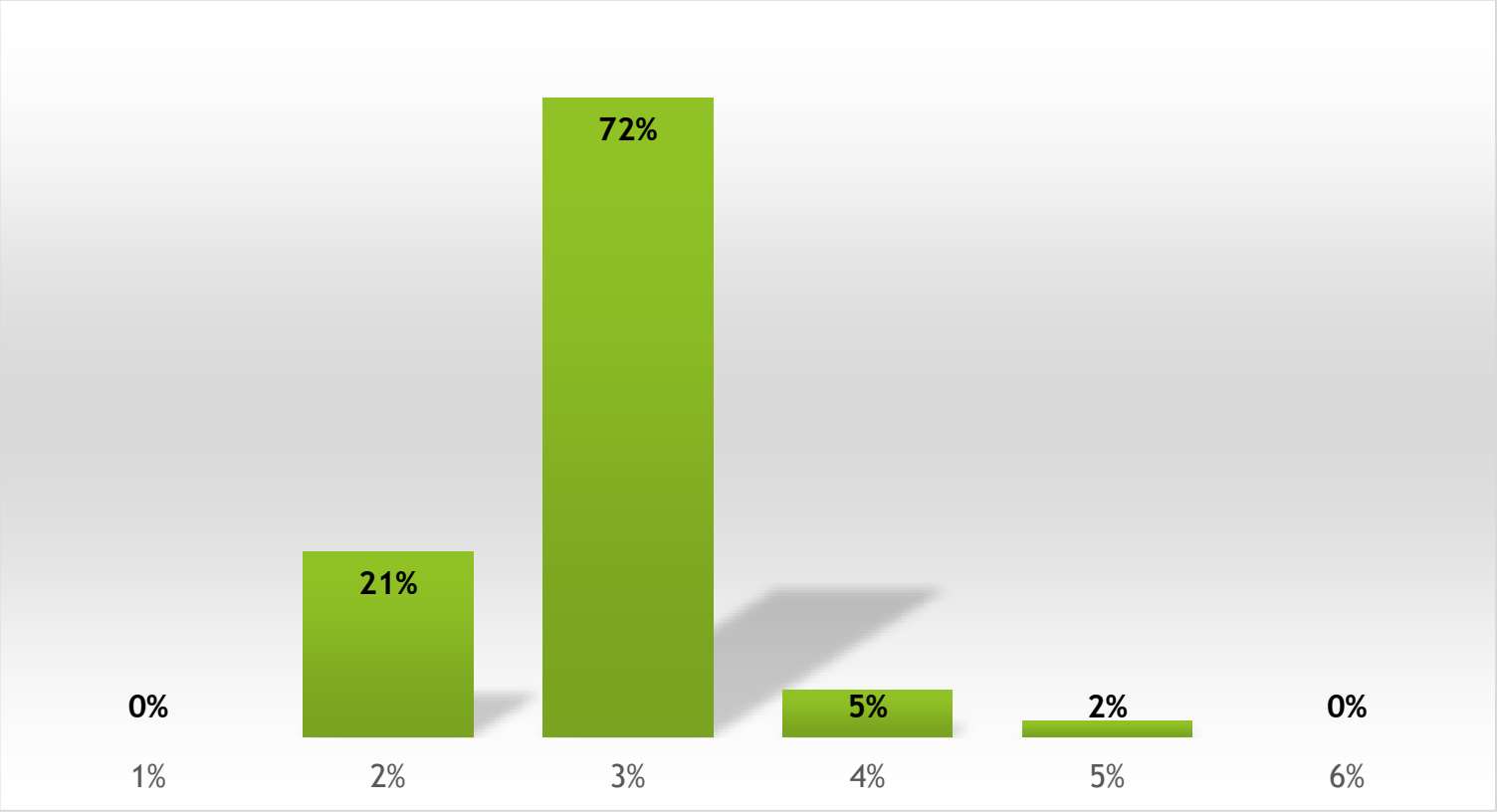
Overall, how do farmland values compare to one year ago?



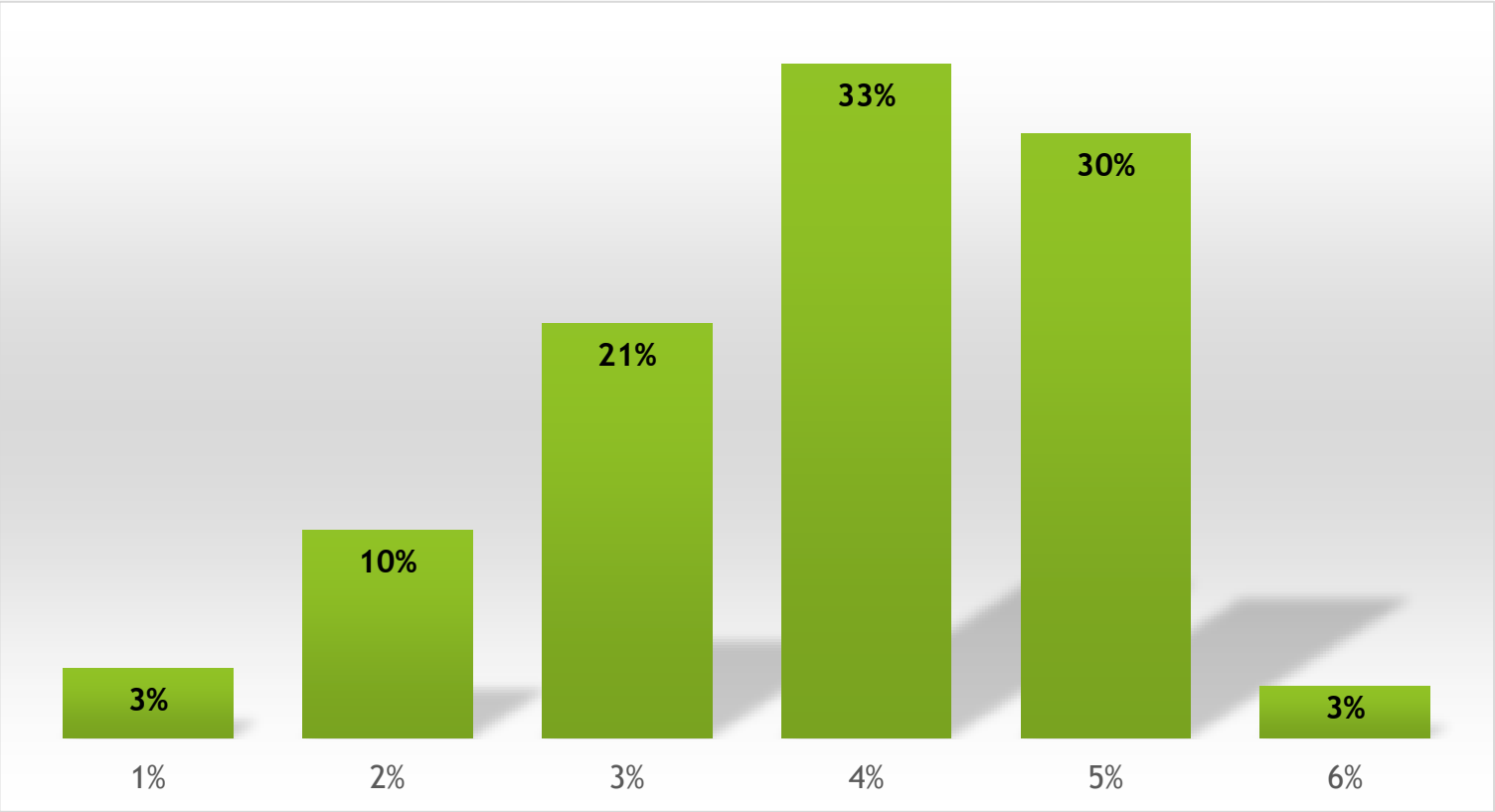
How do you expect farmland values to look five years from now?



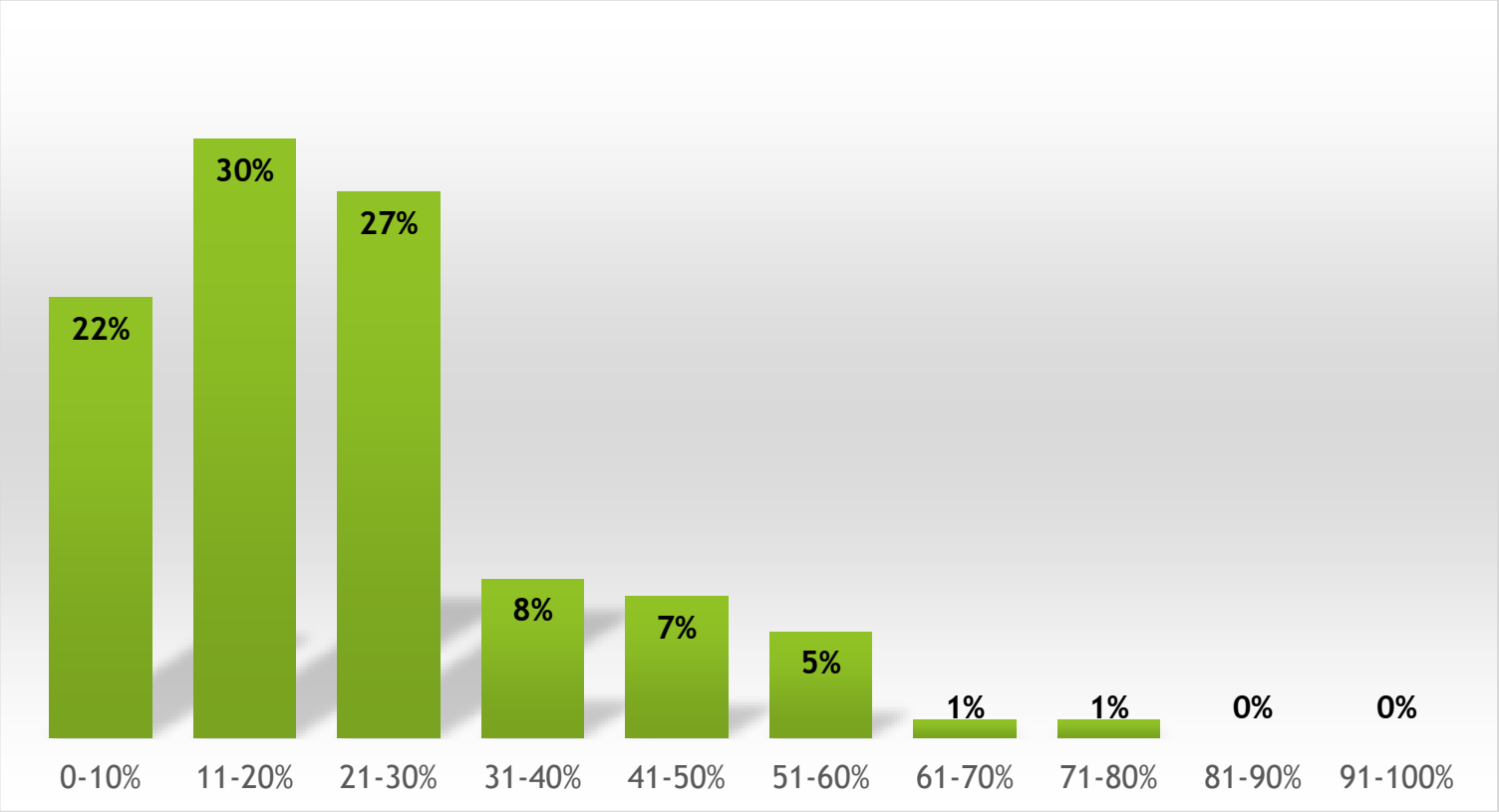
What is the expected return on cropland?



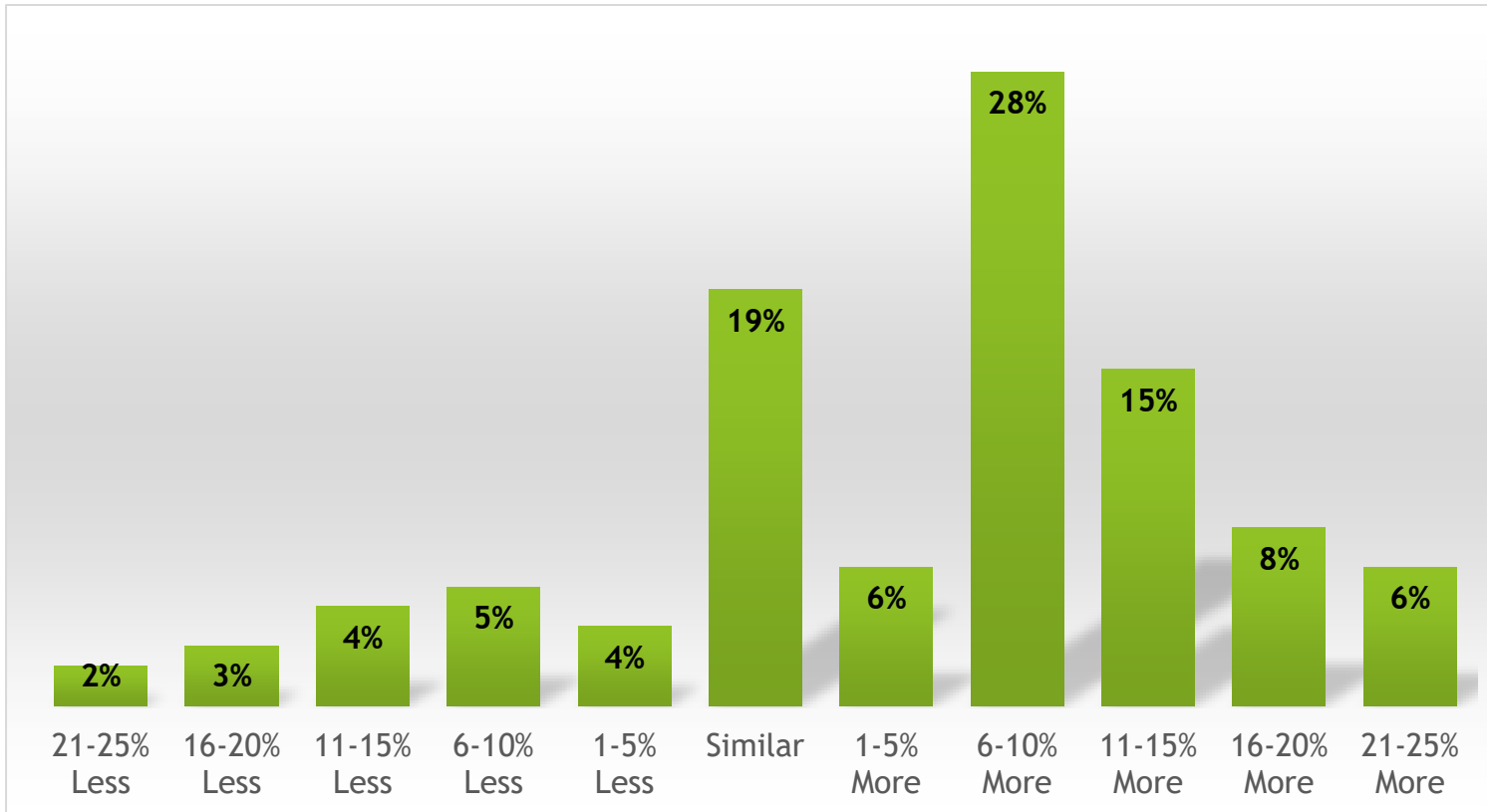
What is the expected return on CRP?



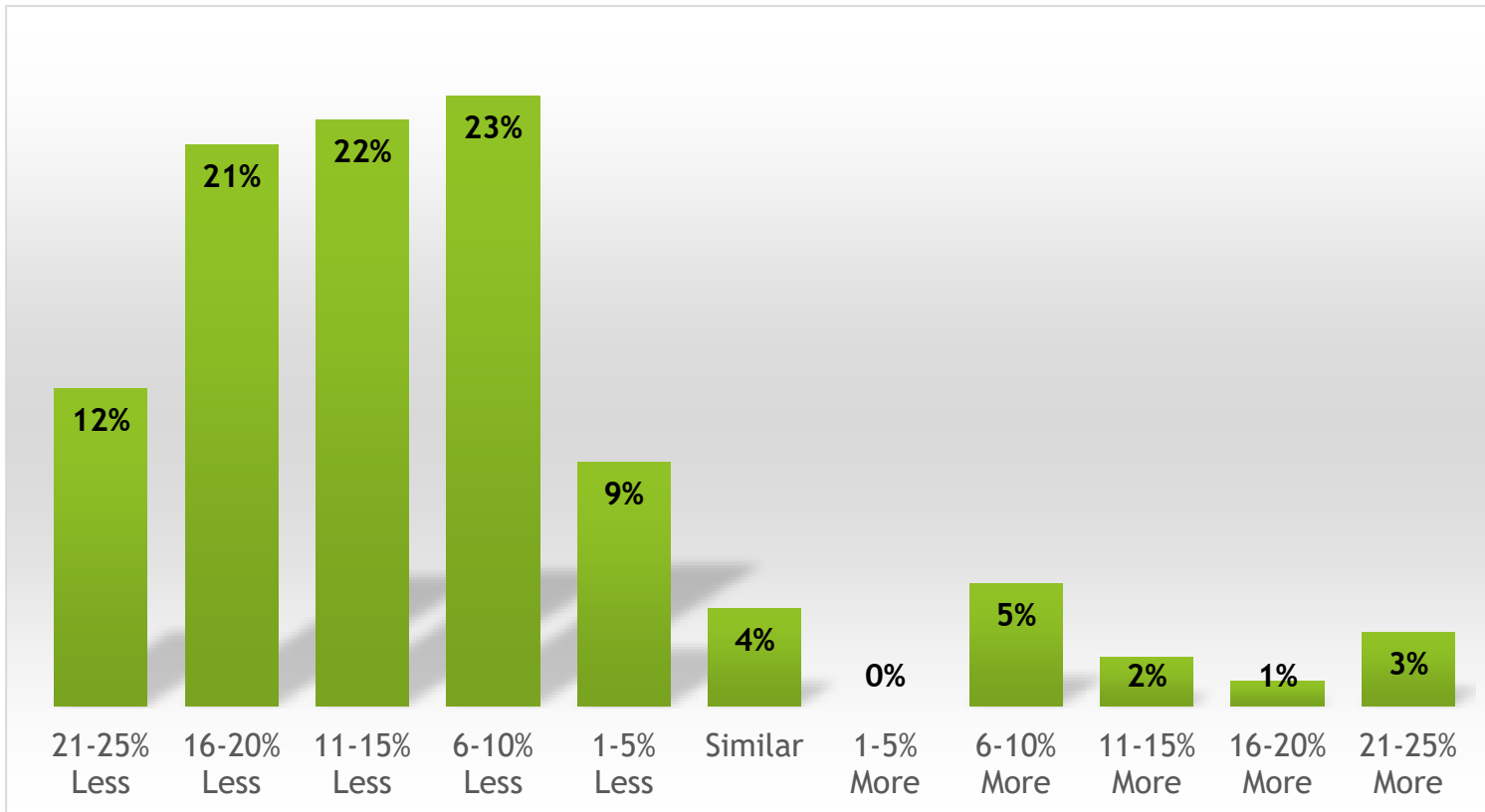
From your experience, what percentage of transactions involve either a buyer or seller executing a 1031 exchange?



If capital gains tax rates are increased in 2021 or 2022, what NEW percentage of future transactions do you think will involve either a buyer or seller executing a 1031 exchange?



If you were to estimate the impact of a repeal of Section 1031 on your transaction volume, what would you expect in terms of a percentage drop in total transactions as a result of landowners holding onto properties rather than selling and paying the capital gains tax?



Conclusion

- ▶ Land values are on the rise for all quality and use types
- ▶ Negatives for Land Market
 - ▶ New Gov't Tax policy/trade uncertainty with changing of administration
- ▶ Positives for Land Market
 - ▶ Still limited amount of land for sale
 - ▶ Commodity prices
 - ▶ Favorable interest rates
- ▶ Farmers are primary buyers
 - ▶ Investors are willing to compete for quality
 - ▶ Recreational/acreage buyers are extremely active
- ▶ Tremendous amount of optimism in the market
 - ▶ What to watch? Commodity prices and supply of farms

Questions?

