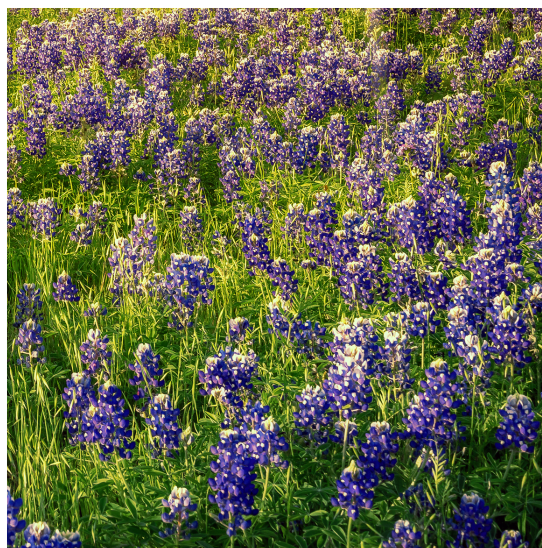
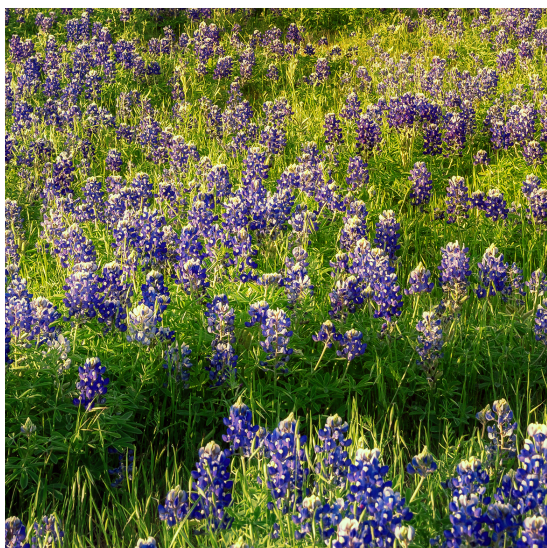


# Texas Land Market Latest Developments Third Quarter 2024

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# About this Report

The *Texas Land Market Latest Developments* report contains an analysis of Texas land markets. The reported sales consist of a sample of verified transactions through third quarter 2024. *The report does not include all Texas land sales.* The statistics reflect a mixture of land uses and conditions and represent the market for large rural land tracts (the minimum land size is region-specific due to the varied tract sizes sold in each region). Statistics in the report reflect general trends without regard to land use or type. The analysis reports quarterly, annualized changes using moving averages as they generally minimize noisy, short-term fluctuations and provide a long-term indication of market trends. Reported values are based on median prices because they are the most stable representation of market conditions.

Users should regard the statistics presented here as indicators of past market conditions providing a general guide to land market trends. The reported data do not represent prices or values of any particular farm or ranch. *Users should not consider the reported statistics as a substitute for an appraisal or market study of current local sales regarding the value of any particular farm or ranch.*

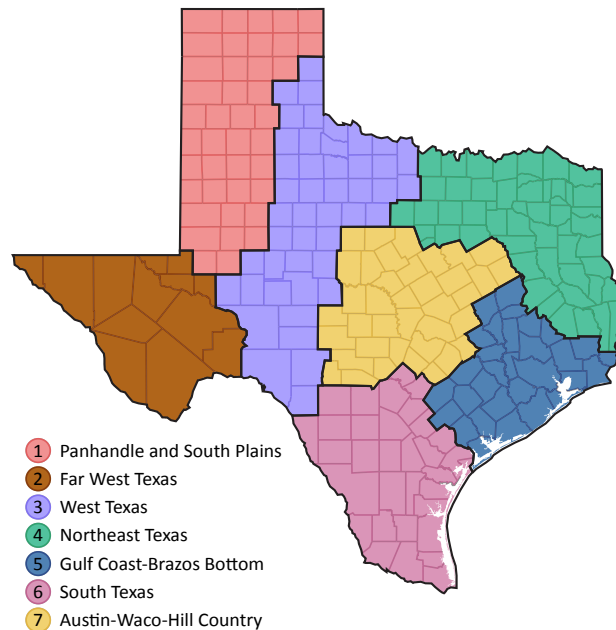
For historical data on Texas' Land Market Areas and data for Louisiana, Mississippi, and Alabama, go to [trerc.tamu.edu/rural-land](http://trerc.tamu.edu/rural-land). This page also includes a link to Texas Rural Land Value Trends, a regional analysis of Texas markets by the Texas Chapter of the American Society of Farm Managers and Rural Appraisers.

## Definition of Terms

<b>Annualized</b>	The four-quarter, moving-average value representing an annual value compared with a quarterly value.
<b>Price per acre</b>	Nominal price per acre is the four-quarter, moving median price per acre segmented by size of property sold in each region. Statewide prices are a weighted average of those regional prices. Weights are determined by the amount of land in each region. The statewide weighted average represents a composite of a "typical" acre of Texas rural land.
<b>Year-over-year (YOY) percent change</b>	A comparison of the current price to the prices in the corresponding quarter of the previous year.
<b>Sales</b>	The sum of reported sales volume over four quarters.
<b>Size</b>	The four-quarter moving average of the median size of properties sold (i.e., median acres per transaction sold). The value represents a typical acreage for properties sold during the four consecutive quarters. The statewide number is weighted by the amount of land in each region.
<b>Acres</b>	The sum of the number of reported acres sold over four quarters.
<b>Forecast</b>	The Center uses a five-equation model to forecast land prices. The forecasts change quarterly as new information develops.
<b>Confidence intervals</b>	Values around the forecast believed to contain, with 95 percent probability, the true value.
<b>Total dollar volume</b>	The four-quarter moving average of the median number of acres sold multiplied by the four-quarter moving average of the median price per acre.



# Texas



The Texas rural land market appears to be in flux and in search of a new direction. Annualized statewide price change continues to moderate, sitting at \$4,737, up 2.36 percent year-over-year (YOY) through the third quarter. While this rate of change may appear to indicate stabilization, there are issues worthy of discussion. First, market activity is still depressed (well below 2019 levels), and annualized total sales continued to decline, down 5.01 percent YOY. Secondly, YOY price growth varied widely by region and was heavily influenced by recent sales price strength in Regions 1, 2, and 4, but it is worth noting that Regions 1 and 4 experienced substantial drops in total acres sold. This is indicative of a market in which quality tracts are selling at higher prices while less attractive tracts are sitting on the market longer.

The real (deflated) price per acre eked out a slight gain of 0.15 percent YOY. The five-year compound annual growth rate (CAGR) through 3Q2024 slipped just below 10 percent for the first time since 1Q2022 to 9.92 percent.

As noted, annual sales volume slipped 5.01 percent to 3,453 through 3Q2024. Quarter-only sales volume dropped 12.68 percent, more than double the total annual rate. There were 852 sales in 3Q2023 and 744 in 3Q2024, but the 3Q2024 number may yet be revised higher. The continued cooldown in sales is obvious, but the rate of decline is slowing.

The typical size expanded 36.57 percent to 1,960 acres. The typical size was pushed up by large tracts in Regions 1, 2, and 4. Total acres sold statewide was up 8.52 percent at 298,809 acres. For the first time since 2022, total acres sold was positive in four of seven regions. Region 1 was down the most, and Regions 4 and 6 continued their decline. Statewide total dollar volume rose 11.1 percent over the prior annualized total to \$1.42 billion.

Comparing year-to-date sales from 3Q2023 to 3Q2024, of the 33 Land Market Areas (LMAs), the typical size overall was up 9 percent YOY to 127 acres. There was slight improvement in the mix of price changes across the LMAs. The median change was plus 2 percent YOY, and 19 LMAs had positive price changes. Additionally, only four LMAs showed a statistically verifiable trend in price and they were all positive changes. Nonetheless, the mixture of results with few statistically significant shifts suggests a market searching for a sustainable price trend.

# Texas

Table 1. Texas Land Sales, 3Q2024

	Annualized Value	YOY Change
Acres	298,809	8.52% ▲
Size	1,960	36.57% ▲
Number of Sales	3,453	-5.01% ▼

Source: Texas Real Estate Research Center at Texas A&M University

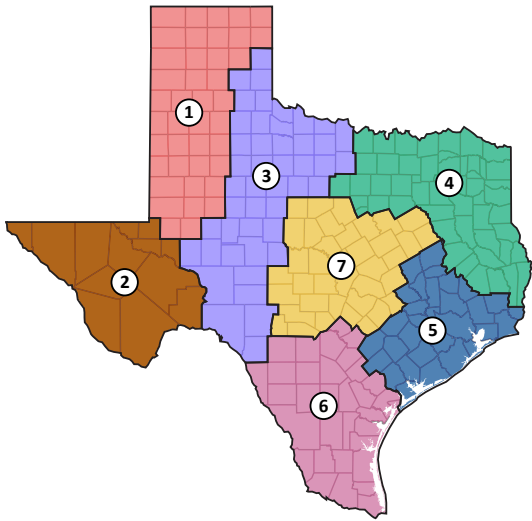


Figure 1. Texas Rural Land Prices

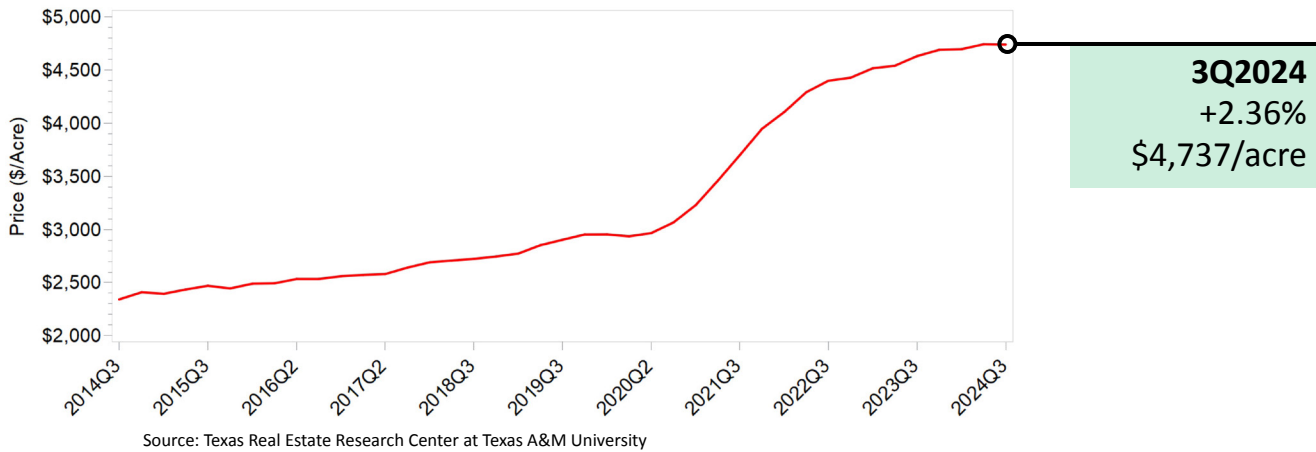
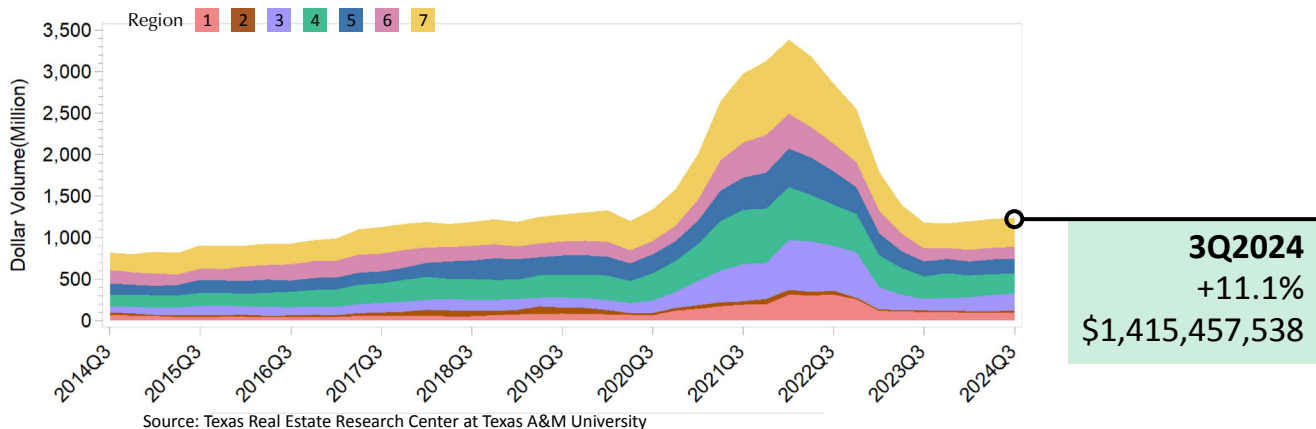
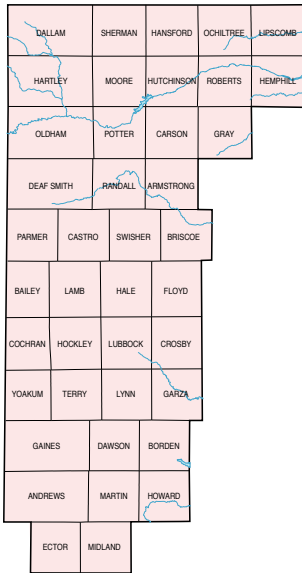


Figure 2. Texas Total Dollar Volume



# Region 1



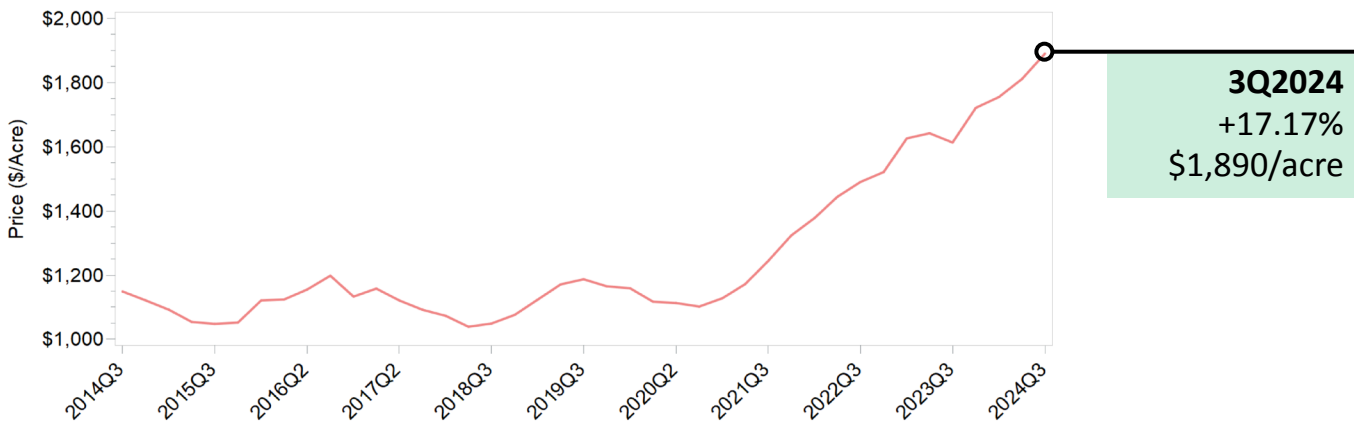
Prices in this region continue to defy gravity, gaining 17.17 percent YOY to \$1,890 per acre. The annualized number of sales dropped 16.84 percent to 316 transactions. A 22.29 percent decline in total acres sold contributed to an 8.95 percent decrease in total dollar volume to \$95.75 million. Size increased by 8.5 percent YOY to 391 acres. The continued decline in sales volume illustrates low inventory and softened demand except for the most attractive properties.

Table 2. Panhandle and South Plains Land Sales, 3Q2024

	Annualized Value	YOY Change
Acres	50,660	-22.29% ▼
Size	391	8.5% ▲
Number of Sales	316	-16.84% ▼

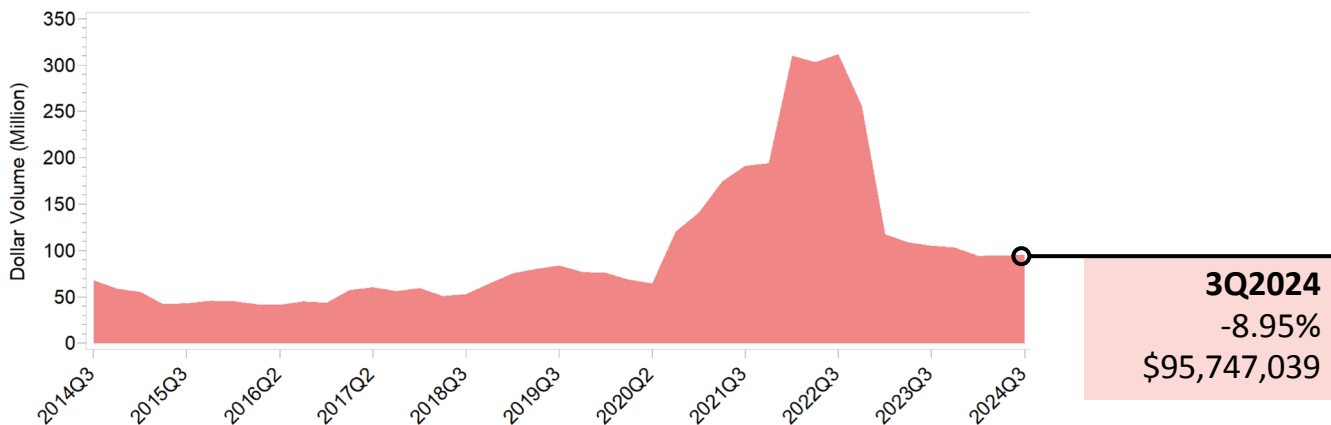
Source: Texas Real Estate Research Center at Texas A&M University

Figure 3. Panhandle and South Plains Rural Land Prices



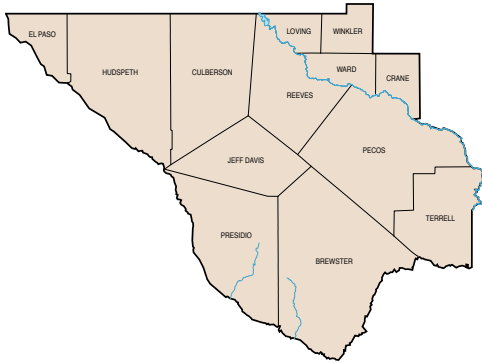
Source: Texas Real Estate Research Center at Texas A&M University

Figure 4. Panhandle and South Plains Total Dollar Volume



Source: Texas Real Estate Research Center at Texas A&M University

# Region 2



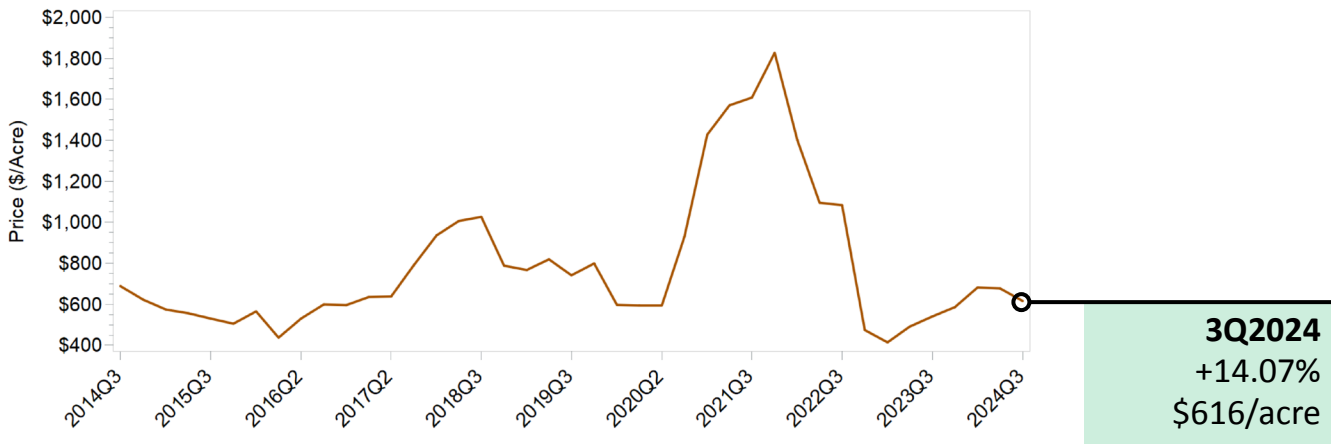
Demand for land here remains weak. Sales activity was low again last quarter as annualized sales volume was down 20.83 percent from an already low level. However, the latest price rose by 14.07 percent YOY to \$616 per acre. Total dollar volume increased by 51.38 percent to \$26.27 million. Size increased 43.26 percent to 14,669 acres, and total acres climbed 32.71 percent to 42,650 acres. Lack of a sufficient volume of transactions makes it difficult to accurately estimate trends in this region.

Table 3. Far West Texas Land Sales, 3Q2024

	Annualized Value	YOY Change
Acres	42,650	32.71% ▲
Size	14,669	43.26% ▲
Number of Sales	12	-20.83% ▼

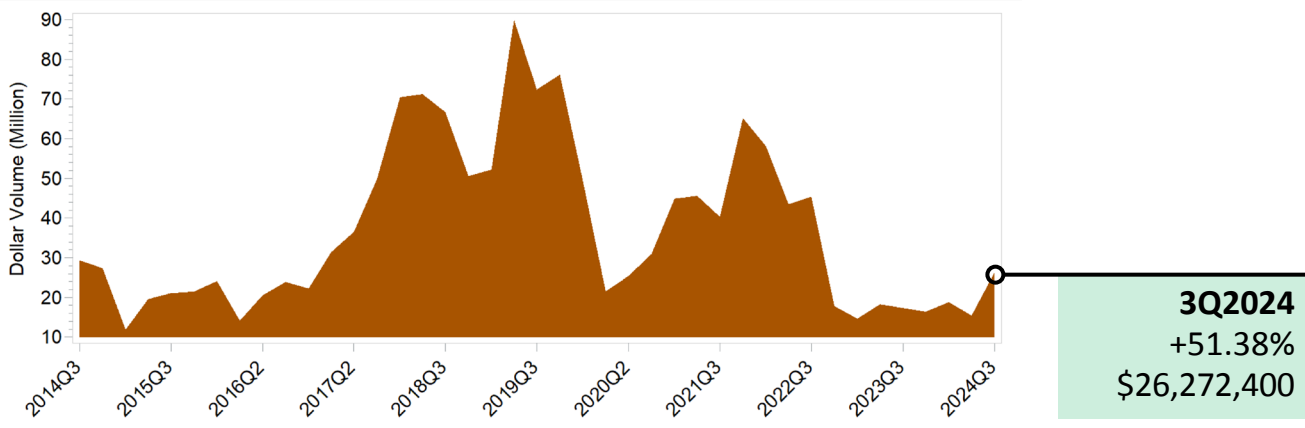
Source: Texas Real Estate Research Center at Texas A&M University

Figure 5. Far West Texas Rural Land Prices



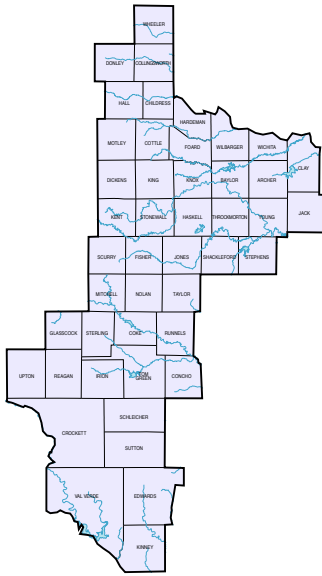
Source: Texas Real Estate Research Center at Texas A&M University

Figure 6. Far West Texas Total Dollar Volume



Source: Texas Real Estate Research Center at Texas A&M University

# Region 3



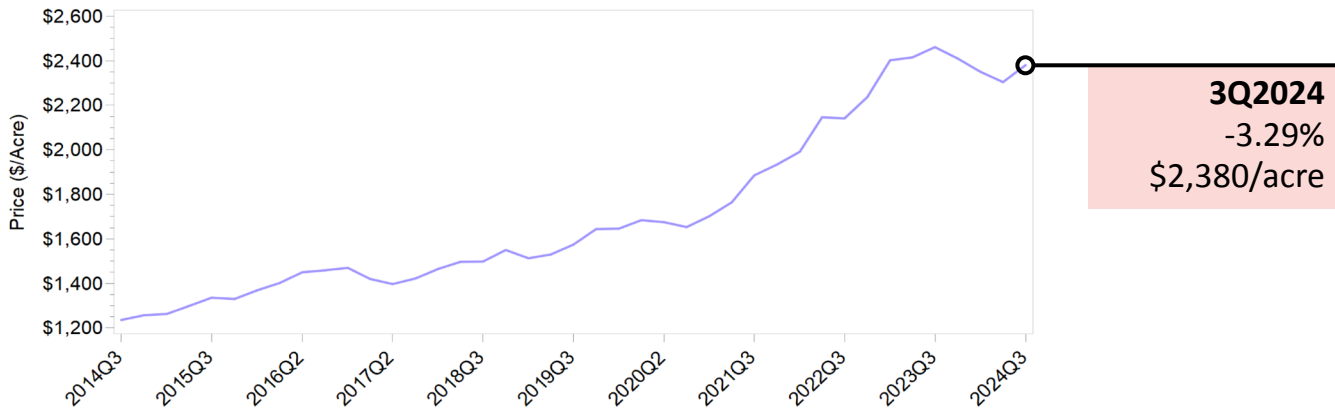
Median price in this region remained below year-ago levels, down 3.29 percent to \$2,380 per acre. Prices remain soft in the Edwards Plateau – West (LMA 9), down 6 percent YOY, while they were flat YOY in the North Central Plains (LMA 12). Tract size rose 11.01 percent YOY to 417 acres this quarter. Annualized sales volume increased 8.07 percent to 482 sales; third quarter sales were on par with 3Q2023. Total dollar volume ballooned by 50.22 percent to \$206.88 million. At 86,926 acres, total acreage climbed 55.33 percent YOY.

Table 4. West Texas Land Sales, 3Q2024

	Annualized Value	YOY Change
Acres	86,926	55.33% ▲
Size	417	11.01% ▲
Number of Sales	482	8.07% ▲

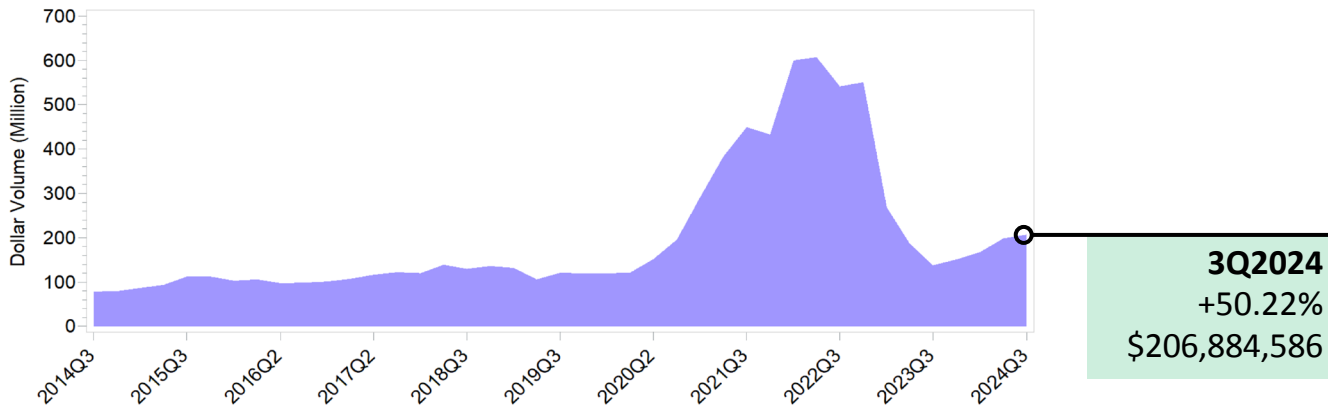
Source: Texas Real Estate Research Center at Texas A&M University

Figure 7. West Texas Rural Land Prices



Source: Texas Real Estate Research Center at Texas A&M University

Figure 8. West Texas Total Dollar Volume



Source: Texas Real Estate Research Center at Texas A&M University

# Region 4



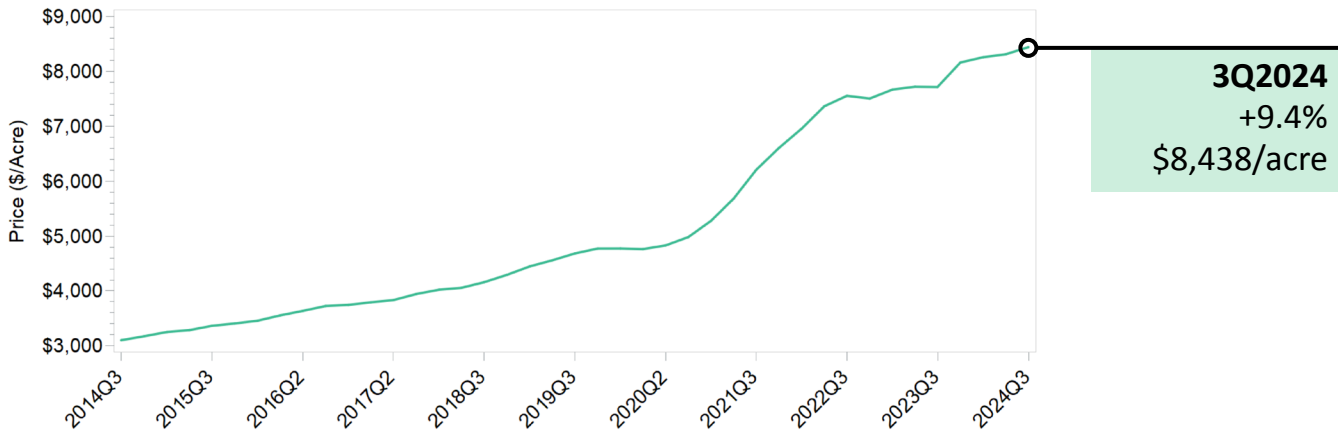
Demand for high-quality tracts in this market continued to push prices up YOY. Current data put the price at \$8,438 per acre, which is up 9.4 percent YOY. This region maintains the highest five-year CAGR at 11.96 percent, narrowly beating out Region 7. However, sales volumes continued to sink in this region. This quarter, sales declined 19.38 percent YOY to 890, the lowest level since 2013. Total dollar volume dropped 14.27 percent to \$233.83 million. The size of the typical transaction increased slightly to 116 acres, up 1.98 percent. Total acreage fell 21.64 percent, falling to 27,712 acres.

Table 5. Northeast Texas Land Sales, 3Q2024

	Annualized Value	YOY Change
Acres	27,712	-21.64% ▼
Size	116	1.98% ▲
Number of Sales	890	-19.38% ▼

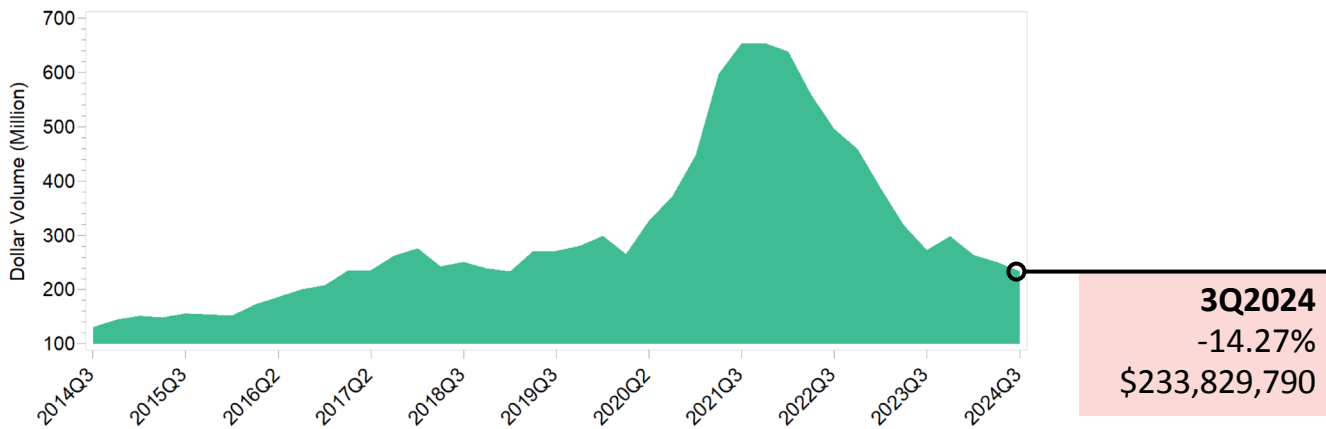
Source: Texas Real Estate Research Center at Texas A&M University

Figure 9. Northeast Texas Rural Land Prices



Source: Texas Real Estate Research Center at Texas A&M University

Figure 10. Northeast Texas Total Dollar Volume



Source: Texas Real Estate Research Center at Texas A&M University



# Region 5



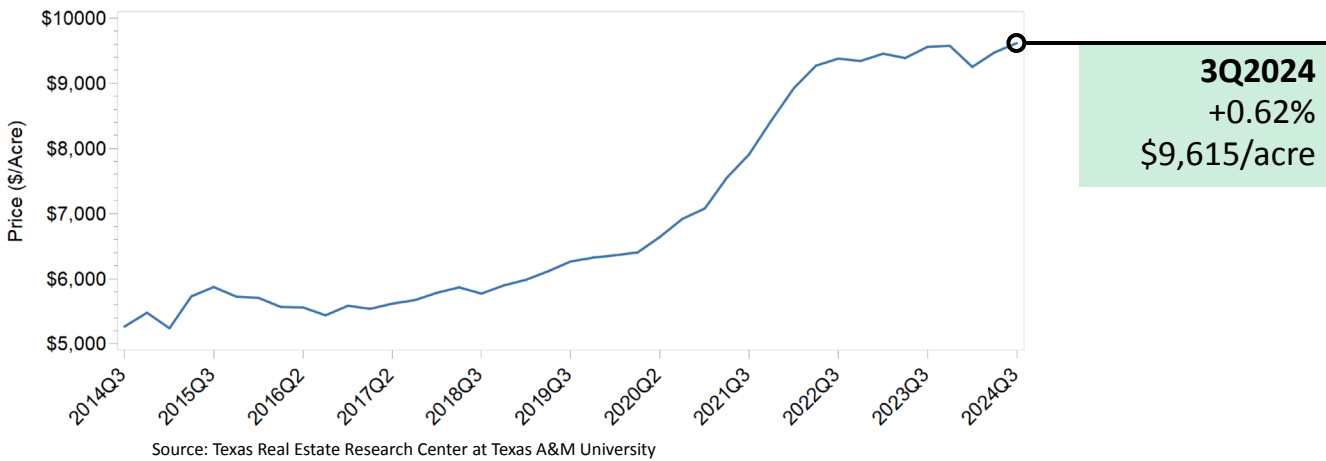
Prices in this region have been range-bound between \$9,250 and \$9,615 since second quarter 2022. It sits at the upper end of that range now, up 0.62 percent YOY. The annualized number of sales increased 4.68 percent YOY to 492, and third-quarter-only sales were up slightly from 3Q2023. The typical size expanded by 10.77 percent to 153 acres. Total dollar volume increased 1.66 percent to \$182.34 million as total acres sold gained 1.03 percent to 18,964 acres. This is the only region without a negative sign in the YOY changes.

Table 6. Gulf Coast-Brazos Bottom Land Sales, 3Q2024

	Annualized Value	YOY Change
Acres	18,964	1.03% ▲
Size	153	10.77% ▲
Number of Sales	492	4.68% ▲

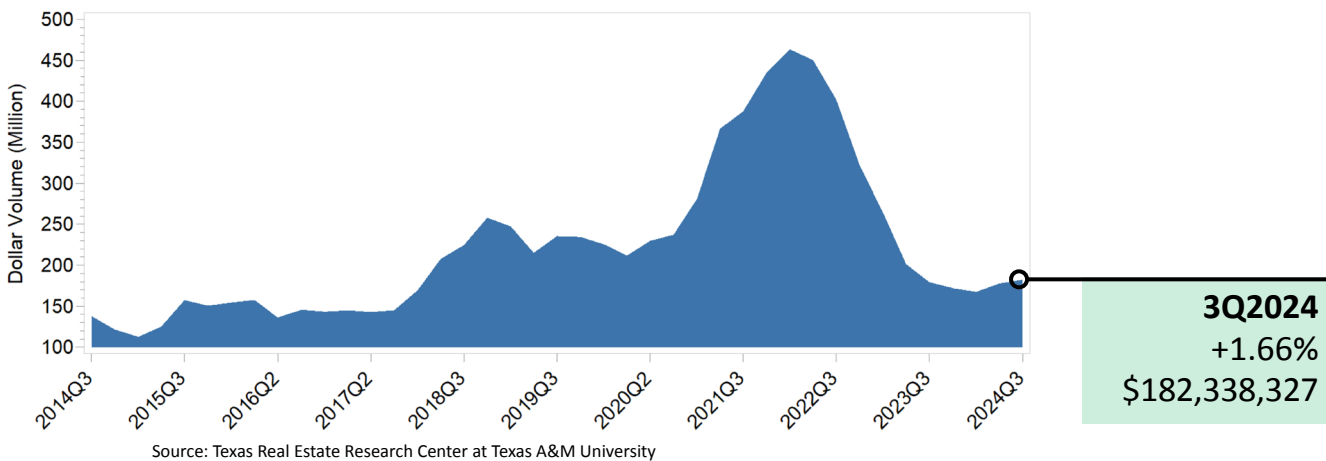
Source: Texas Real Estate Research Center at Texas A&M University

Figure 11. Gulf Coast-Brazos Bottom Rural Land Prices



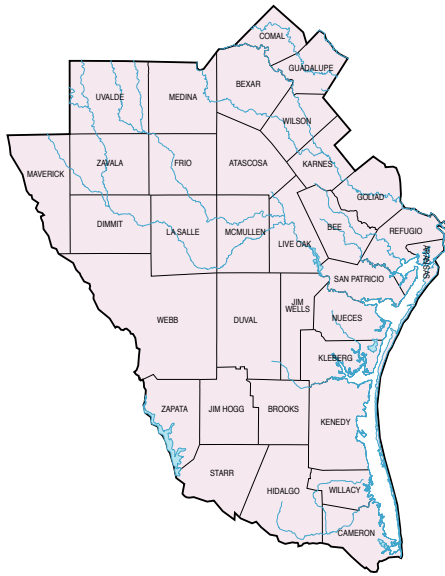
Source: Texas Real Estate Research Center at Texas A&M University

Figure 12. Gulf Coast-Brazos Bottom Total Dollar Volume



Source: Texas Real Estate Research Center at Texas A&M University

# Region 6



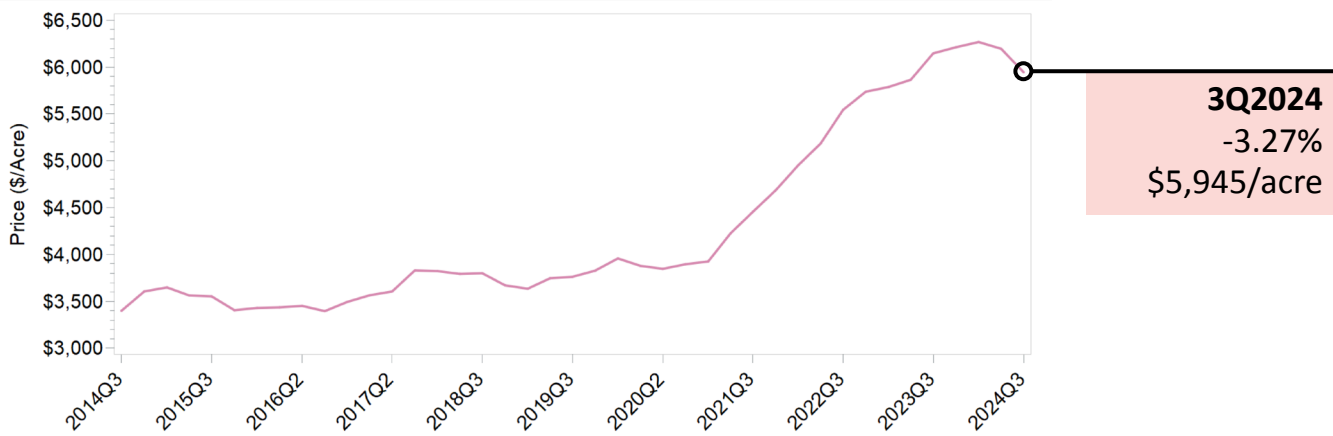
South Texas market prices fell 3.27 percent, settling at \$5,945 per acre. Meanwhile, the number of sales dropped 6.13 percent to 306. Typical size declined to 259, down 15.25 percent. Total dollar volume dropped 9.55 percent to \$142.44 million as total acres retreated 6.49 percent to 23,959 acres. Third-quarter-only sales volume was even with the same quarter last year. Annualized sales volume has stabilized at low levels.

Table 7. South Texas Land Sales, 3Q2024

	Annualized Value	YOY Change
Acres	23,959	-6.49% ▼
Size	259	-15.25% ▼
Number of Sales	306	-6.13% ▼

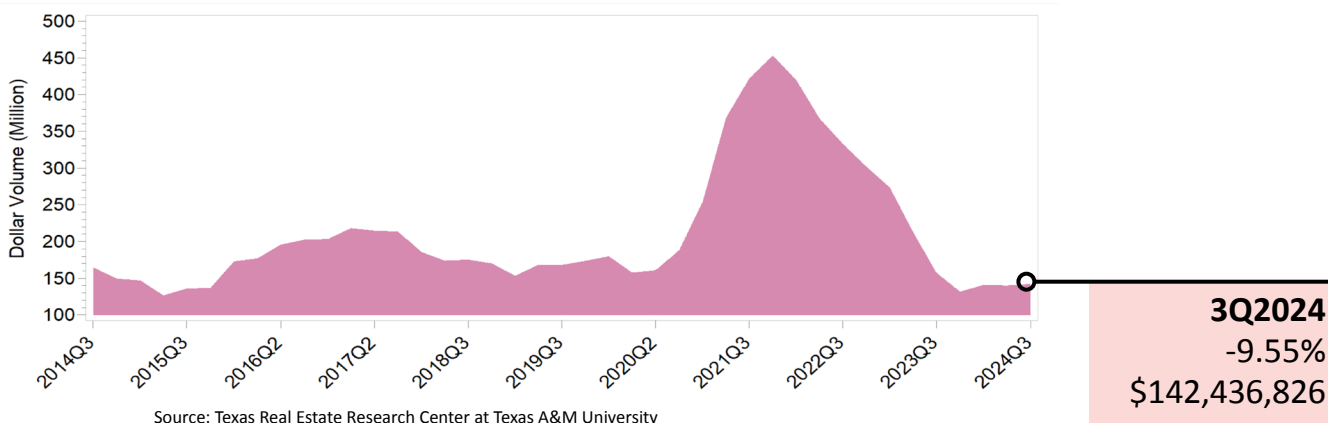
Source: Texas Real Estate Research Center at Texas A&M University

Figure 13. South Texas Rural Land Prices



Source: Texas Real Estate Research Center at Texas A&M University

Figure 14. South Texas Total Dollar Volume



Source: Texas Real Estate Research Center at Texas A&M University

# Region 7



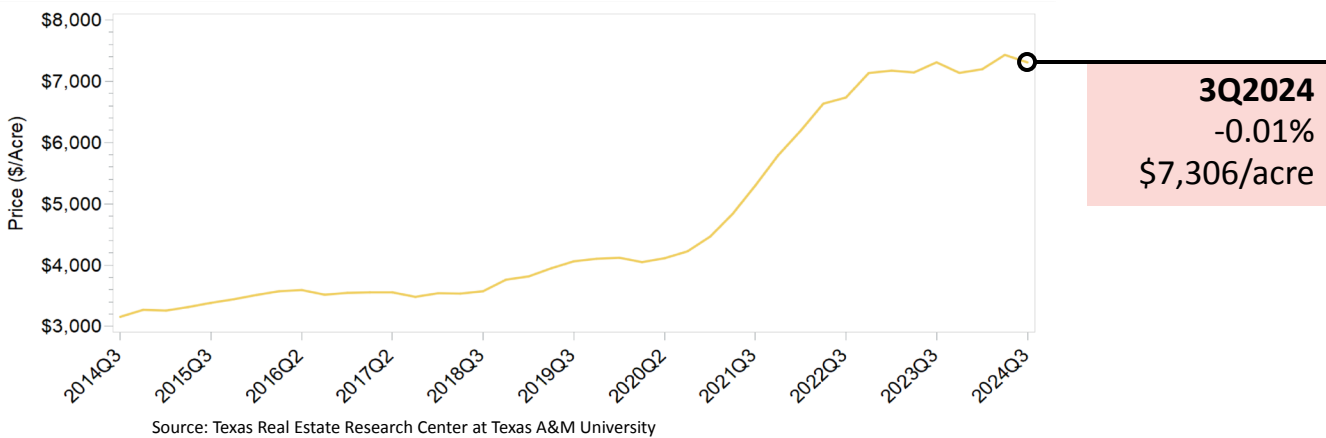
The median price was practically the same as it was a year ago, down only 0.01 percent to \$7,306 per acre. Median price in this region has bounced within a range of \$7,100 and \$7,400 since the end of 2022, while the five-year CAGR currently sits at a still impressive 11.92 percent. Sales were up 6.82 percent to 955. Total dollar volume increased 13.32 percent to \$350.24 million. Size was down by 1.11 percent to 207 acres. Total acres sold climbed 13.33 percent to 47,938 acres. It appears that market activity is stabilizing from the low point seen in fourth quarter 2023.

Table 8. Austin-Waco-Hill Country Land Sales, 3Q2024

	Annualized Value	YOY Change
Acres	47,938	13.33% ▲
Size	207	-1.11% ▼
Number of Sales	955	6.82% ▲

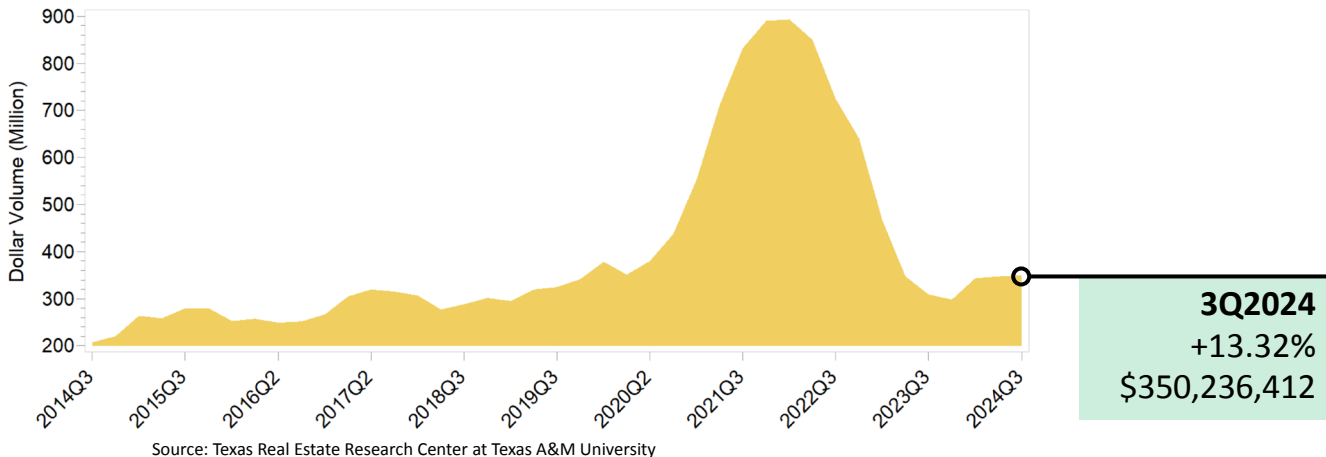
Source: Texas Real Estate Research Center at Texas A&M University

Figure 15. Austin-Waco-Hill Country Rural Land Prices



Source: Texas Real Estate Research Center at Texas A&M University

Figure 16. Austin-Waco-Hill Country Total Dollar Volume



Source: Texas Real Estate Research Center at Texas A&M University

# Summary and Outlook

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Regional prices were higher YOY in four out of seven regions and essentially flat in one of the other three. Additionally, volume (total acres sold) was up YOY in four regions. Nonetheless, Regions 1 and 4 simultaneously experienced strong median price gains and the largest declines in total acres sold. This is indicative of a market in which quality tracts are selling at higher prices while less attractive tracts are sitting on the market longer. These price and volume dynamics indicate an unsettled market through the third quarter. Consistent feedback from market participants indicates the following commonality: many sellers are expecting prices that would indicate a rate of appreciation that no longer exists, at least not broadly, and this has likely depressed sales volume. Likewise, with the low volume of total sales, current market prices appear to be propped up by a relatively small number of well-off buyers securing premium properties.

Combining the metrics with recent anecdotal evidence from market participants, it seems the rural land markets may be at an inflection point. Overall, rural land markets have stabilized such that the magnitude of YOY changes has moderated from the drastic levels of change seen in 2023 and the first quarter of this year. The last three years have been a wild ride for rural land market participants, but the wild swings appear to be over.

TRERC's Texas rural land forecast is still predicting small declines in statewide price beginning in the next quarter or two, and a slight increase in the volume of acres sold beginning early next year. For this to happen, seller sentiment will need to change. In other words, it is likely that sellers will reduce their price expectations, attracting new buyers who may also be encouraged by lower interest rates. Additionally, many would-be buyers, fearful of the election and its potential aftermath, held off purchases. Those buyers may now be prepared to act.

It will be interesting to see the effect coming changes in federal economic policies (regulations, taxation, and government spending) will have on overall economic activity and the posture of market participants. At the very least, the election being over removes a great deal of the kind of uncertainty that typically stifles market activity.





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