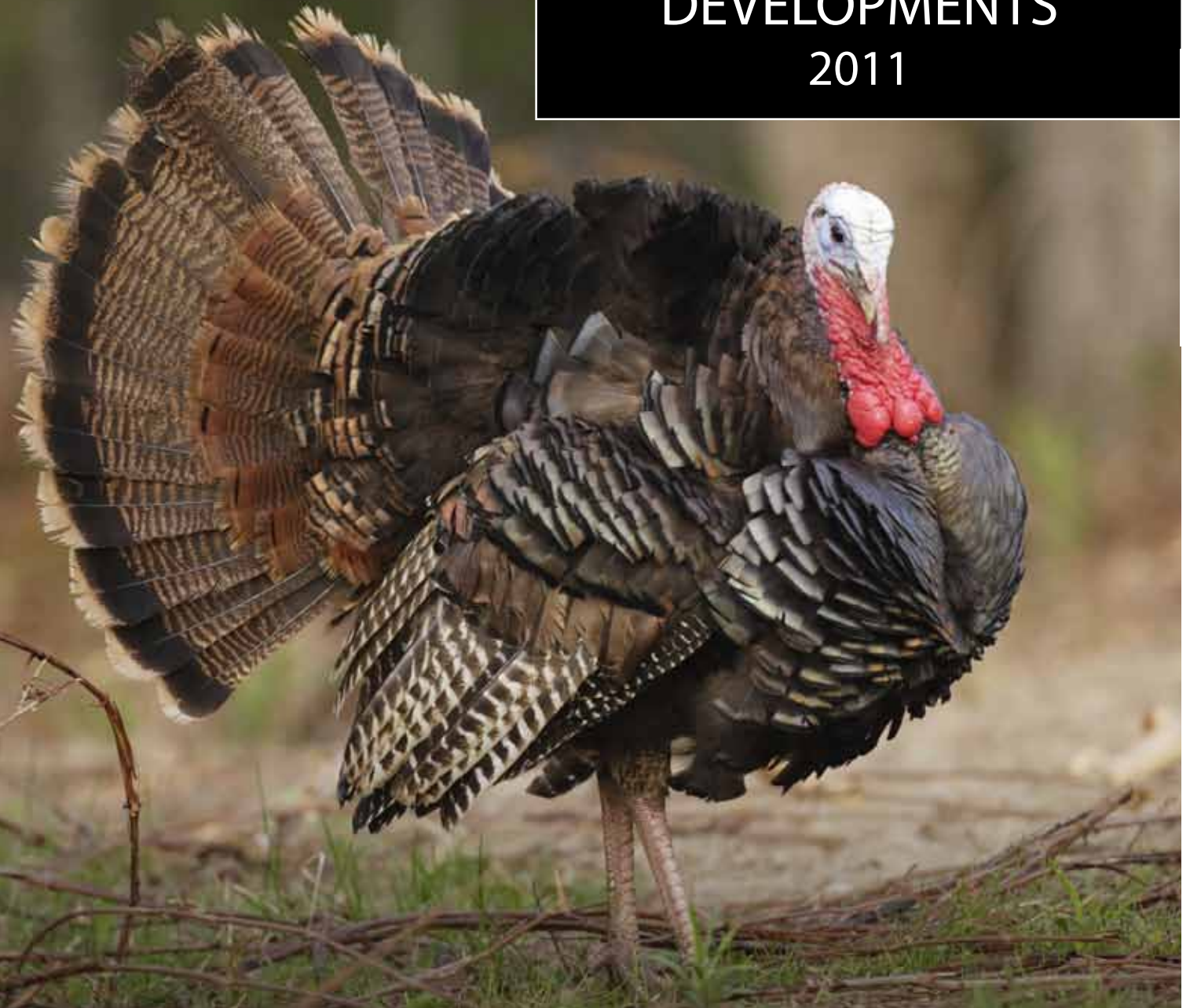


TEXAS LAND MARKET DEVELOPMENTS 2011



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TECHNICAL REPORT

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Summary

- Sales volumes lagged recent market norms for the third straight year.
- Texas markets struggled to post a small gain with a continuing dearth of large tract sales. Gains appeared to be concentrated in West Texas, the Panhandle and High Plains.
- Markets continued to reflect turmoil in financial markets and persistently high unemployment rates.
- Uncertainty and high commodity prices continued to fuel strong demand for cropland. However, the epic drought and anticipated changes in farm support payments may threaten to derail investment demand for land.
- Small properties sold well, but demand for large tracts continued to be sluggish, with buyers holding out for bargains.
- For the third straight year, fewer acres than historic patterns forecasted changed hands in Texas.
- Oil prices and expanding production helped buoy Texas markets.
- Future economic shocks could derail the land price recovery.

2011 Overview

Texas regional land market price trends in 2011 reflected variations in market dynamics. Continued demand for secure investments sustained increasing prices for cropland. Market pressures were especially strong in irrigated cropland markets. Those pressures also helped to modestly boost the overall statewide price level.

Markets were plagued by a slow volume of activity. The more urban-oriented areas in the northeast and far south Texas posted weaker prices. Demand for transitional and development tracts weakened and recreational land buyers were scarce. This mixed bag of results led to a 3 percent overall increase in the statewide price of \$2,150 per acre compared with the 2010 year ending price of \$2,091 per acre.

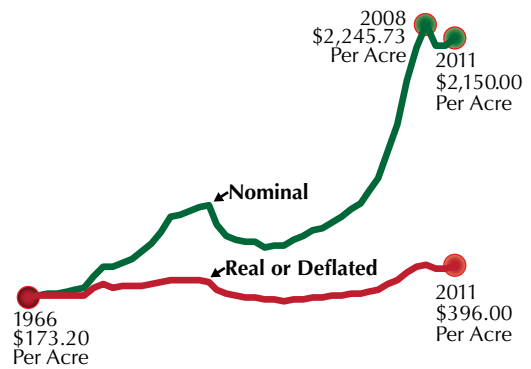
The real or inflation-adjusted price of \$396 per acre in 1966 dollars continued below the 2008 record level of \$424 but marked a 2 percent rise over the 2010 annual price. That resulted in the first increase in real price since 2009. Nominal prices shown in Figure 1 and Table 1 reflect the actual prices paid while real prices represent those nominal prices adjusted for inflation.

Tract Size

Small-sized transactions continued to dominate the overall market as the 2011 median of 74 acres nearly matched the 2010 typical size of 75 acres (Figure 2). That size remains well below the 100-acre levels seen from 2000 to 2005.

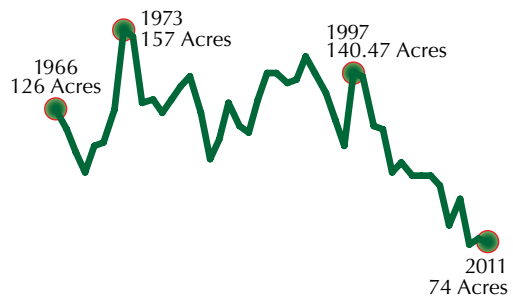
The number of large property sales remained depressed. Brokers in the field reported that the impasse over pricing continued between potential buyers and sellers of sizable tracts in 2011. However, a small number of wealthy individuals have reportedly begun to buy very large, top-quality working livestock operations.

Figure 1. Texas Rural Land Prices, 2011



Source: Real Estate Center at Texas A&M University

Figure 2. Texas Typical Tract Size, 2011



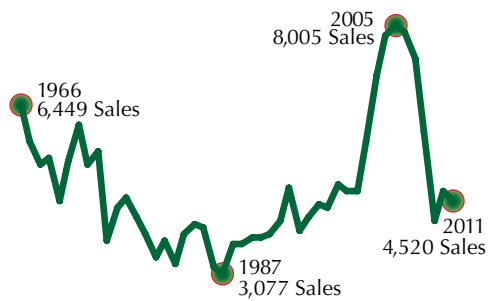
Source: Real Estate Center at Texas A&M University

Sales Volume

The 4,520 sales reported in 2011 fell just short of the 2010 volume of 4,747 (Figure 3). If the level of reported sales is indicative of current market activity, volumes have returned to late '90s levels. The year-to-year annualized trend in number of sales statewide trails 2010 levels by just 4.7 percent.

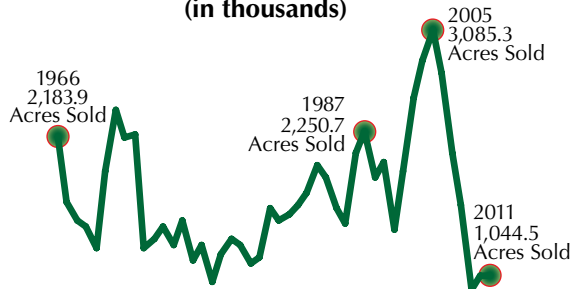
Sales in 2011 transferred a total of 1,044,474 acres (Figure 4). That compares with 1,052,957 acres in 2010 and contrasts with 3,085,339 acres posted in 2005. The reduction in the number of acres transferred began at the end of 2008 and continues at low levels in current markets.

Figure 3. Texas Land Market Volume, 2011



Source: Real Estate Center at Texas A&M University

**Figure 4. Number of Acres Sold in Texas, 2011
(in thousands)**



Source: Real Estate Center at Texas A&M University

Future Trends

Texas land markets registered mixed results in 2011. Renewed interest in cropland combined with a fear of inflation in the future provided upward pressure on cropland prices. However, for the third straight year, large properties sold less frequently than in past years. Sale volumes continue to drop and nearly matched volumes last seen from 1990–2000.

These facts reinforced information gathered from appraisers and brokers who reported potential buyers continued to make low offers, presuming that prices will eventually drop. Buyers were still hesitant to pay current prices, but increasing numbers have grown weary of delaying purchases. Vibrant cropland markets were the exception, with eager buyers bidding for a restricted number of properties for sale.

Barring any significant shock to the economy, firming market prices will likely hold or increase in many locations. But a glance at the numbers of acres represented by properties sold in Texas indicated that markets continued to see an unusually low number of acres change hands, a condition that has held for three straight years. This suggests that the uneasiness abroad in the economy stemming from the problem of excessive debt worldwide is creating turmoil in many markets. These disquieting forces created a heightened apprehension of risk and suggest that buyers will continue to expect price erosion while sellers resist sales at prices below recent historical norms.

What's Ahead

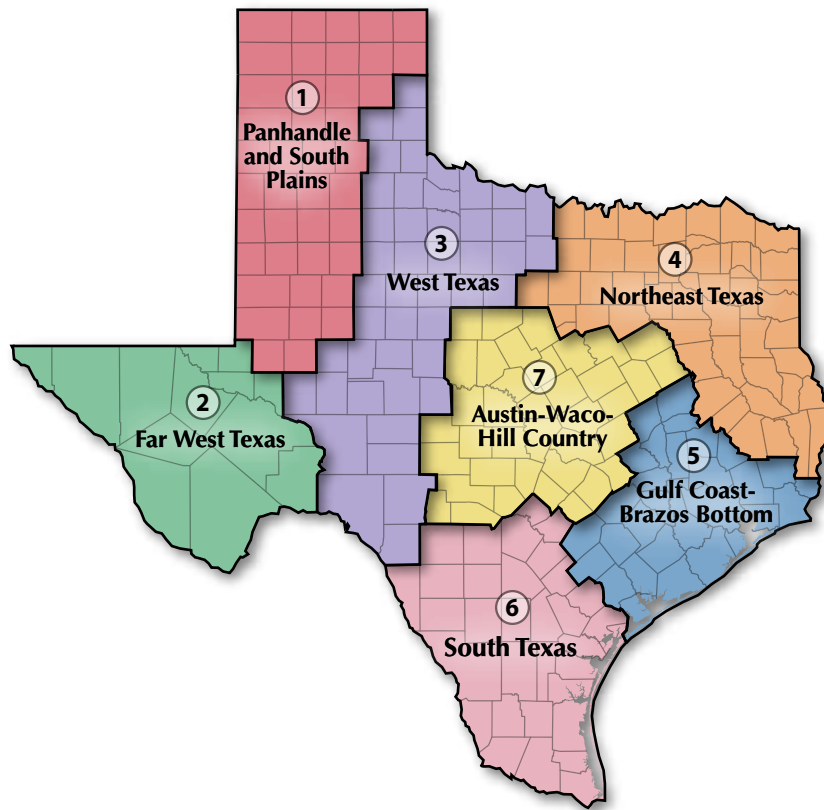
Anecdotal evidence gathered from appraisers and brokers suggests that cropland investors will continue to seek land. However, the dismal yields that followed last year's historic drought and the threat of substantial changes to government crop supports may weaken demand.

Rangeland markets face formidable challenges as the battle rages on between buyers waiting for lower prices and sellers refusing to accept low-priced bids. Transitional tracts near urban areas face slack demand over the coming year.

By contrast, bustling activity in the Eagle Ford Shale continues to inject cash into Texas communities. Mineral producers and royalty owners have realized substantial profits with no end in sight. Evidence is beginning to emerge that some of this prosperity will be focused on land.

These positive forces may overcome difficulties dragging down economic activity and inspire a modest increase in land prices in the coming months. Even so, sales volume will likely continue at muted levels.

Figure 5. Texas Land Market Regions



**Table 1. Texas Statewide Trends
in Size-Adjusted Average Price of Rural Land, 1966–2011**

Year	Nominal			Real			Volume of Sales	Median Tract Size (acres)
	Size-Adjusted Average Price per Acre	Year-to-Year Percentage Change	Annual Compound 5-Year Growth Rate	Deflated* Size-Adjusted Average Price per Acre	Year-to-Year Percentage Change	Annual Compound 5-Year Growth Rate		
1966	172			172			6,449	125
1967	183	6		177	3		5,695	118
1968	190	4		177	0		5,219	109
1969	200	5		177	0		5,360	101
1970	212	6		178	1		4,504	112
1971	230	8	6	184	3	1	5,290	113
1972	248	8	6	191	4	1	6,014	125
1973	323	30	11	236	23	6	5,227	157
1974	404	25	15	270	14	9	5,516	154
1975	409	1	14	250	-7	7	3,722	129
1976	440	8	14	254	2	7	4,405	131
1977	464	5	13	252	-1	6	4,566	124
1978	520	12	10	264	5	2	4,171	128
1979	582	12	8	273	3	0	3,889	135
1980	670	15	10	287	5	3	3,374	139
1981	778	16	12	305	6	4	3,721	125
1982	802	3	12	296	-3	3	3,299	106
1983	832	4	10	296	0	2	3,869	114
1984	863	4	8	296	0	2	4,037	128
1985	866	0	5	288	-3	0	3,972	119
1986	722	-17	-1	235	-18	-5	3,191	117
1987	634	-12	-5	201	-15	-8	3,077	130
1988	608	-4	-6	186	-7	-9	3,637	140
1989	594	-2	-7	175	-6	-10	3,691	140
1990	588	-1	-7	167	-5	-10	3,777	137
1991	545	-7	-5	149	-10	-9	3,780	138
1992	564	3	-2	151	1	-6	3,891	147
1993	560	-1	-2	147	-3	-5	4,109	140
1994	605	8	0	155	6	-2	4,770	132
1995	631	4	1	159	2	-1	3,929	122
1996	680	8	5	168	6	2	4,193	111
1997	696	2	4	169	0	2	4,428	140
1998	744	7	6	178	6	4	4,411	139
1999	788	6	5	186	4	4	4,862	120
2000	845	7	6	195	5	4	4,691	117
2001	886	5	5	200	3	4	4,721	101
2002	977	10	7	217	9	5	5,700	105
2003	1,077	10	8	235	8	6	7,000	100
2004	1,281	19	10	271	16	8	7,770	100
2005	1,487	16	12	305	12	9	8,005	100
2006	1,830	23	16	363	19	13	7,891	96
2007	2,083	14	16	402	11	13	7,344	80
2008	2,247	8	16	424	6	13	5,880	90
2009	2,079	-7	10	389	-8	7	4,139	73
2010	2,091	1	7	388	0	5	4,747	75
2011	2,150	3	3	396	2	2	4,520	74

*In 1966 dollars

Source: Real Estate Center at Texas A&M University

The Panhandle, West Texas and Wichita Falls areas posted price improvements, while northeast and Central Texas prices lagged behind 2010 levels (Figure 5, Table 1).

Region 1—Panhandle and South Plains

More than any other region in Texas, the Panhandle and South Plains is dominated by farming. It encompasses the greatest concentration of cropland, accounting for 62 percent of irrigated acres and 41 percent of dryland acres statewide (Figure 6).

Activity in farmland markets made 2011 a remarkable year for both buyers and sellers. Specifically, the continuing robust

demand for cropland boosted regionwide land prices to an all-time high of \$946 per acre in 2011, a 20 percent increase from 2010 price levels (Figure 7). However, that price measured in real 1966 dollars settled in at \$174 per acre, failing to top price levels seen from 1974 to 1982 (Table 2).

At 472 reported sales, volume of activity lagged below the long-term average. However, the slow pace of sales occurred partly because high commodity prices prompted many current owners to refrain from selling. That left would-be buyers to compete for limited available supplies.

Figure 6. Region 1—Panhandle and South Plains

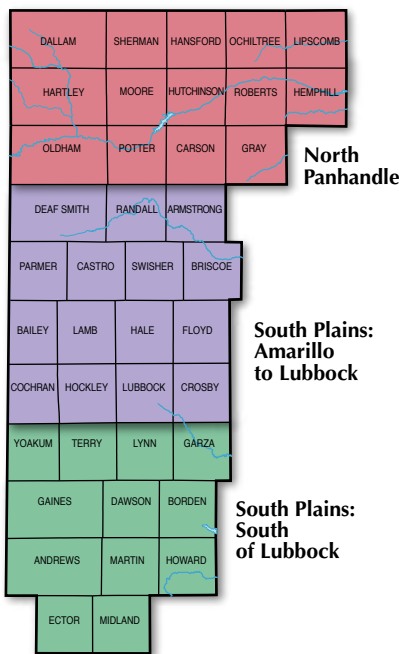
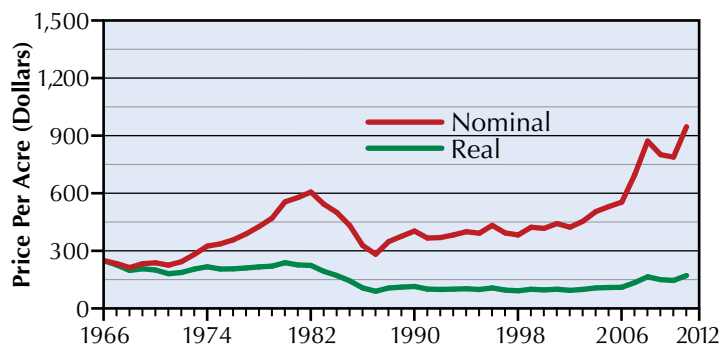


Figure 7. Region 1 Size-Adjusted Price Per Acre



Source: Real Estate Center at Texas A&M University

**Table 2. Region 1—Panhandle and South Plains
Trends in Size-Adjusted Average Price of Rural Land, 1966–2011**

Year	Nominal			Real			Volume of Sales	Median Tract Size (acres)
	Size-Adjusted Average Price per Acre	Year-to-Year Percentage Change	Annual Compound 5-Year Growth Rate	Deflated* Size-Adjusted Average Price per Acre	Year-to-Year Percentage Change	Annual Compound 5-Year Growth Rate		
1966	249			249			845	200
1967	233	-6		226	-9		824	184
1968	213	-9		198	-13		801	177
1969	233	10		206	4		729	176
1970	238	2		200	-3		631	175
1971	225	-5	-2	181	-10	-6	860	177
1972	243	8	1	187	4	-4	954	177
1973	281	16	6	205	10	1	962	200
1974	325	15	7	217	6	1	1,226	193
1975	336	4	7	205	-5	0	752	190
1976	357	6	10	206	0	3	916	177
1977	388	9	10	211	2	2	868	194
1978	427	10	9	216	3	1	725	177
1979	470	10	8	220	2	0	618	213
1980	555	18	11	238	8	3	498	240
1981	578	4	10	226	-5	2	574	178
1982	606	5	9	224	-1	1	331	275
1983	543	-10	5	193	-14	-2	431	238
1984	500	-8	1	171	-11	-5	475	314
1985	432	-14	-5	144	-16	-10	427	240
1986	328	-24	-11	107	-26	-14	446	309
1987	282	-14	-14	89	-16	-17	533	306
1988	348	23	-9	106	19	-11	635	270
1989	376	8	-6	111	4	-8	598	282
1990	403	7	-1	114	3	-4	514	256
1991	367	-9	2	100	-12	-1	505	293
1992	369	1	6	99	-2	2	427	320
1993	383	4	2	100	1	-1	430	265
1994	400	4	1	103	2	-2	554	314
1995	392	-2	-1	98	-4	-3	393	280
1996	433	10	3	107	8	1	394	302
1997	393	-9	1	95	-11	-1	601	320
1998	383	-3	0	92	-4	-2	616	319
1999	423	10	1	100	9	-1	602	307
2000	417	-1	1	96	-3	0	568	287
2001	442	6	0	100	4	-1	623	274
2002	423	-4	1	94	-6	0	752	319
2003	454	7	3	99	5	2	751	315
2004	504	11	4	107	8	1	751	313
2005	530	5	5	109	2	2	747	320
2006	554	4	5	110	1	2	797	320
2007	696	26	10	134	22	7	697	320
2008	872	25	14	164	23	11	813	320
2009	801	-8	10	150	-9	7	494	263
2010	788	-2	8	146	-2	6	566	218
2011	946	20	11	174	19	10	472	314

*In 1966 dollars

Source: Real Estate Center at Texas A&M University

Region 2—Far West Texas

With vast expanses of arid land, this region typically books few sales and has large price variations. Desert rangeland normally sells at low prices per acre in large tracts while the available irrigated farmland commands relatively high per-acre prices (Figure 9, Table 3). The small number of sales reported in this region means the data are not a strong indicator of land prices in the area.

Figure 8. Region 2—Far West Texas

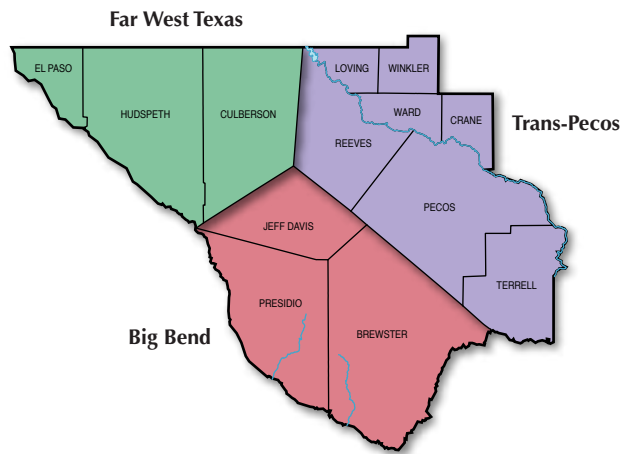
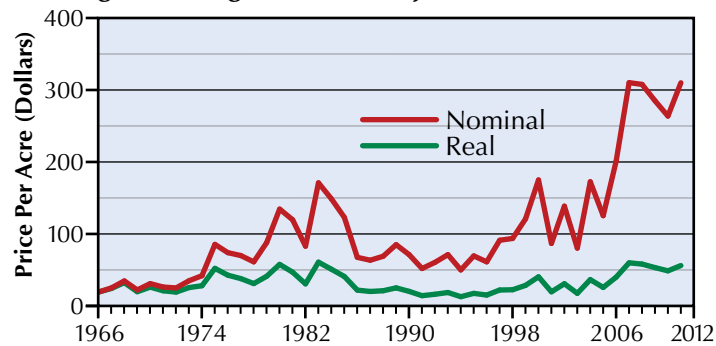


Figure 9. Region 2 Size-Adjusted Price Per Acre



Source: Real Estate Center at Texas A&M University

**Table 3. Region 2—Far West Texas
Trends in Size-Adjusted Average Price of Rural Land, 1966–2011**

Year	Nominal			Real			Volume of Sales	Median Tract Size (acres)
	Size-Adjusted Average Price per Acre	Year-to-Year Percentage Change	Annual Compound 5-Year Growth Rate	Deflated* Size-Adjusted Average Price per Acre	Year-to-Year Percentage Change	Annual Compound 5-Year Growth Rate		
1966	19			19			31	11,593
1967	25	30		24	26		26	11,459
1968	35	39		32	33		16	12,604
1969	22	-36		20	-39		19	10,230
1970	31	39		26	32		24	6,367
1971	26	-15	6	21	-19	2	27	13,440
1972	25	-5	0	19	-9	-5	40	10,382
1973	35	40	0	26	33	-5	21	13,000
1974	42	20	14	28	10	7	27	12,270
1975	86	104	22	52	86	15	11	9,224
1976	74	-13	23	43	-18	15	12	6,034
1977	70	-5	23	38	-11	15	17	10,998
1978	61	-13	12	31	-18	4	9	11,041
1979	88	44	16	41	33	8	14	8,960
1980	135	53	9	58	40	2	8	10,432
1981	120	-11	10	47	-19	2	23	8,354
1982	83	-31	3	31	-35	-4	13	8,666
1983	171	106	23	61	98	14	15	4,093
1984	149	-13	11	51	-16	4	14	6,723
1985	123	-17	-2	41	-20	-7	13	9,090
1986	68	-45	-11	22	-46	-14	15	7,292
1987	64	-6	-5	20	-8	-8	18	11,401
1988	69	9	-17	21	5	-19	22	8,245
1989	85	23	-11	25	19	-13	16	5,528
1990	71	-16	-10	20	-19	-13	24	6,259
1991	52	-27	-5	14	-30	-8	20	4,626
1992	61	16	-1	16	14	-4	20	7,719
1993	71	18	1	19	15	-2	19	12,767
1994	50	-30	-10	13	-31	-13	32	4,919
1995	70	39	-1	17	36	-3	23	13,421
1996	61	-12	3	15	-14	1	17	7,300
1997	91	49	9	22	46	6	46	3,935
1998	94	3	6	22	2	4	33	7,780
1999	121	29	19	29	27	17	23	7,048
2000	175	45	20	40	42	18	14	7,290
2001	87	-50	7	20	-51	5	14	5,065
2002	139	60	9	31	57	7	10	8,106
2003	80	-42	-3	17	-43	-5	9	6,697
2004	173	115	7	37	109	5	30	8,313
2005	125	-27	-6	26	-30	-9	9	8,960
2006	201	61	18	40	55	15	22	5,712
2007	310	54	17	60	50	14	17	2,515
2008	308	-1	31	58	-3	27	16	1,448
2009	285	-7	11	53	-8	8	5	1,752
2010	264	-7	16	49	-8	14	8	1,300
2011	310	18	9	57	17	7	14	2,374

*In 1966 dollars

Source: Real Estate Center at Texas A&M University

Region 3—West Texas

Native range dominates this region, accounting for nearly 77 percent of total acreage. In addition, the area contains a substantial farming presence (16 percent of total acreage) mostly focused on dryland cropland (Figure 10).

Interest in cropland and rangeland provided a lift to regional land prices, raising the average price 7 percent to \$1,230 per acre. That increase followed two years of declining prices (Figure 11). The recovery was narrowly focused, however, posting only 568 sales, the lowest volume since 1997. Typical tract size remained steady at 160 acres.

Figure 10. Region 3—West Texas

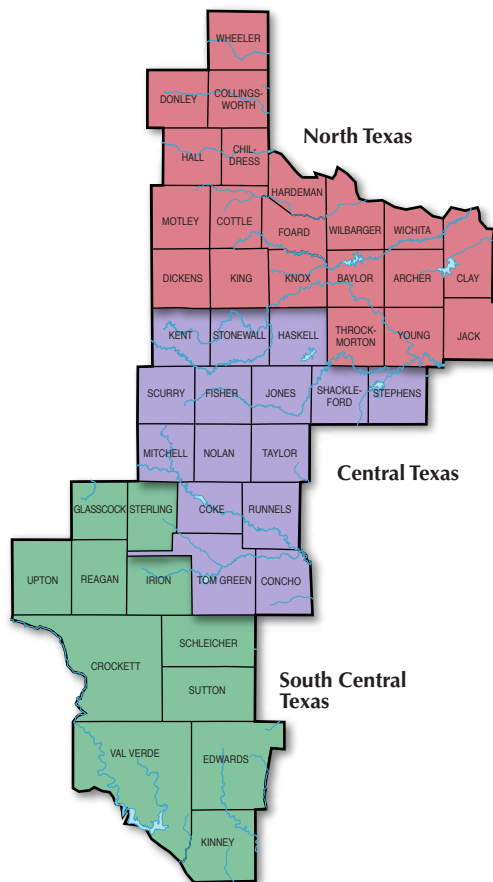
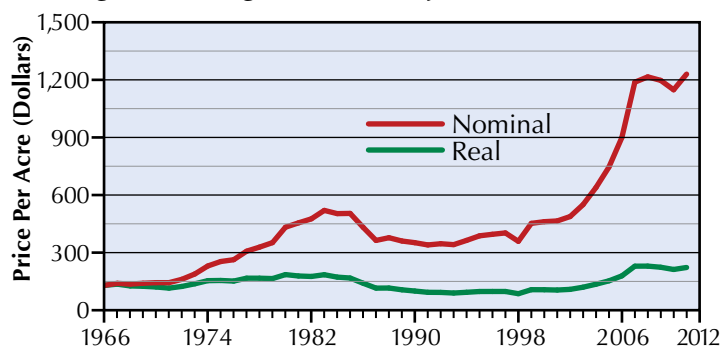


Figure 11. Region 3 Size-Adjusted Price Per Acre



Source: Real Estate Center at Texas A&M University

**Table 4. Region 3—West Texas
Trends in Size-Adjusted Average Price of Rural Land, 1966–2011**

Year	Nominal			Real			Volume of Sales	Median Tract Size (acres)
	Size-Adjusted Average Price per Acre	Year-to-Year Percentage Change	Annual Compound 5-Year Growth Rate	Deflated* Size-Adjusted Average Price per Acre	Year-to-Year Percentage Change	Annual Compound 5-Year Growth Rate		
1966	129			129			745	165
1967	140	8		136	5		570	160
1968	136	-3		126	-7		659	160
1969	141	3		125	-1		642	160
1970	144	2		121	-3		581	160
1971	144	0	2	115	-5	-2	622	161
1972	161	12	3	124	8	-2	827	174
1973	189	17	7	138	11	2	817	200
1974	230	22	10	154	12	4	859	185
1975	254	10	12	155	1	5	542	162
1976	263	4	13	152	-2	6	769	160
1977	308	17	14	167	10	6	701	171
1978	329	7	12	167	0	4	608	162
1979	352	7	9	165	-1	1	570	168
1980	432	23	11	185	13	4	399	172
1981	455	5	12	178	-4	3	405	164
1982	476	5	9	176	-1	1	380	161
1983	520	9	10	185	5	2	416	160
1984	503	-3	7	172	-7	1	430	167
1985	504	0	3	168	-3	-2	444	160
1986	432	-14	-1	141	-16	-5	406	160
1987	364	-16	-5	115	-18	-8	416	199
1988	378	4	-6	116	0	-9	514	166
1989	360	-5	-6	106	-8	-9	542	175
1990	352	-2	-7	100	-6	-10	506	210
1991	340	-3	-5	93	-7	-8	537	213
1992	346	2	-1	93	-1	-4	592	206
1993	342	-1	-2	89	-3	-5	573	209
1994	364	7	0	93	4	-3	616	192
1995	388	7	2	97	4	0	514	191
1996	396	2	3	98	0	1	468	195
1997	403	2	3	98	0	1	526	220
1998	359	-11	1	86	-12	-1	671	177
1999	452	26	4	107	24	3	631	187
2000	461	2	4	107	0	2	714	164
2001	465	1	3	105	-1	1	669	166
2002	488	5	4	109	3	2	689	175
2003	550	13	9	120	10	7	966	164
2004	639	16	7	135	13	5	1,162	200
2005	746	17	10	153	13	7	1,306	209
2006	900	21	14	179	17	11	1,373	162
2007	1,188	32	19	229	28	16	1,204	160
2008	1,216	2	17	229	0	14	907	182
2009	1,197	-2	13	224	-2	11	624	160
2010	1,148	-4	9	213	-5	7	642	161
2011	1,230	7	6	227	6	5	568	160

*In 1966 dollars

Source: Real Estate Center at Texas A&M University

Region 4—Northeast Texas

Rural land markets in this region reflect influences from its sizable and growing urban areas (Figure 12). Demand for recreational use competes with timber production. More than 57 percent of the area is used for grazing, while 33 percent is dedicated to timber production.

After suffering a sizable drop in price per acre in 2009 as recession plagued the economy, the trend seemed to ease in 2010 only to drop back to \$2,979 per acre in 2011 (Figure 13, Table 5). In real terms, that average price matched the price posted in 2005.

Sales activity expanded to 816 sales from the meager 606 sales in 2009 but remained well below 2004–06 volumes, which exceeded 1,000 sales. The 3 percent price decline suggests that recessionary forces continued to dampen demand in this region.

Figure 12. Region 4—Northeast Texas

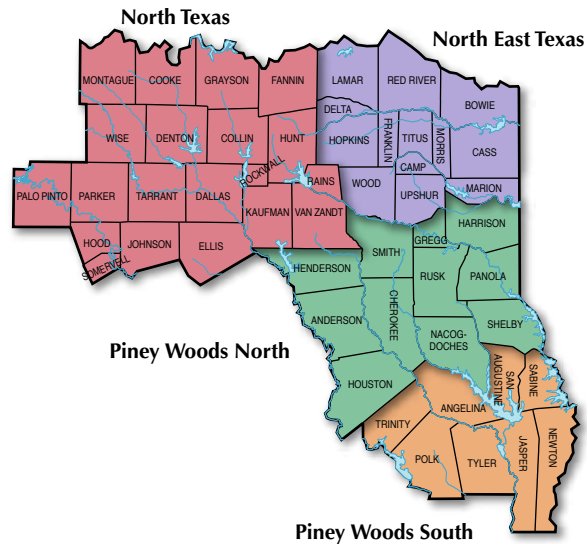
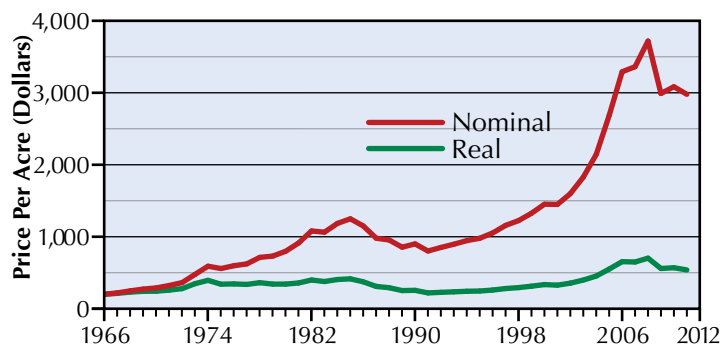


Figure 13. Region 4 Size-Adjusted Price Per Acre



Source: Real Estate Center at Texas A&M University

**Table 5. Region 4—Northeast Texas
Trends in Size-Adjusted Average Price of Rural Land, 1966–2011**

Year	Nominal			Real			Volume of Sales	Median Tract Size (acres)
	Size-Adjusted Average Price per Acre	Year-to-Year Percentage Change	Annual Compound 5-Year Growth Rate	Deflated* Size-Adjusted Average Price per Acre	Year-to-Year Percentage Change	Annual Compound 5-Year Growth Rate		
1966	202			202			2,000	84
1967	220	9		214	6		1,870	83
1968	249	13		231	8		1,679	65
1969	273	10		242	5		1,840	60
1970	289	6		244	1		1,426	62
1971	323	12	10	259	6	5	1,574	67
1972	363	12	11	279	8	6	1,931	70
1973	478	32	14	348	25	9	1,348	89
1974	591	24	17	395	13	10	1,392	81
1975	559	-5	14	341	-14	7	908	70
1976	598	7	13	345	1	6	1,048	63
1977	623	4	11	338	-2	4	1,073	63
1978	714	15	8	362	7	1	987	70
1979	731	2	4	342	-5	-3	942	74
1980	798	9	7	342	0	0	904	74
1981	913	14	9	358	5	1	952	69
1982	1,081	18	12	399	12	3	880	66
1983	1,063	-2	8	378	-5	1	1,026	70
1984	1,185	12	10	406	7	3	949	80
1985	1,249	5	9	415	2	4	997	78
1986	1,150	-8	5	374	-10	1	778	68
1987	979	-15	-2	310	-17	-5	646	69
1988	955	-3	-2	292	-6	-5	697	81
1989	855	-10	-6	252	-14	-9	695	80
1990	901	5	-6	256	1	-9	726	78
1991	802	-11	-7	220	-14	-10	688	80
1992	851	6	-3	228	4	-6	811	80
1993	896	5	-1	235	3	-4	782	84
1994	946	6	2	243	3	-1	919	80
1995	979	3	2	246	1	-1	821	71
1996	1,053	8	6	260	6	3	946	69
1997	1,158	10	6	281	8	4	912	77
1998	1,225	6	6	294	5	5	756	72
1999	1,327	8	7	313	7	5	937	70
2000	1,452	9	8	336	7	6	842	66
2001	1,449	0	7	327	-2	5	679	55
2002	1,599	10	7	356	9	5	835	59
2003	1,828	14	8	398	12	6	975	57
2004	2,144	17	10	454	14	8	1,011	53
2005	2,685	25	13	550	21	10	1,205	49
2006	3,292	23	18	653	19	15	1,195	49
2007	3,362	2	16	648	-1	13	1,138	45
2008	3,718	11	15	702	8	12	782	45
2009	2,990	-20	7	559	-20	4	606	44
2010	3,084	3	3	572	2	1	763	42
2011	2,979	-3	-2	549	-4	-3	816	43

*In 1966 dollars

Source: Real Estate Center at Texas A&M University

Region 5—Gulf Coast–Brazos Bottom

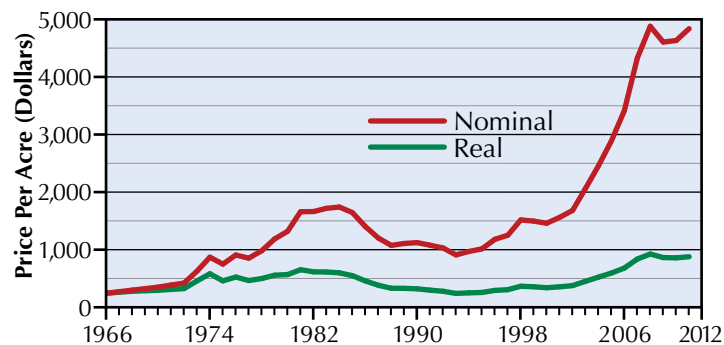
Landowners in this region maintain 58 percent of rural land in its native range state with an added 14 percent dedicated to improved pasture (Figure 14). Although pockets of timber and cropland dot the region, urban development and expanding population centers drive much of the demand in this area.

The strong energy market contributed to growing incomes, supporting demand, especially adjacent to Houston, the dominant economic engine. Still, the market managed only a 4 percent increase to \$4,837 per acre and a muted sales volume of 781 for the year (Figure 15, Table 6). Sales concentrated on small properties, registering a median size of 33 acres. The past three years have recorded similar size and volume trends.

Figure 14. Region 5—Gulf Coast - Brazos Bottom



Figure 15. Region 5 Size-Adjusted Price Per Acre



Source: Real Estate Center at Texas A&M University

**Table 6. Region 5—Gulf Coast—Brazos Bottom
Trends in Size-Adjusted Average Price of Rural Land, 1966–2011**

Year	Nominal			Real			Volume of Sales	Median Tract Size (acres)
	Size-Adjusted Average Price per Acre	Year-to-Year Percentage Change	Annual Compound 5-Year Growth Rate	Deflated* Size-Adjusted Average Price per Acre	Year-to-Year Percentage Change	Annual Compound 5-Year Growth Rate		
1966	241			241			512	104
1967	268	11		260	8		375	104
1968	295	10		275	6		372	100
1969	321	9		285	4		292	111
1970	347	8		292	3		329	105
1971	384	10	10	308	5	5	415	101
1972	418	9	9	321	4	4	358	117
1973	624	50	16	455	42	11	457	134
1974	868	39	22	579	27	15	514	122
1975	747	-14	17	456	-21	9	375	104
1976	905	21	19	522	15	11	340	110
1977	851	-6	15	462	-12	8	489	99
1978	979	15	9	497	8	2	414	106
1979	1,185	21	6	555	12	-1	379	103
1980	1,317	11	12	565	2	4	386	109
1981	1,658	26	13	650	15	4	387	103
1982	1,660	0	14	613	-6	6	420	75
1983	1,717	3	12	610	0	4	542	87
1984	1,739	1	8	596	-2	1	516	89
1985	1,643	-5	5	546	-8	-1	496	73
1986	1,400	-15	-3	455	-17	-7	409	80
1987	1,201	-14	-6	380	-17	-9	428	66
1988	1,072	-11	-9	328	-14	-12	580	71
1989	1,106	3	-9	326	-1	-11	635	80
1990	1,120	1	-7	318	-2	-10	688	78
1991	1,076	-4	-5	295	-7	-8	680	80
1992	1,028	-4	-3	275	-7	-6	630	88
1993	907	-12	-3	238	-14	-6	718	81
1994	967	7	-3	248	4	-5	848	83
1995	1,012	5	-2	254	2	-4	634	67
1996	1,178	16	2	290	14	0	686	78
1997	1,248	6	4	303	4	2	761	72
1998	1,515	21	11	363	20	9	741	66
1999	1,494	-1	9	353	-3	7	841	66
2000	1,457	-3	8	337	-5	6	800	53
2001	1,559	7	6	352	5	4	698	53
2002	1,679	8	6	374	6	4	870	54
2003	2,062	23	6	449	20	4	1,315	47
2004	2,455	19	10	520	16	8	1,308	50
2005	2,888	18	15	592	14	12	1,235	48
2006	3,414	18	17	678	14	14	1,225	49
2007	4,326	27	21	834	23	17	1,271	40
2008	4,879	13	19	921	10	15	944	40
2009	4,605	-6	13	861	-7	11	822	32
2010	4,632	1	10	859	0	8	829	30
2011	4,837	4	7	892	4	6	781	33

*In 1966 dollars

Source: Real Estate Center at Texas A&M University

Region 6—South Texas

This region is composed of the fringe of the Edwards Plateau, South Texas brush country, the coastal plains and Lower Rio Grande Valley (Figure 16). It encompasses large areas of sparsely populated ranches as well as large metropolitan areas.

Well known for an abundance of superior quality wildlife, ranchers and recreational users keep nearly 68 percent of its acreage in native rangeland. Sizable expanses of cropland make up about 20 percent of acreage, evenly split between irrigated and dryland cropland.

Markets in this region began to slow early in the recession. At \$3,040 per acre, real prices were about the same as in 2007 (Figure 17, Table 7). Sales volume dropped in the past three years. With 498 sales posted in 2011, the volume of activity matched 1990-era markets. Development of the Eagle Ford Shale oil and gas play promises to permanently change this area. The influx of people and capital will likely impact land markets for years to come.

Figure 16. Region 6—South Texas

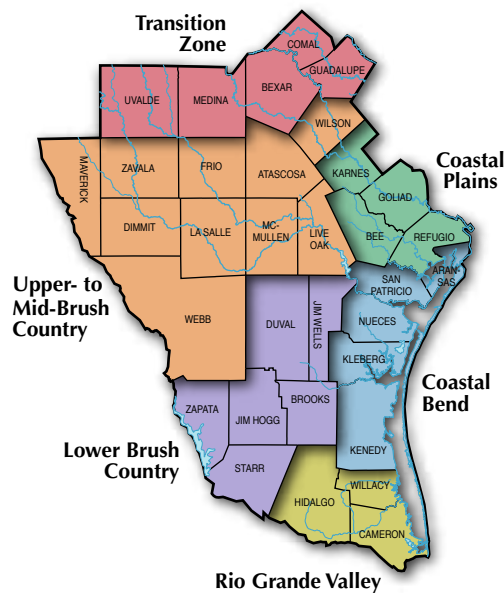
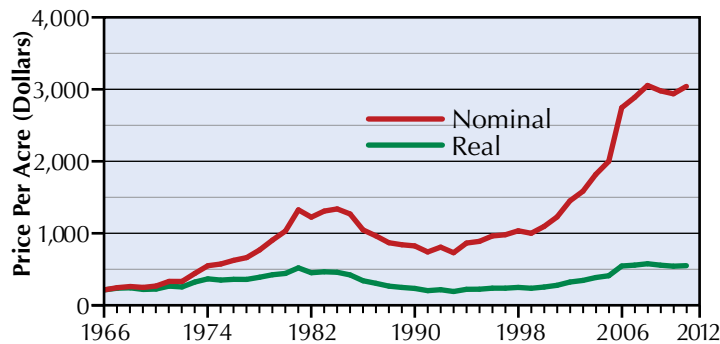


Figure 17. Region 6 Size-Adjusted Price Per Acre



Source: Real Estate Center at Texas A&M University

**Table 7. Region 6—South Texas
Trends in Size-Adjusted Average Price of Rural Land, 1966–2011**

Year	Nominal			Real			Volume of Sales	Median Tract Size (acres)
	Size-Adjusted Average Price per Acre	Year-to-Year Percentage Change	Annual Compound 5-Year Growth Rate	Deflated* Size-Adjusted Average Price per Acre	Year-to-Year Percentage Change	Annual Compound 5-Year Growth Rate		
1966	214			214			734	100
1967	245	14		237	11		620	92
1968	261	7		242	2		473	99
1969	248	-5		220	-9		491	83
1970	268	8		225	3		417	100
1971	332	24	9	266	18	4	589	99
1972	331	0	6	254	-4	1	556	125
1973	443	34	11	323	27	6	534	102
1974	549	24	17	367	14	11	576	131
1975	573	4	16	350	-5	9	438	129
1976	624	9	13	360	3	6	481	101
1977	662	6	15	359	0	7	478	114
1978	768	16	12	390	8	4	470	138
1979	905	18	11	424	9	3	453	118
1980	1,031	14	12	442	4	5	365	123
1981	1,325	29	16	520	17	8	350	139
1982	1,224	-8	13	452	-13	5	363	125
1983	1,308	7	11	465	3	4	383	156
1984	1,338	2	8	458	-1	2	463	150
1985	1,268	-5	4	422	-8	-1	486	158
1986	1,047	-17	-5	341	-19	-8	389	119
1987	963	-8	-5	305	-10	-8	376	143
1988	869	-10	-8	266	-13	-11	445	160
1989	841	-3	-9	248	-7	-12	460	158
1990	824	-2	-8	234	-6	-11	446	137
1991	741	-10	-7	203	-13	-10	534	140
1992	807	9	-3	216	6	-7	573	150
1993	730	-10	-3	191	-12	-6	653	155
1994	864	18	1	222	16	-2	766	125
1995	888	3	1	223	1	-1	564	130
1996	963	8	5	238	6	3	590	118
1997	980	2	4	237	0	2	621	160
1998	1,035	6	7	248	4	5	662	134
1999	1,000	-3	3	236	-5	1	583	143
2000	1,095	10	4	253	7	3	610	150
2001	1,227	12	5	277	10	3	687	101
2002	1,451	18	8	323	16	6	881	100
2003	1,583	9	9	345	7	7	960	96
2004	1,819	15	13	385	12	10	1,267	81
2005	2,000	10	13	410	6	10	1,068	72
2006	2,745	37	17	545	33	14	845	86
2007	2,887	5	15	557	2	12	847	80
2008	3,053	6	14	576	4	11	685	76
2009	2,979	-2	10	557	-3	8	346	70
2010	2,938	-1	8	545	-2	6	488	88
2011	3,040	3	2	560	3	1	498	66

*In 1966 dollars

Source: Real Estate Center at Texas A&M University

Region 7—Austin–Waco–Hill Country

Land use in this region (Figure 18) is dominated by grazing, which accounts for more than 82 percent of acreage. Prices have been stagnant since 2007 with a low of \$3,041 per acre in 2009 and the 2011 price at \$3,109 per acre (Figure 19, Table 8). Sales volume continued at a depressed level with 1,371 transactions recorded. The median 65 acres per transaction continued a four-year sales trend toward small properties.

Figure 18. Region 7—Austin–Waco–Hill Country

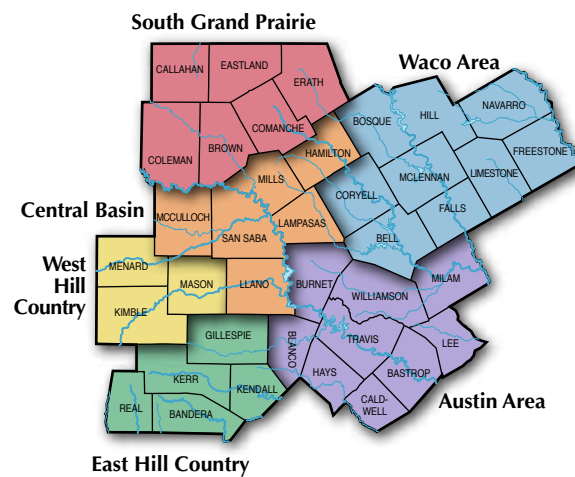
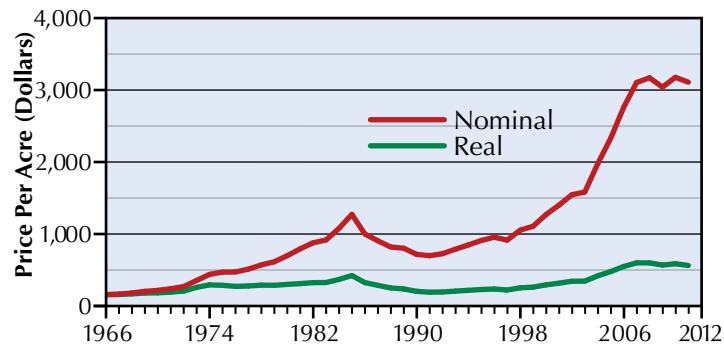


Figure 19. Region 7 Size-Adjusted Price Per Acre



Source: Real Estate Center at Texas A&M University

**Table 8. Region 7—Austin–Waco–Hill Country
Trends in Size-Adjusted Average Price of Rural Land, 1966–2011**

Year	Nominal			Real			Volume of Sales	Median Tract Size (acres)
	Size-Adjusted Average Price per Acre	Year-to-Year Percentage Change	Annual Compound 5-Year Growth Rate	Deflated* Size-Adjusted Average Price per Acre	Year-to-Year Percentage Change	Annual Compound 5-Year Growth Rate		
1966	158			158			1,582	135
1967	165	5		160	2		1,410	122
1968	180	9		168	5		1,219	107
1969	203	13		180	7		1,347	107
1970	217	7		183	1		1,096	120
1971	240	11	9	192	5	4	1,203	115
1972	270	12	10	207	8	5	1,348	125
1973	355	32	14	259	25	9	1,088	156
1974	439	24	17	293	13	10	922	137
1975	471	7	17	287	-2	9	696	115
1976	473	0	15	273	-5	7	839	120
1977	512	8	14	278	2	6	940	108
1978	571	11	10	289	4	2	958	111
1979	614	8	7	288	-1	0	913	125
1980	699	14	8	300	4	1	814	148
1981	794	14	11	311	4	3	1,030	117
1982	878	11	11	324	4	3	912	112
1983	917	4	10	326	1	2	1,056	121
1984	1,078	18	12	369	13	5	1,190	144
1985	1,272	18	13	423	15	7	1,109	125
1986	1,001	-21	5	326	-23	1	748	111
1987	906	-9	1	287	-12	-2	660	119
1988	820	-10	-2	251	-13	-5	744	118
1989	803	-2	-6	237	-6	-9	745	124
1990	717	-11	-11	204	-14	-14	873	132
1991	699	-3	-7	192	-6	-10	816	139
1992	727	4	-4	195	2	-7	838	148
1993	789	9	-1	207	6	-4	934	139
1994	848	7	1	218	5	-2	1,035	139
1995	910	7	5	229	5	2	980	135
1996	956	5	6	236	3	4	1,092	113
1997	915	-4	5	222	-6	3	961	138
1998	1,053	15	6	252	14	4	932	143
1999	1,108	5	5	262	4	4	1,245	114
2000	1,270	15	7	294	12	5	1,143	115
2001	1,401	10	8	317	8	6	1,351	81
2002	1,546	10	11	344	9	9	1,663	97
2003	1,584	2	9	345	0	6	2,024	97
2004	1,977	25	12	419	21	10	2,241	95
2005	2,330	18	13	478	14	10	2,435	91
2006	2,759	18	15	548	15	12	2,434	84
2007	3,105	13	15	599	9	12	2,170	66
2008	3,171	2	15	598	0	12	1,733	68
2009	3,041	-4	9	569	-5	6	1,242	62
2010	3,177	4	6	589	4	4	1,451	58
2011	3,109	-2	2	573	-3	1	1,371	65

*In 1966 dollars

Source: Real Estate Center at Texas A&M University



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