

**Texas Small Land Sales Report**  
**2014 Edition**  
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**About the Texas Small Land Sales Report**

The Texas Small Land Sales Report is a combination of 2013 small land sales data provided by the Real Estate Center at Texas A&M University and local insights from Texas REALTOR® leaders in each market. The Texas Association of REALTORS® distributes insights about the Texas housing market each month, including quarterly market statistics, trends among homebuyers and sellers, luxury home sales, international trends, and more. To view the Texas Small Land Sales Report in its entirety, visit [TexasRealEstate.com](http://TexasRealEstate.com).

**About the Texas Association of REALTORS®**

With approximately 90,000 members, the Texas Association of REALTORS® is a professional membership organization that represents all aspects of real estate in Texas. We advocate on behalf of Texas REALTORS® and private-property owners to keep homeownership affordable, protect private-property rights, and promote public policies that benefit homeowners. Visit [TexasRealEstate.com](http://TexasRealEstate.com) to learn more.



## Executive Summary

From vacation homes and ranchettes to investment properties and industrial interests, small land sales throughout Texas saw significant activity last year, according to the 2014 Texas Small Land Sales Report released today by the Texas Association of REALTORS® (TAR). The report summarizes data provided by the Real Estate Center at Texas A&M University on trends in small land sales across the state and revealed that the economic strength driving other aspects of Texas real estate is also reflected in small land sales.

The report divides the state into seven regions and reports on trends in each. Due to the significant physical variations among these regions, the definitions of “small” and “large” have been determined on a per-region basis. Generally speaking, however, a sale is considered a small land sale if the purchase is less than 200 acres. The exception is Region Two, covering Far West Texas, in which 500 to 8,000 acres qualifies as a small land sale.

Among the regions, Region Seven (Central Texas) had the most land sales in 2013, with 1,392 parcels of small land sold comprising 33 percent of the total volume in Texas. In addition, Region Five (Houston and surrounding areas) had the highest average price per acre in Texas at \$9,195, while Region One (Panhandle) had the highest median tract size, at 81 acres.

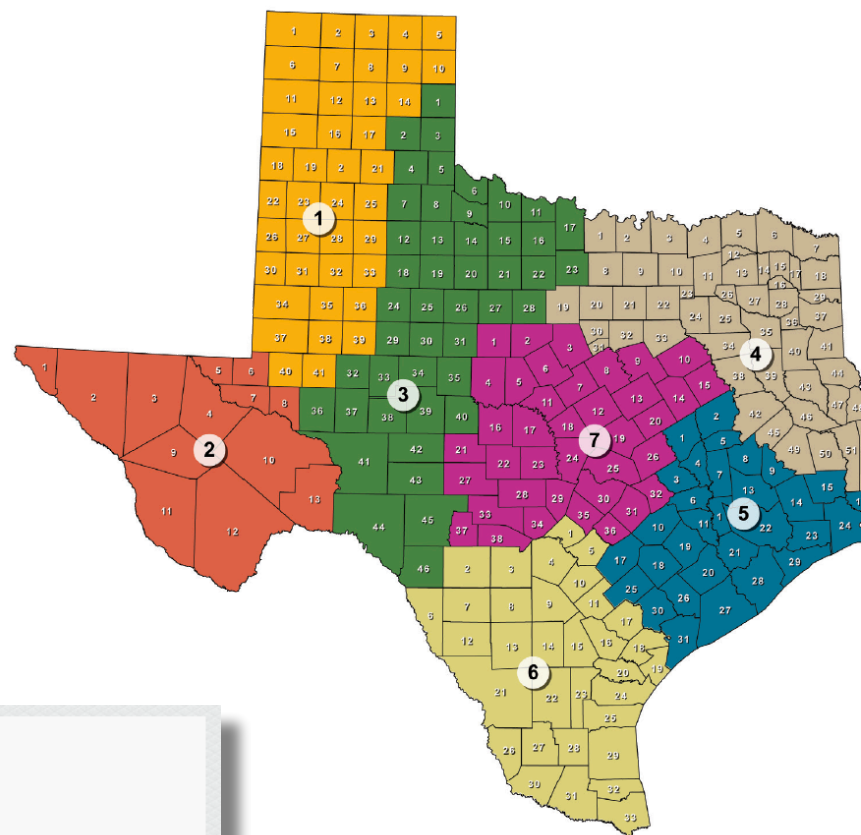
According to the report, individuals are showing more interest in small land sales for recreational uses, such as ranchettes for weekend getaways and land for hunting. Industries are purchasing tracts known for timber production as well as farmland with an abundance of silage. Small land sales were also driven by investors, who are seeking irrigated land for cash crops that are beginning to stabilize in price and in the fringe counties of major cities for community development.

## Texas Statewide

Texas and its seven regions are home to a diverse scope of land characteristics from rugged desert arroyos to subtropical thickets and from sea-level plains to alpine vistas. This extreme variety in terrain and size affects the ownership and marketing of land significantly.

Dan Hatfield, chairman of the Texas Association of REALTORS®, commented: “The same things driving demand for residential real estate – jobs and affordability – are driving small land sales in Texas. Texans are looking for vacation properties, industries are looking to support their operations and investors are looking for new development opportunities. Over the last decade, that has driven almost double the number of land sale purchases.”

- Small land sales in Texas had **4,189 sales** in 2013.
- The median tract size in Texas was **20 acres**.
- Average price per acre for Texas was **\$4,849** in 2013. Adjusted for inflation, this equates to **\$875\* per acre**.

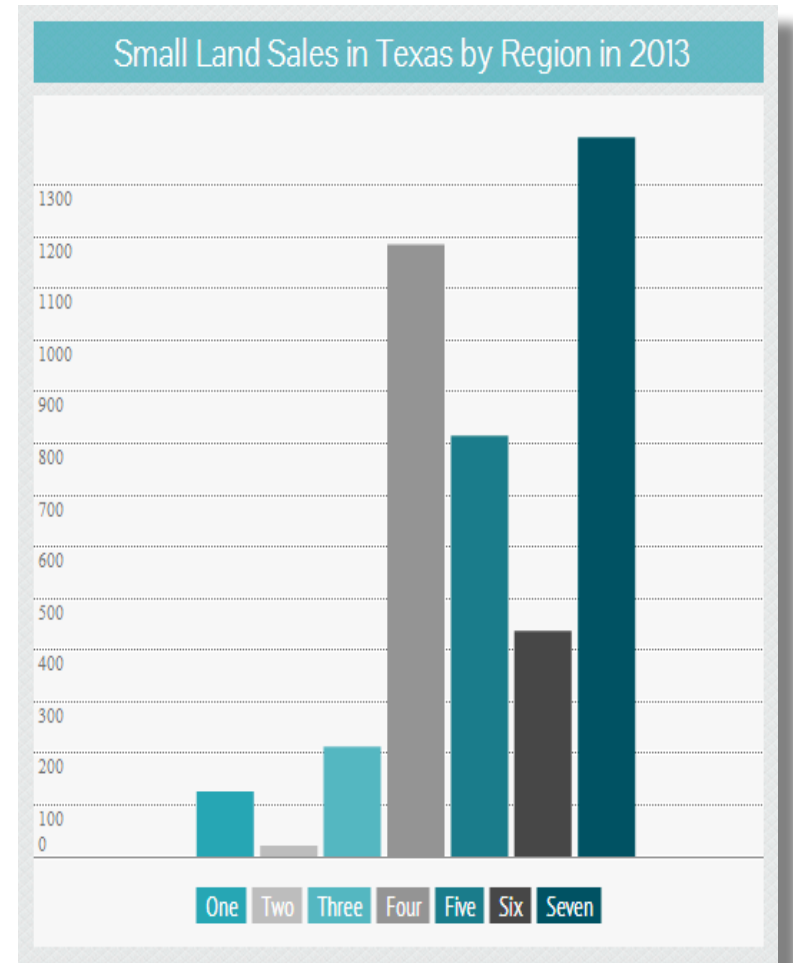


★ **\$4,849**  
Average Price Per Acre in Texas in 2013

Charles Gilliland, economist with the Real Estate Center at Texas A&M University, spearheaded collection of the data and commented on the importance of looking at small land sales specifically: “We’ve long suspected that trends in land sales may differ between small and large tracts and the findings in this report confirm that. Few buyers possess the resources required to purchase large tracts while many more have the capital needed to buy smaller properties. This higher demand often results in small properties exchanging for a higher price per acre than larger neighboring tracts of comparable quality.”

★ **4,189**  
Small Land Sales in Texas in 2013

● **20 Acres**  
Median Tract Size in Texas in 2013



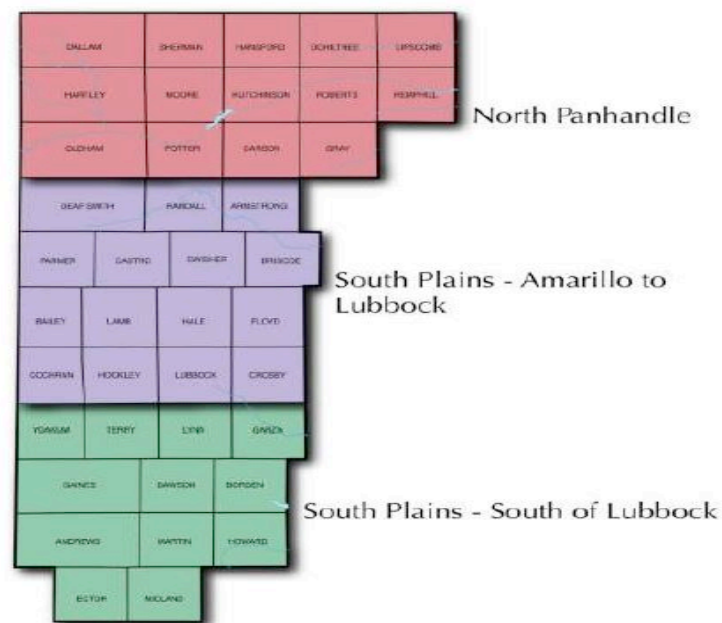
## Region One – Panhandle and South Plains


**Region One is the northern most region in the state**, encompassing the Metropolitan Statistical Areas for Amarillo, Lubbock, Odessa and Midland in addition to being bordered by New Mexico to the west and Oklahoma to the north and east. In this region, small land sales consist of land parcels 159 acres or smaller.

In Region One, 80 percent of rural land in the region is used for income-producing farming and ranching, making Texas’ ongoing drought a continuing factor affecting demand for land sales. Specifically, it has further increased the desirability of irrigated (or irrigation-ready) properties.

“There are several factors increasing demand for small land sales in Region One, including oil and gas production, wind energy production and the expansion of dairy farms in the area,” said **George Clift**, a Texas REALTOR® active in land sales in Region One and President of the REALTORS® Land Institute. “Unlike other parts of the state, where recreational land use is increasing demand, in Region One, it’s about obtaining income-producing properties and making tax-deferred investments.”

- Small land sales in Region One had **126 sales** in 2013.
- The median tract size in Region One was **81 acres**.
- The volume of small land sales for Region One in 2013 comprised **3 percent** of all small land sales statewide.





# 126

## Small Land Sales in Region One in 2013

## Region One – Panhandle and South Plains

Prices for land in the region vary greatly based on use, with irrigated properties earning highest values; followed by recreational properties, of which there are few in the region; and lastly, dryland / ranch land.

- Average price per acre for Region One was **\$1,674 per acre** in 2013. Adjusted for inflation, this equates to **\$302\* per acre**.

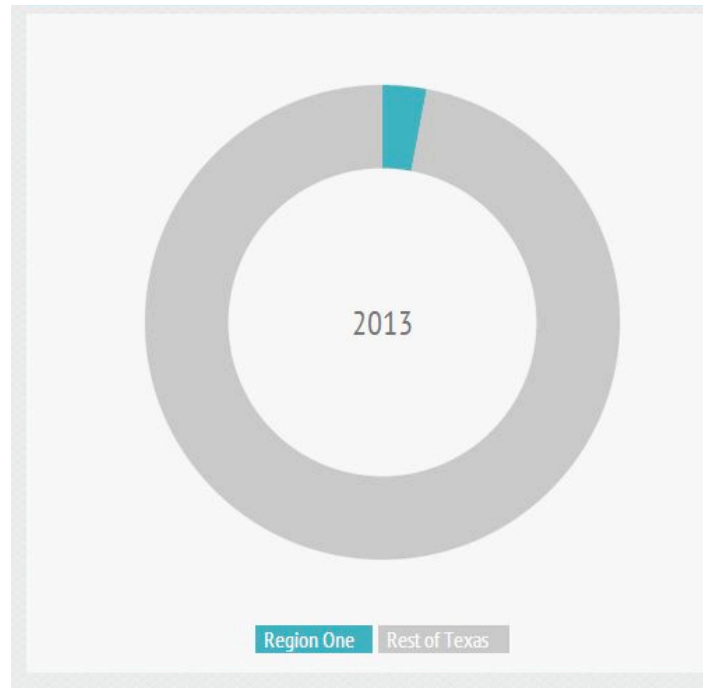
**Clift** continued, “The biggest issue in our area is water management. Farmers are becoming more sophisticated about using water wisely and embracing technology to decrease water needs and that’s improving their profitability. That helps to sustain the value of their properties and provides more income. In addition, landowners are generating cash from leases for oil and gas and wind energy production, which they often choose to re-invest in more land. That means the price increases we’re seeing are driven by true prosperity, not speculation.”

★ **\$1,674**

Average Price Per Acre in Region One in 2013

*\*Adjusted figures are in 1966 dollars.*

Region One comprised 3 percent of all small land sales in Texas in 2013



● **81 Acres**

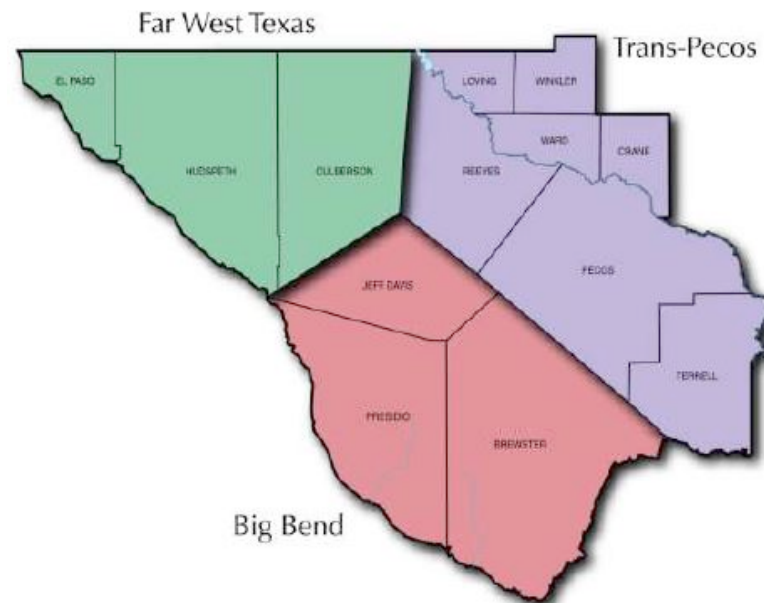
Median Tract Size in Region One in 2013

## Region Two – Far West Texas

**Region Two encompasses West Texas** and contains the El Paso Metropolitan Statistical Area. Region Two is home to Guadalupe Peak, the highest point in Texas and includes the four largest counties in the state – Brewster, Hudspeth, Presidio and Culberson. In this region, small land sales consist of land parcels between 500 and 8,000 acres.

Topographically, the land in this region sees heavy irrigation use with mountainous expanses, broad valleys and flood plains. A common and limiting factor in small land sales in Region Two is the drought. Purchases in Region Two are primarily driven by investor operations in irrigation and cash crops.

- Small land sales in Region Two had **21 sales** in 2013.
- The median tract size in Region Two was **55 acres**.
- The volume of small land sales for Region Two in 2013 comprised **.5 percent** of all small land sales statewide.
- Average price per acre for Region Two was **\$3,100 acre** in 2013. Adjusted for inflation, this equates to **\$560\* per acre**.
- Region Two had the **third-lowest price per acre** in the state in 2013.



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Small Land Sales in Region Two in 2013

★ \$3,100

Average Price Per Acre in Region Two in 2013

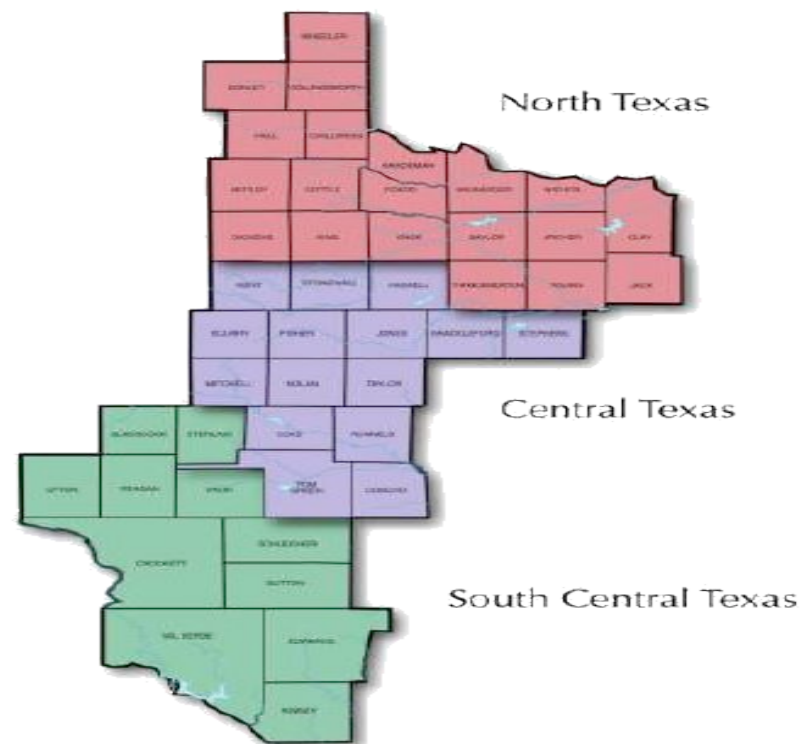


## Region Three – West Texas

**Region Three is located in the western portion of the state** and stretches from the Texas-Oklahoma border on the north to the Mexico border on the south and consists of Metropolitan Statistical Areas for San Angelo and Abilene. Every region except Region Five touches a portion of Region Three. Small land sales consist of land parcels 94 acres or smaller in this region.

Oil and gas production is a popular trend for buying land in Region Three, since more than three quarters of it is native pasture in the Cline and Wolfcamp shale. People in the area who have jobs in the oil industry are buying small tracts of land for recreation and/or investment. Rangeland purchases for cattle raising also grew in popularity in this region.

- Small land sales in Region Three had **213 sales** in 2013.
- The median tract size in Region Three was **45 acres**.
- The volume of small land sales for Region Three in 2013 comprised **5.08 percent** of all small land sales statewide.
- Average price per acre for Region Three was **\$2,206** in 2013. Adjusted for inflation, this equates to **\$398\* per acre**.
- Region Three had the **sixth-highest price per acre** in the state in 2013.



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Small Land Sales in Region Three in 2013



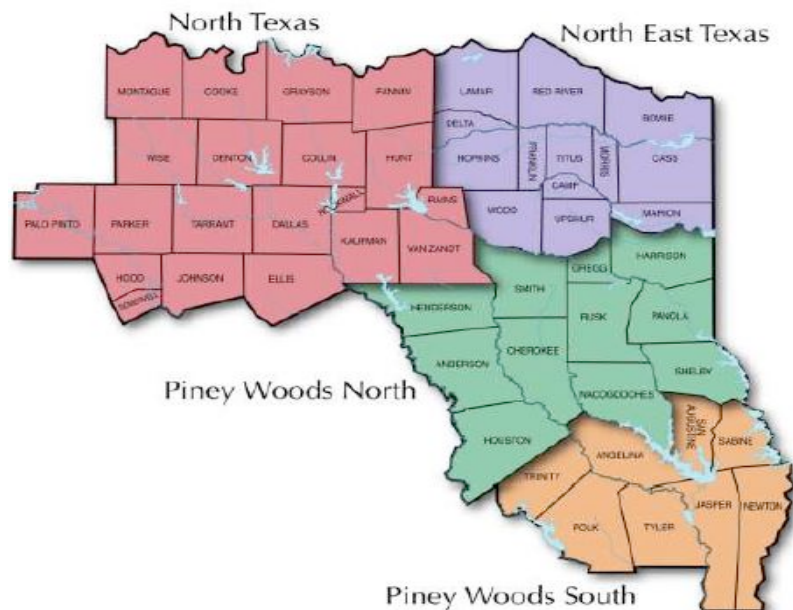
## Region Four – Northeast Texas

**Region Four is located in the Northeast portion of Texas**, encompassing the Metropolitan Statistical Areas for Dallas-Fort Worth-Arlington, Wichita Falls, Sherman-Denison, Texarkana, Longview and Tyler. The north and east sides of the region are bordered by Oklahoma, Arkansas and Louisiana. In this region, small land sales consist of land parcels 33 acres or smaller.

There has been a significant amount of land being subdivided into either residential or recreational tracts coming down from the Dallas-Fort Worth-Arlington Metroplex and up from the northern Houston area due to Region Five's Piney Wood landscape, which has good interior roads, surface water and woodland for hunting. Region Four is also the largest timber producer in the state.

“The continuing subdivision of pasture lands has significantly reduced sales that were larger than 300 acres,” said **Renee Harvey**, a Texas REALTOR® actively involved in small land sales in Region Four. “Well over half of the land in Region Four is either native or improved pasture tracts and because of the demand for rural residency, 300 acre land sales became four, five or even six purchases.”

- Small land sales in Region Four had **1,185 sales** in 2013.
- The median tract size in Region Four was **18 acres**.
- The volume of small land sales for Region Four in 2013 comprised **28.29 percent** of all small land sales statewide.



## Region Four – Northeast Texas

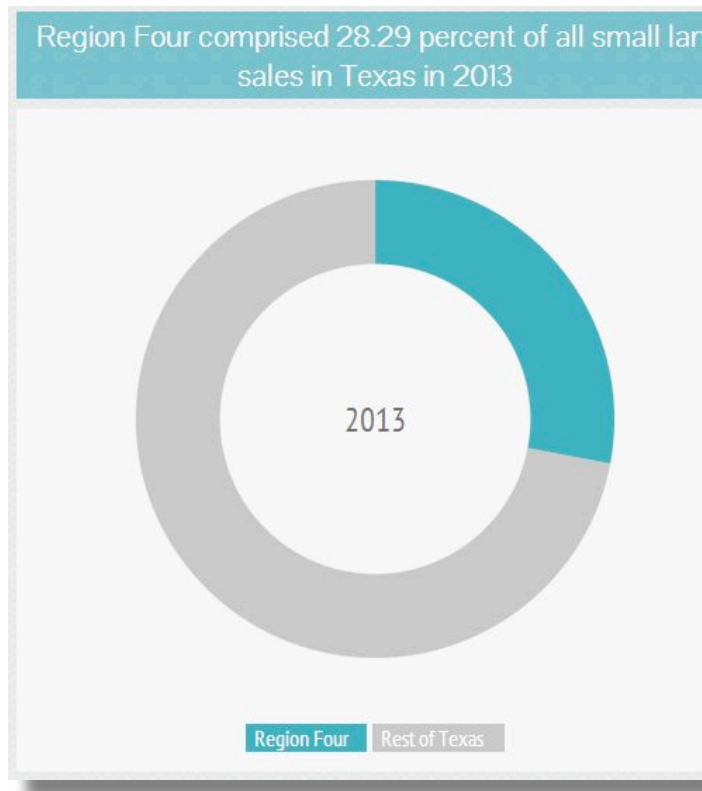
“Region Five’s heavy timber influence was business as usual in 2013,” adds **Harvey**. “Paper companies in Texas and Louisiana have been showing signs of longer-term commitments with larger land purchases, but the amount of purchase increased slightly in 2013.”

- Average price per acre for Region Four was **\$6,968** in 2013. Adjusted for inflation, this equates to **\$1,258\* per acre**.
- Region Four had the **third-highest price per acre** in the state in 2013.

**Harvey** concludes, “The popularity of Region Four stems from its diverse landscapes. There was stable demand for crop land and pasture tracts, and timber land tracts were bought up and resold as usual.”

“However, the heaviest motivators for purchasing land in 2013 were rural residency and recreation. These smaller purchases resulted in almost four times as many land sales in 2013 as in 2012.”

*\*Adjusted figures are in 1966 dollars.*



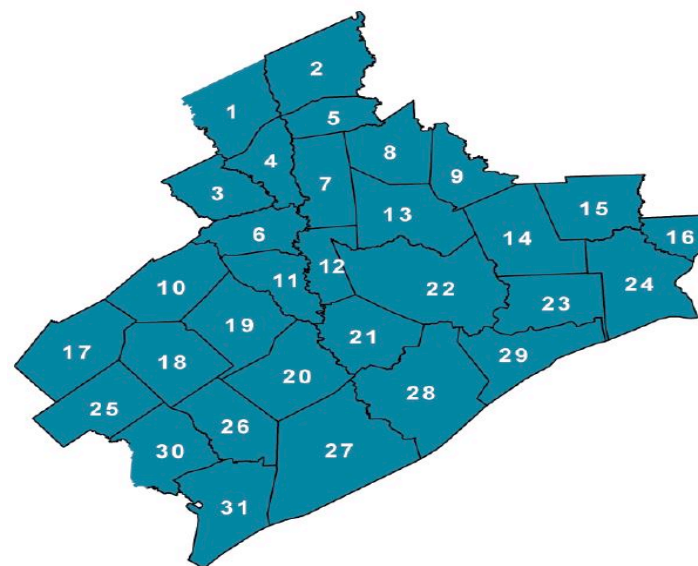
## Region Five – Gulf Coast-Brazos Bottom

**Region Five is located to the southeast of the state** and includes one of the largest Metropolitan Statistical Areas, Houston-Sugar Land-Baytown in addition to College Station-Bryan, Victoria and Beaumont-Port Arthur. In this region, small land sales consist of land parcels 42 acres or smaller.

The City of Houston, along with the Woodlands and Katy, has long dominated the majority of Region Five. North of Houston, residential development is active and throughout the region, individuals purchase land for investment and recreational use.

“Land sales in recent years have increased significantly as development in the Houston area has continued to expand geographically in places like the Woodlands and along the energy corridor,” said **Cathy Cole**, a Texas REALTOR® active in land sales in the region. “Today, workers can commute from an outlying community like Brenham to a business district like The Woodlands as easily as they can from a suburb to downtown Houston, leading more property owners to purchase small land tracts as homesteads.”

- Region Five featured **815 small land sales** in 2013.
- The median tract size in Region Five was **20 acres**.
- The volume of small land sales for Region Five in 2013 comprised **19.45 percent** of all small land sales statewide.



**▲ 815**

Small Land Sales in Region Five in 2013

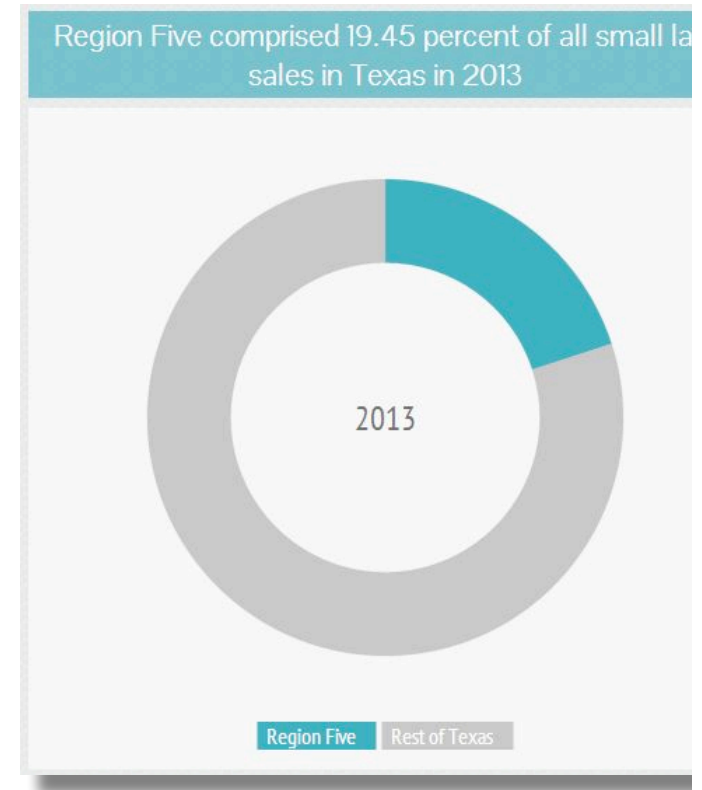
## Region Five – Gulf Coast-Brazos Bottom (cont.)

**Cole** continued, “Land prices in Region Five have historically been very affordable, but we’re starting to see those increase with rising demand. That’s especially true the closer you get to the Houston area.”

- Average price per acre for Region Five was **\$9,195** in 2013. Adjusted for inflation, this equates to **\$1,660\* per acre**.
- Region Five had the **highest price per acre** in the state in 2013.

“One unique aspect of small land sales in this region is the combination of residential and recreational demand with investment interests driven by oil and gas exploration,” said **Cole**. “The ability to obtain mineral rights with a small land purchase, or at least executive rights, has a significant impact on the desirability of a property. In addition, buyers interested primarily in investment may be competing with those seeking property for residential or recreational purposes, sometimes leading to multiple offers and bidding wars. I’ve been in land sales in this area for more than two decades and not seen that level of competition before.”

*\*Adjusted figures are in 1966 dollars.*



★ **\$9,195**

Average Price Per Acre in Region Five in 2013

● **20**

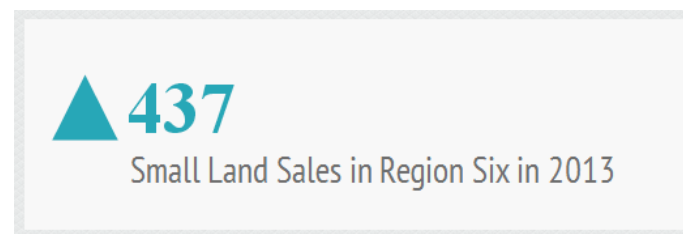
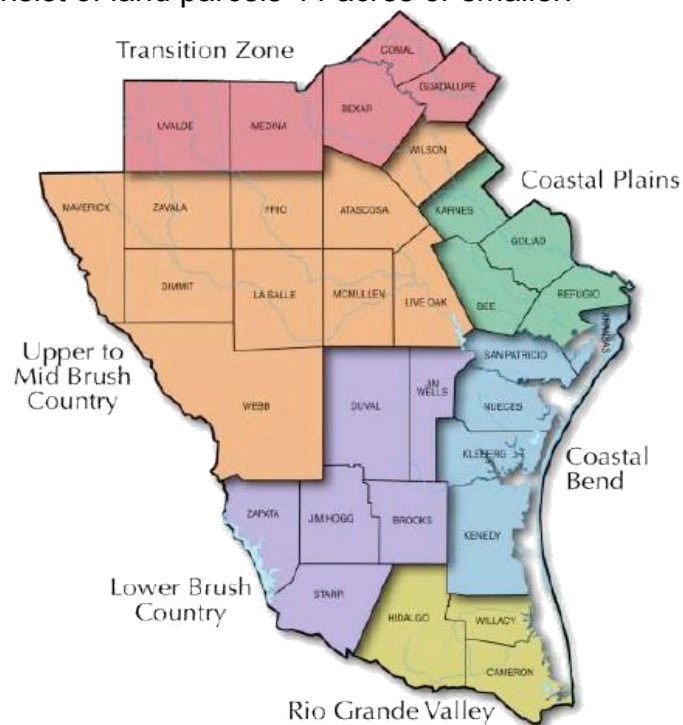
Median Tract Size in Region Five in 2013

## Region Six – South Texas

**Region Six is located in southernmost Texas**, encompassing the Metropolitan Statistical Areas for San Antonio, Laredo, Corpus Christi, McAllen-Edinburg-Mission and Brownsville-Harlingen in addition to the Gulf of Mexico to the east and the republic of Mexico to the west. In this region, small land sales consist of land parcels 44 acres or smaller.

Recreational demand accounted for most of the activity in Region Six in 2013. Ranches around the Eagle Ford Shale area flourished as they have great amenities for recreation and are within moderate driving distance to South Texas cities. Many buyers sold high-priced farmland and looked to invest in lower-priced acreage. Institutional investors have shown significant interest in farmland, due to the positive investment returns provided by croplands with income, possible appreciation and potential tax benefits.

- Small land sales in Region Six had **437 sales** in 2013.
- The median tract size in Region Six was **20 acres**.
- The volume of small land sales for Region Six in 2013 comprised **10.43 percent** of all small land sales statewide.
- Average price per acre for Region Six was **\$7,159** in 2013. Adjusted for inflation, this equates to **\$1,293\* per acre**.
- Region Six had the **second-highest price per acre** in the state in 2013.





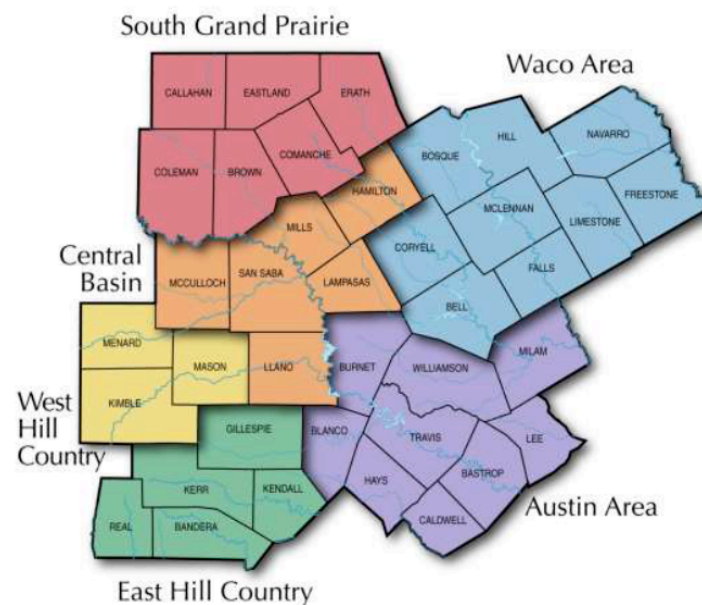
## Region Seven – Austin | Waco | Hill Country

**Region Seven forms the central core of Texas**, encompassing the Metropolitan Statistical Areas for Austin-Round Rock-San Marcos, Killeen-Temple-Fort Hood and Waco in addition to the scenic Texas Hill Country and the Highland Lakes system. In this region, small land sales consist of land parcels 49 acres or smaller.

Rapidly growing urban populations from within this region as well as from the San Antonio-New Braunfels and Dallas-Fort Worth-Arlington MSAs have prompted owners to subdivide large holdings for resale, resulting in a sizable volume of small land sales.

“This region is prime real estate for urban residents looking for a ranchette or second home in the country,” said **Dan Hatfield**, 2014 chairman of the Texas Association of REALTORS® and a Texas REALTOR® active in small land sales within Region Seven. “Residents from Austin, Dallas-Fort Worth, and San Antonio are expanding into Region Seven to get out of the city and to take advantage of its scenic hills and waterfront areas.”

- Small land sales in Region Seven had **1,392 sales** in 2013.
- The median tract size in Region Seven was **21 acres**.
- Region Seven had the **highest volume of small land sales in 2013**, comprising **33.23 percent** of all small land sales statewide.

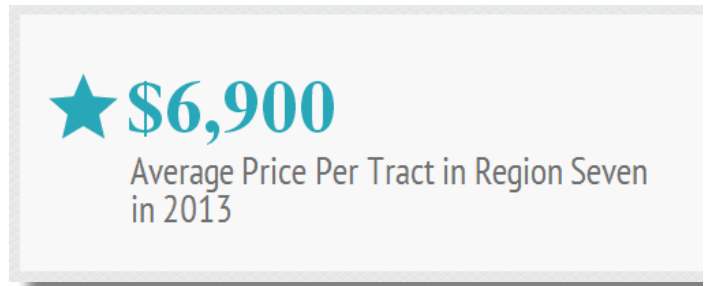
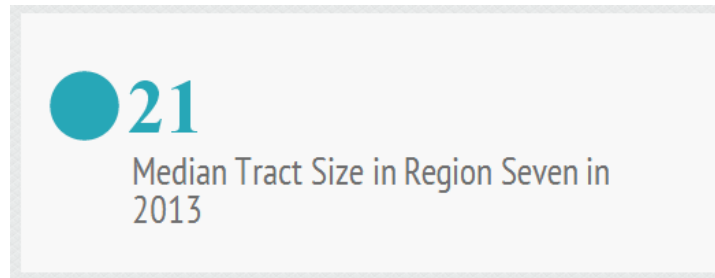
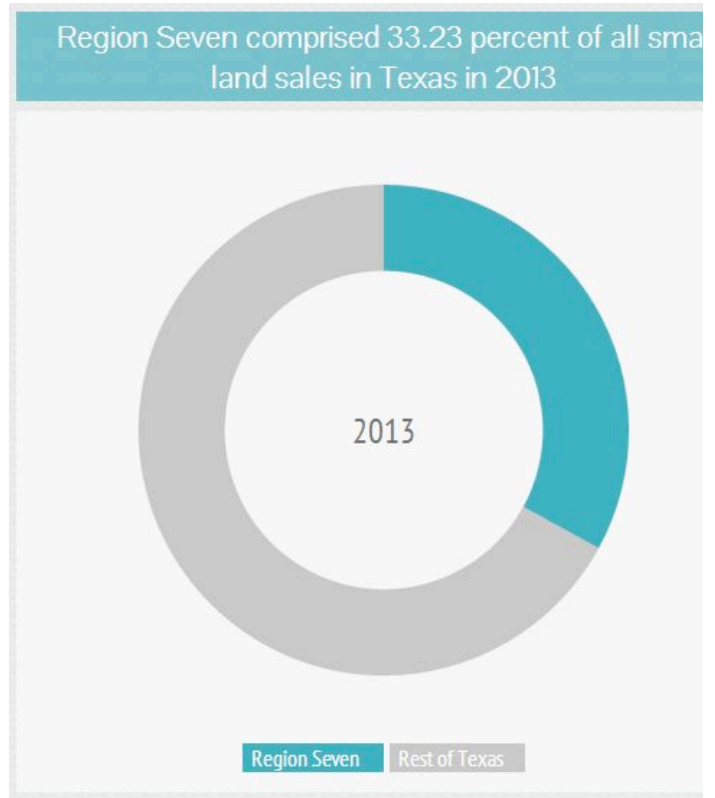


## Region Seven – Austin | Waco | Hill Country

“These figures for small land sales and price per acre are not surprising,” adds **Hatfield**. “2013 was one of the best years the Central Texas housing market had ever seen, including for small land sales.”

- Average price per acre for Region Seven was **\$6,900** in 2013. Adjusted for inflation, this equates to **\$1,246\* per acre**.
- Region Seven had the **fourth-highest price per acre** in the state in 2013.

**Hatfield** concludes, “Housing inventory within Texas’ major cities is at an all-time low, sending people outside of the city for available property. However, land available for near-term development is in short supply, causing tract sizes to decrease and the average price per acre to rise. The continued availability of urban fringe properties and land with immediate access to utilities will play a significant role in regional small land sales in 2014 and in the future.”



*\*Adjusted figures are in 1966 dollars.*