

Texas Small Land Sales Report
2015 Edition
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About the Texas Small Land Sales Report

The Texas Small Land Sales Report analyzes small land sales data and trends across seven regions of Texas with data provided by the Real Estate Center at Texas A&M University. 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.

About the Texas Association of REALTORS®

With more than 95,000 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 to learn more.



Executive Summary

Small land sales throughout Texas posted double-digit growth and average price per acre showed strong increases statewide last year, according to the 2015 Texas Small Land Sales Report released June 1 by the Texas Association of REALTORS®.

According to the report, 5,282 small land tracts were sold in Texas in 2014, a 20.69 percent increase from 2013. This double-digit growth was consistent across all seven regions, with the exception of Region One (Panhandle and South Plains), which decreased 7.93 percent to 116 small land sales in 2014. For the second year, Region Seven (Austin / Waco / Hill Country) showed the most small land sales of any region, with sales increasing 19.16 percent to 1,722 small land sales during the same time frame.

The average price per acre for Texas small land sales also showed strong gains in most regions in 2014, increasing 3.5 percent year-over-year to \$5,018 per acre statewide. Regions Two (Far West Texas) and Five (Gulf Coast – Brazos Bottom) were the only regions to show decreases in price, falling 47.24 percent to \$1,635 per acre and 0.31 percent to \$9,167 per acre, respectively. Region Five also had the highest average price per acre of any region.

Median tract size, conversely, decreased slightly across the state as strong demand for Texas real estate continues. While the statewide median tract size remained constant at 20 acres, most regions showed decreases in median tract sizes between 3 and 10 percent in 2014. The exception was Region Two, in which the median tract size grew 54.16 percent to 120 acres during the same time frame.

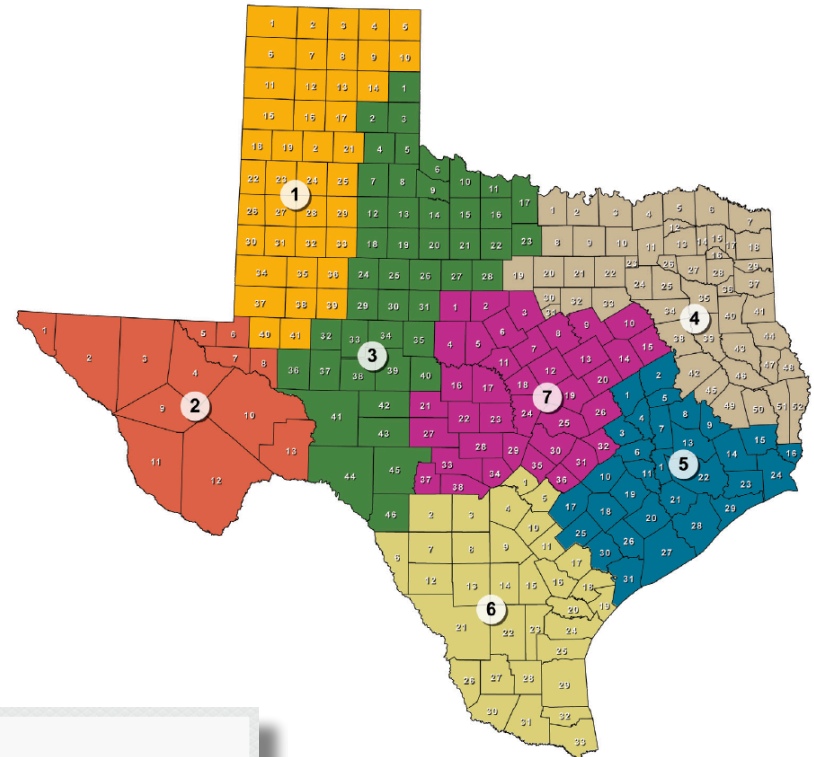
Due to the significant physical variations among the seven regions, the definition of a small land tract varies from approximately 30 to 160 acres in each region. The exception is Region Two, in which 500 to 8,000 acres qualifies as a small land sale.

Texas

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.

The small land sales market is similar to the overall housing market in Texas, with high demand, competitive market conditions and robust sales and price growth. The explosive buyers' rush for small land tracts that began in 2013 is on track to continue through 2015.

- Small land sales in Texas had **5,282 sales** in 2014, a 20.69 percent increase compared to last year.
- The median tract size in Texas was **20 acres** in 2014, which is unchanged from 2013.
- Average price per acre for small land tracts in Texas was **\$5,018** in 2014. This is a 3.5 percent increase compared to 2013. Adjusted for inflation, this equates to **\$891* per acre**.



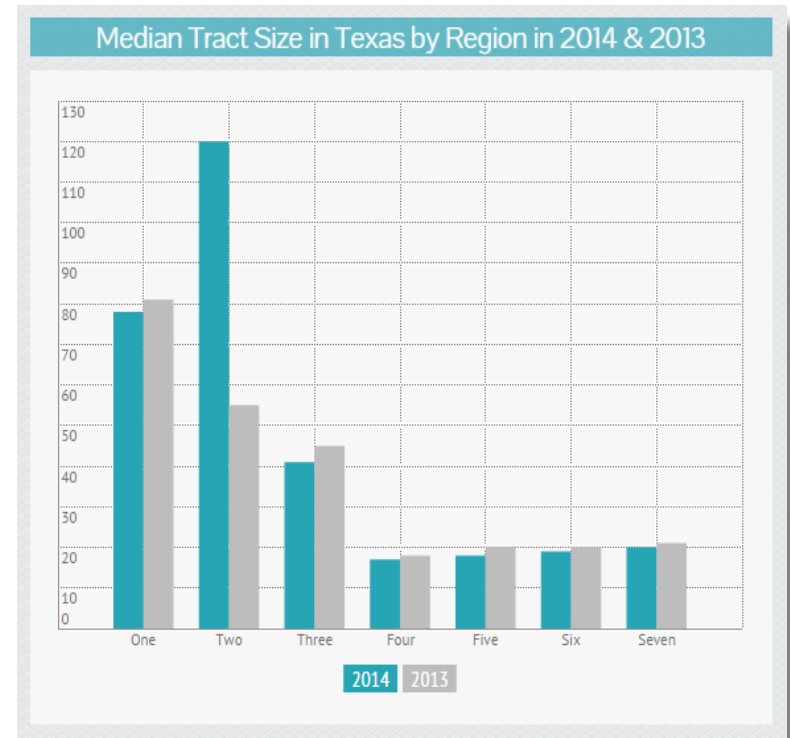
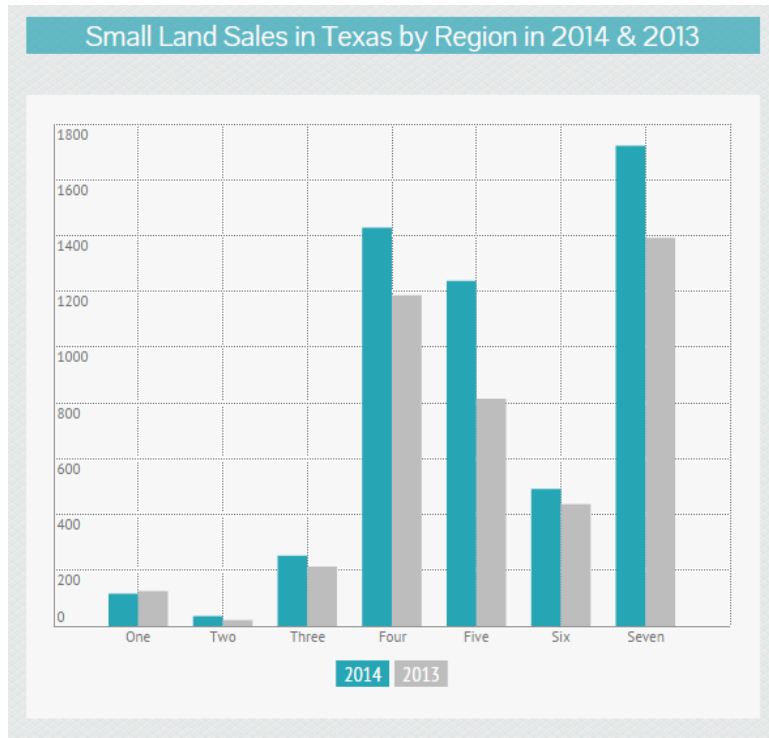
 **\$5,018**

Average price per acre statewide in 2014,
a 3.5 percent increase from last year

Texas, continued

A majority of Texas' small land sales in 2014 were located in Regions Four (Northeast Texas), Five (Gulf Coast-Brazos Bottom) and Seven (Austin-Waco-Hill Country). Three of Texas' major metro areas, Austin, Dallas-Fort Worth and Houston, are located in these regions. Most all markets posted year-over-year increases for small land sales with the exception of Region One (Panhandle and South Plains).

Due to rising demand, median tract sizes for small land parcels decreased across the state in 2014. The exception was Region Two (Far West Texas), where the median tract size increased 54.16 percent from 2013.

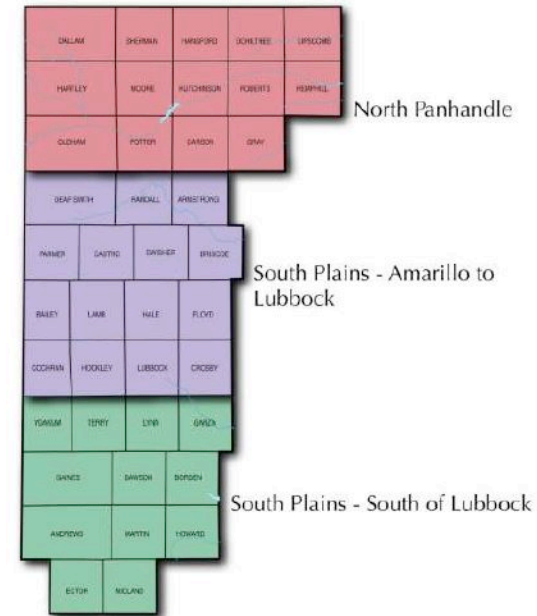


Region One – Panhandle and South Plains

Region One is the northernmost 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.

Small land sales in Region One are more influenced by farming and agricultural trends than any other region in the state. Low corn and cotton prices have had a slight cooling effect on small land sales in the region, but not by much. Overall, the small land sales market in Region One continues to be strong.

- Region One had **116 small land sales** in 2014, a 7.93 percent decrease from 2013.
- The volume of small land sales for Region One comprised **2.19 percent** of all small land sales statewide in 2014.
- The median tract size for small land sales in Region One was **78 acres** in 2014, a 3.7 percent decrease from 2013.



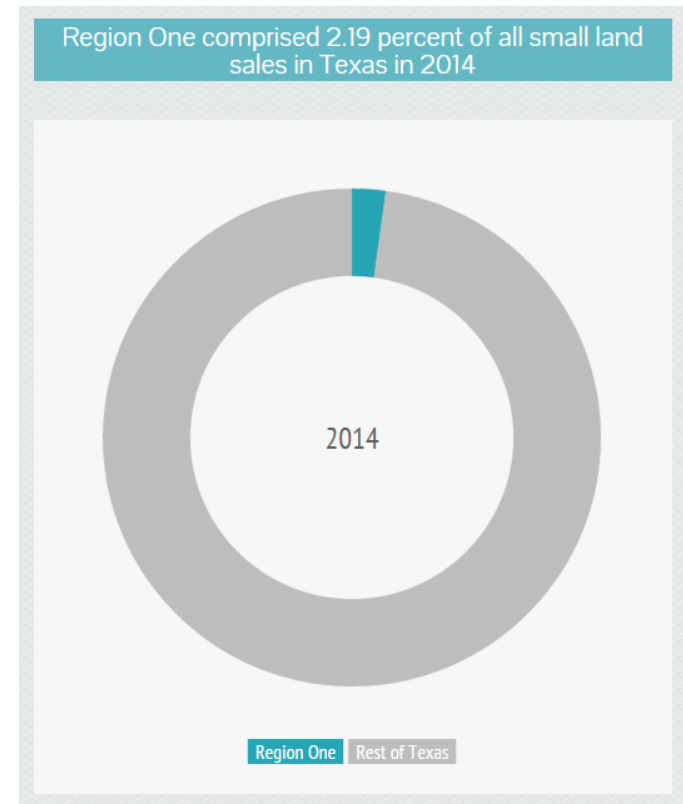
78 Acres
 Median tract size in Region One in 2014, a 3.7 percent decrease from last year

116 Small Land Sales
 Volume sold in Region One in 2014, a 7.93 percent decrease from last year

Region One – Panhandle and South Plains, continued

Small land tract prices, however, continue to show significant growth. This was largely influenced by a rush from investors to acquire farmland investments in early 2014.

- The average price per acre for Region One was **\$1,880** in 2014. This is a 12.32 percent increase compared to 2013. Adjusted for inflation, this equates to **\$334* per acre**.
- Compared to the rest of the state, small land tracts in Region One cost significantly less. Region One had the **second-lowest price per acre** in the state in 2014.



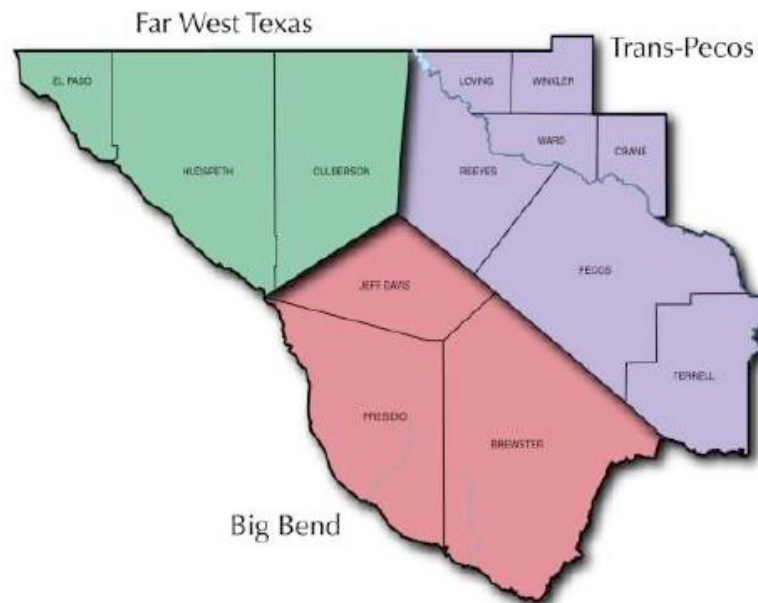
*Adjusted figures are in 1966 dollars.

Region Two – Far West Texas

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

Because of its large tract sizes and limited number of small land sales reported each year, Region Two typically shows significant variances in both small land sales growth and price per acre from year-to-year.

- Region Two had **35 small land sales** in 2014, a 40 percent increase compared to 2013.
- The volume of small land sales for Region Two in 2014 comprised **0.66 percent** of all small land sales statewide.
- The median tract size for small land sales in Region Two was **120 acres** in 2014, a 54.16 percent increase from 2013.



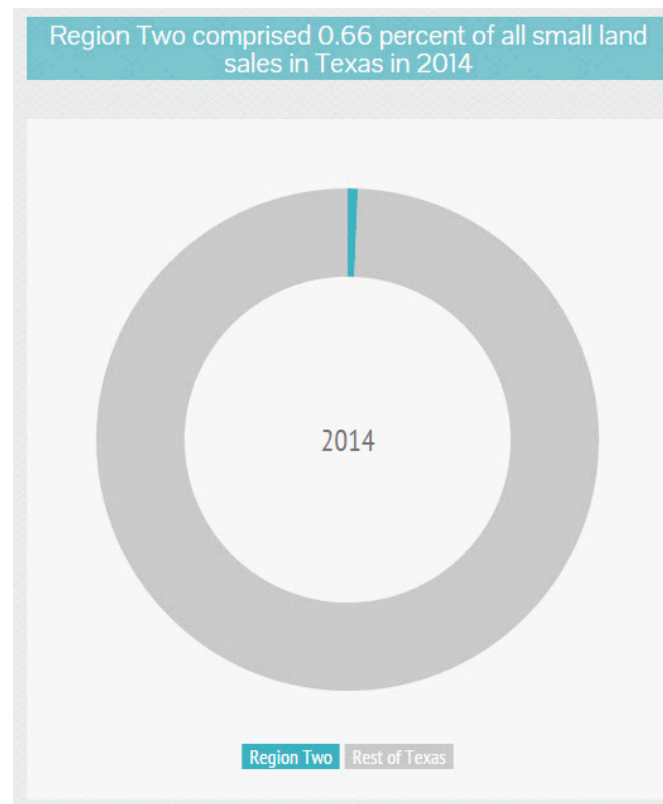
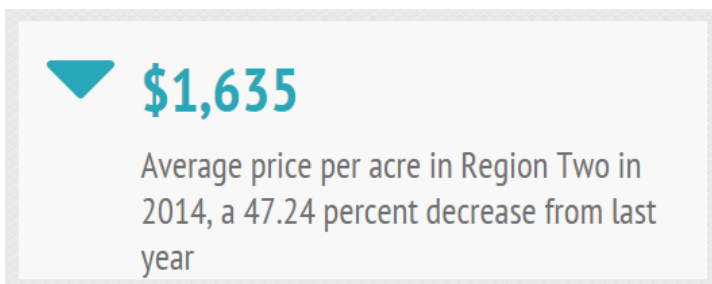
▲ 35 Small Land Sales

Volume sold in Region Two in 2014, a 40 percent increase from last year

Region Two – Far West Texas, continued

The price per acre as well as the median tract size for small land sales in Region Two also showed strong variances in 2014 compared to 2013.

- Average price per acre for Region Two was **\$1,635 per acre** in 2014. This is a 47.24 percent decrease compared to 2013. Adjusted for inflation, this equates to **\$290* per acre**.
- Compared to the rest of the state, small land tracts in Region Two cost significantly less. Region Two had the **lowest price per acre** in the state in 2014.



*Adjusted figures are in 1966 dollars.

Region Three – West Texas

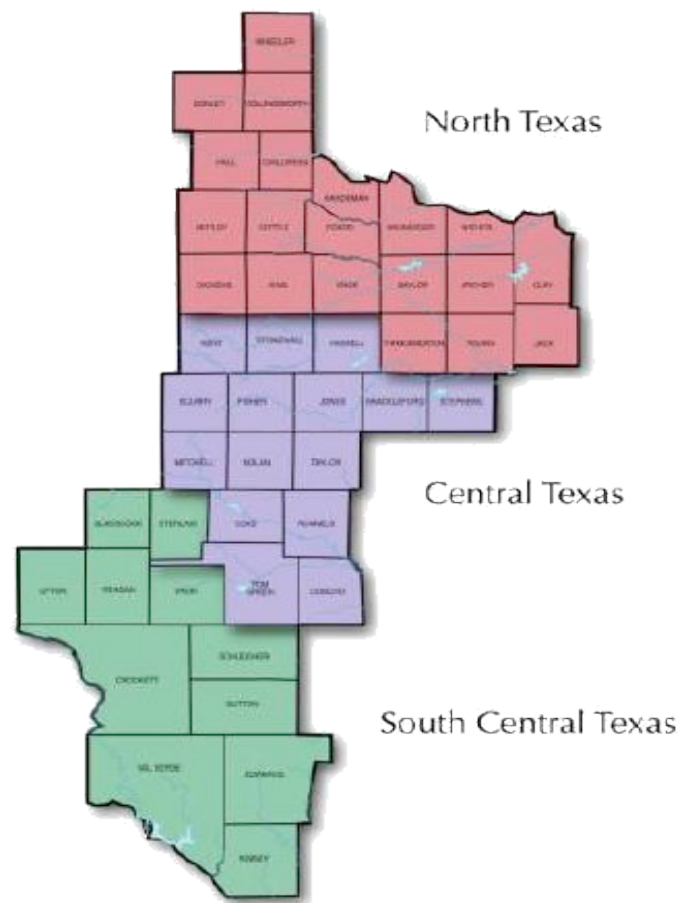
Region Three stretches from the Texas-Oklahoma border on the north to the Mexico border on the south and consists of Metropolitan Statistical Areas for San Angelo and Abilene. Every region except Region Five touches a portion of Region Three. Small land sales consist of land parcels 94 acres or smaller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

Activity in Region Three is a reflection of statewide interest in 2014. Land purchases here are recreational in character, most likely from professionals in the oil industry looking to build a ranchette for hunting season. The slight decline in median tract size makes large livestock operations difficult, but smaller rangeland activity is still popular.

- Region Three had **252 small land sales** in 2014, a 15.47 percent increase compared to the previous year.
- The volume of small land sales for Region Three in 2014 comprised **4.77 percent** of all small land sales statewide.
- The median tract size for small land sales in Region Three was **41 acres** in 2014, an 8.88 percent decrease from 2013.

 **252 Small Land Sales**

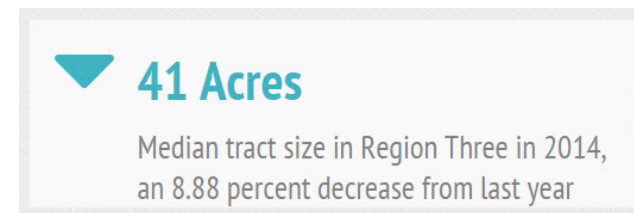
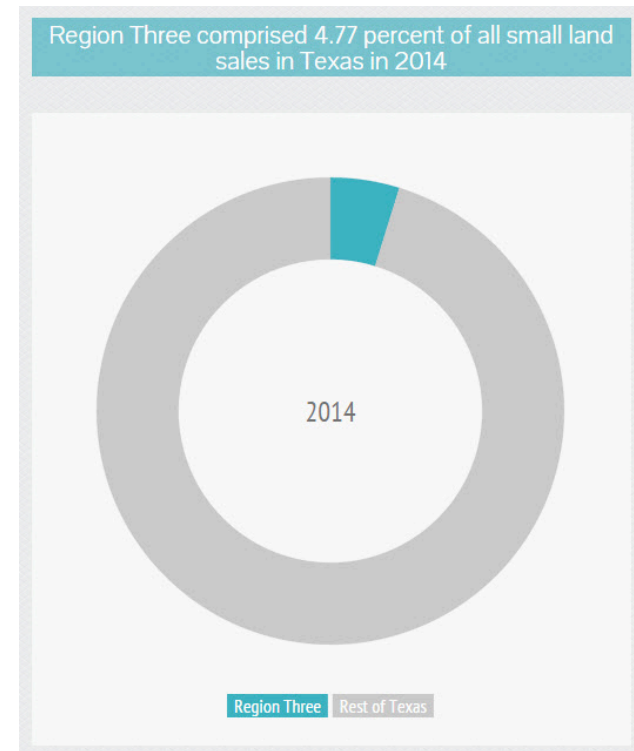
Volume sold in Region Three in 2014, a 15.47 percent increase from last year



Region Three – West Texas, continued

Region Three was reflective of statewide land market trends in 2014. Small land purchases in this region are mostly for recreational purchases, such as oil and gas professionals looking for a ranchette or hunting property, as the declining tract size makes land use for livestock or ranching operations difficult.

- Average price per acre for Region Three was **\$2,503 per acre** in 2014. This is a 13.47 percent increase compared to 2013. Adjusted for inflation, this equates to **\$445* per acre**.
- Region Three had the **third-lowest price per acre** in the state in 2014.



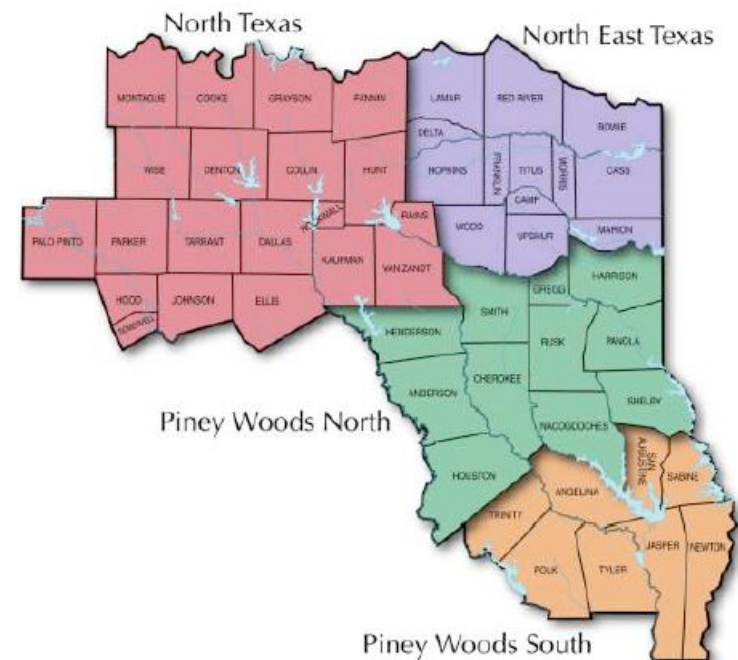
*Adjusted figures are in 1966 dollars.

Region Four – Northeast Texas

Region Four encompasses 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.

Region Four typically follows the trends of the national economy at large and was the last Texas region to recover after the recession. The growth in sales volume and price per acre seen in small land sales markets in other regions over the last few years is just beginning in Region Four.

- Region Four had **1,428 small land sales** in 2014, a 17.01 percent increase compared to last year.
- The volume of small land sales for Region Four in 2014 comprised **27.03 percent** of all small land sales statewide.
- The median tract size in Region Four was **17 acres** in 2014, a 5.55 percent decrease from 2013.



▲ 1,428 Small Land Sales
 Volume sold in Region Four in 2014, a 17.01 percent increase from last year

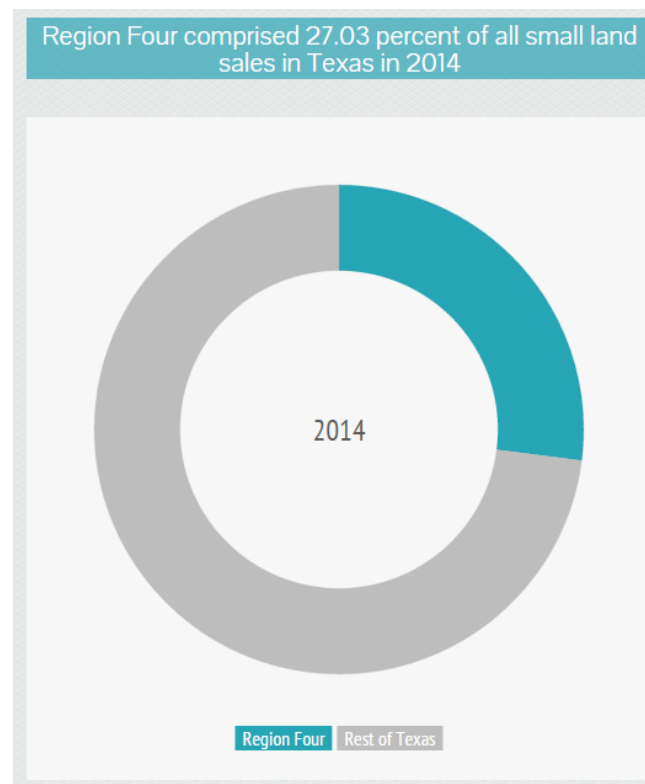
Region Four – Northeast Texas, continued

Like other Texas regions containing major metro areas, small land sales purchases in Region Four are typically for residential and recreational purchases, such as weekend getaways for Texans living in Dallas-Fort Worth.

According to the Real Estate Center at Texas A&M University, small land tracts in the east end of this region – such as Piney Woods – appear to be underpriced and could provide good opportunities for investors.

- Average price per acre for Region Four was **\$7,543 per acre** in 2014. This is an 8.25 percent increase compared to 2013. Adjusted for inflation, this equates to **\$1,339* per acre**.
- Region Four had the **third-highest price per acre** in the state in 2014.

▲ **\$7,543**
Average price per acre in Region Four in 2014, an 8.25 percent increase from last year



▼ **17 Acres**
Median tract size in Region Four in 2014, a 5.55 percent decrease from last year

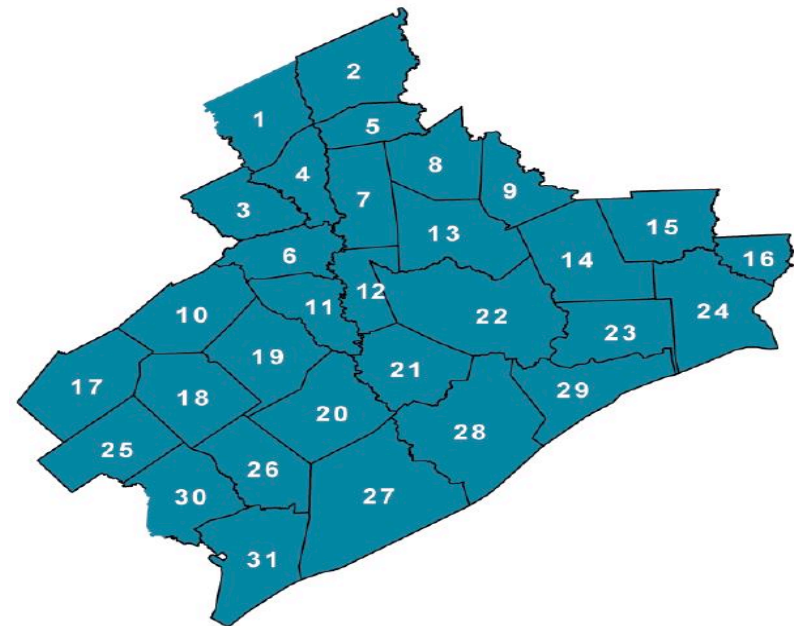
*Adjusted figures are in 1966 dollars.

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.

Small land sales in Region Five skyrocketed in 2014, despite falling oil prices in the last quarter of 2014. Most of the small land sales in this region occur around the Houston metro area and, like Regions Four and Seven, are purchased by metro residents seeking a recreational property out of town.

- Region Five had **1,238 small land sales** in 2014, a 34.16 percent increase compared to 2013.
- The volume of small land sales for Region Five in 2014 comprised **23.43 percent** of all small land sales statewide.
- The median tract size in Region Five was **18 acres** in 2014, a 10 percent decrease from 2013.



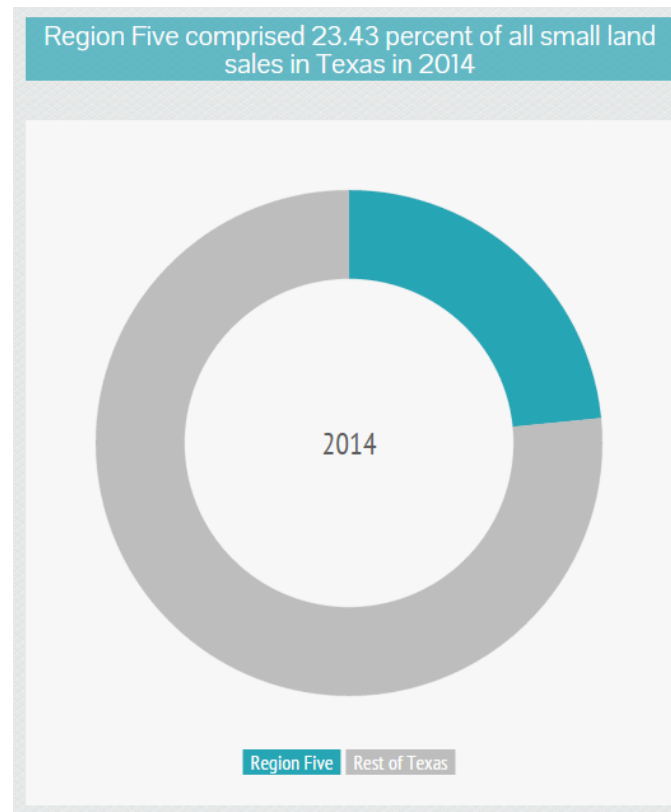
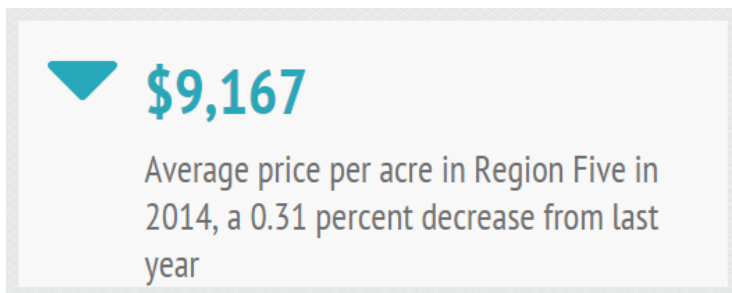
 **1,238 Small Land Sales**

Volume sold in Region Five in 2014, a 34.16 percent increase from last year

Region Five – Gulf Coast | Brazos Bottom, continued

To date, small land sales in Region Five have not been affected by the downturn of the oil and gas industry. However, it's unclear what the long-term effect of lower oil prices will be on land sales in the future.

- Average price per acre for Region Five was **\$9,167 per acre** in 2014. This is a 0.31 percent decrease compared to 2013. Adjusted for inflation, this equates to **\$1,628* per acre**.
- Region Five had the **highest price per acre** in the state in 2014.



*Adjusted figures are in 1966 dollars.

Region Six – South Texas

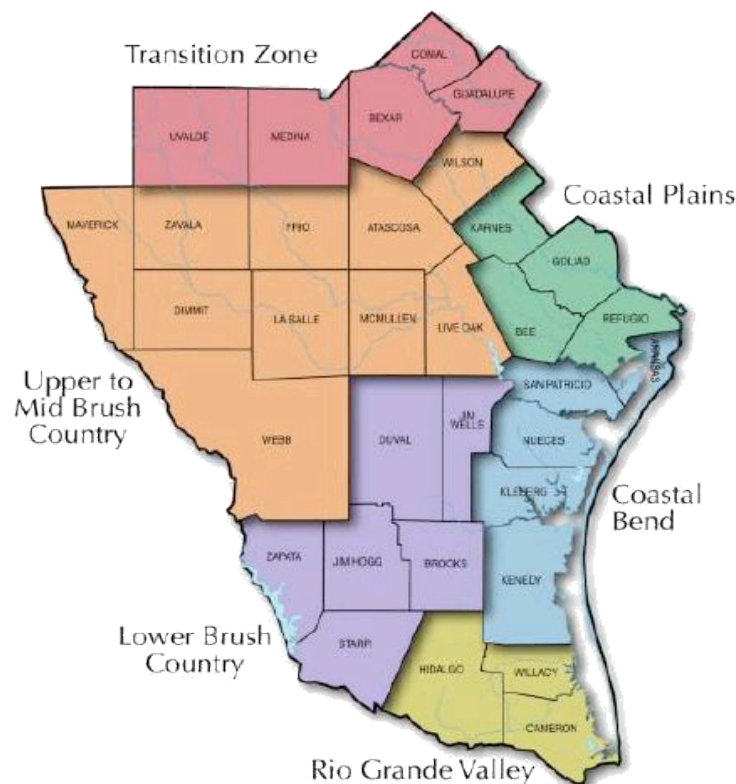
Region Six is located in southernmost Texas, encompassing the Metropolitan Statistical Areas for San Antonio, Laredo, Corpus Christi, McAllen-Edinburg-Mission and Brownsville-Harlingen. It is bordered by the Gulf of Mexico to the east and Mexico to the west. In this region, small land sales consist of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

If there was one Texas region that should have been impacted by the fall of oil prices in 2014, Region Six would have been it as it is home to the Eagle Ford Shale. However, small land sales throughout the region were strong throughout 2014.

- Region Six had **491 small land sales** in 2014, a 10.99 percent increase compared to last year.
- The volume of small land sales for Region Six in 2014 comprised **9.29 percent** of all small land sales statewide.
- The median tract size in Region Six was **19 acres** in 2014, a five percent decrease from 2013.

 **491 Small Land Sales**

Volume sold in Region Six in 2014, a 10.99 percent increase from last year



Region Six – South Texas, continued

Region Six continued to post healthy price increases in 2014, driven by growing demand and economic development throughout the Eagle Ford Shale.

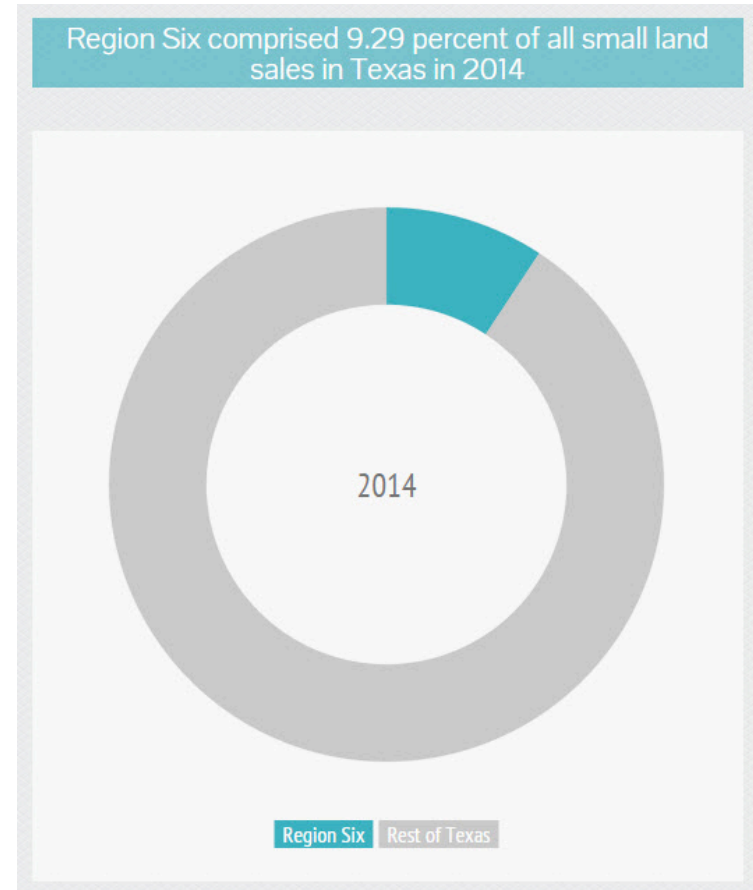
- Average price per acre for Region Six was **\$7,500 per acre** in 2014. This is a 4.76 percent increase compared to 2013. Adjusted for inflation, this equates to **\$1,332* per acre**.
- Region Six had the **fourth-highest price per acre** in the state in 2014.

▼ **19 Acres**

Median tract size in Region Six in 2014, a five percent decrease from last year

▲ **\$7,500**

Average price per acre in Region Six in 2014, a 4.76 percent increase from last year

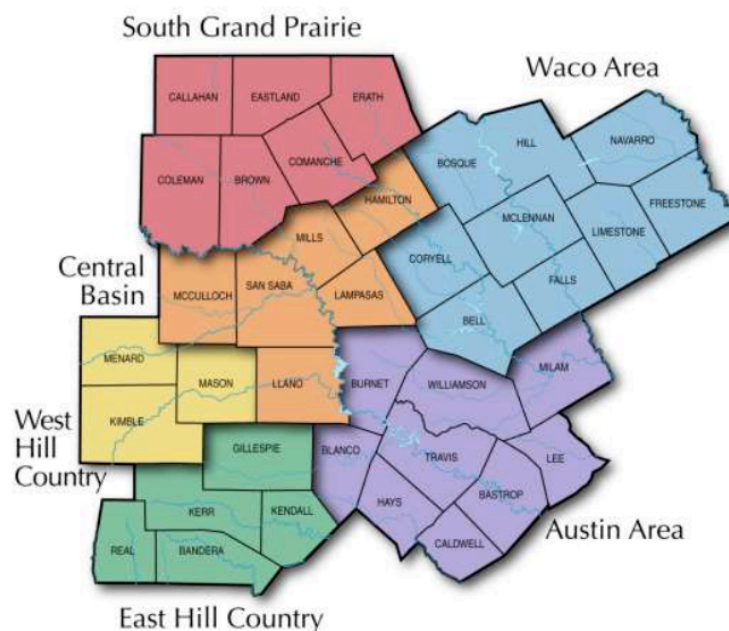


Region Seven – Austin | Waco | Hill Country

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 Texas Hill Country and the Highland Lakes system. In this region, small land sales consist of land parcels 49 acres or smaller.

Central Texas' growing urban population has shown little signs of slowing down, making small land sales popular in 2014. Once again, Region Seven had the highest small land sales volume in Texas.

- Region Seven had **1,722 small land sales** in 2014, a 19.16 percent increase compared to last year.
- The volume of small land sales for Region Seven in 2014 comprised **32.6 percent** of all small land sales statewide.
- The median tract size in Region Seven was **20 acres** in 2014, a 4.76 percent decrease from 2013.

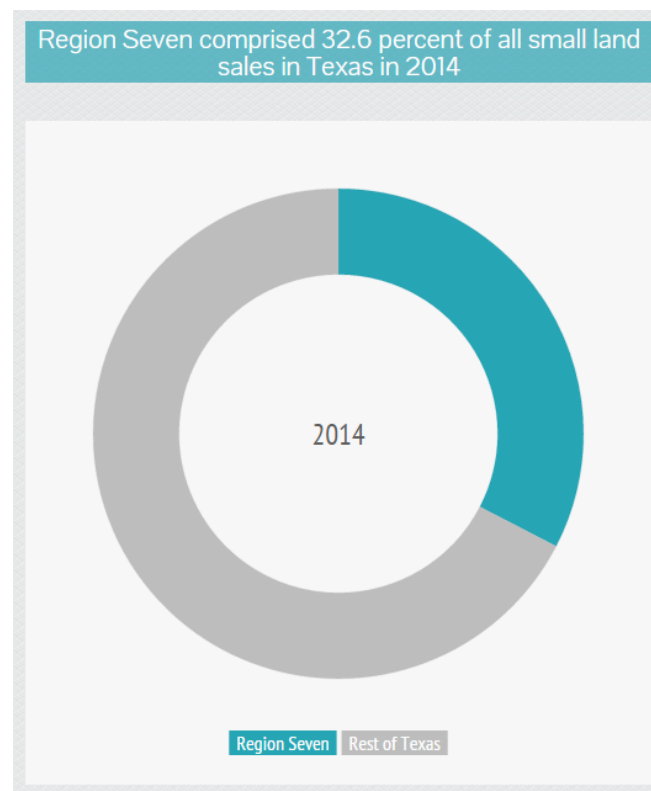


▲ 1,722 Small Land Sales
Volume sold in Region Seven in 2014, a 19.16 percent increase from last year

Region Seven – Austin | Waco | Hill Country

The small land sales market in Region Seven is competitive and price per acre for small land tracts has shown strong gains for the last several years. Heavy land sales activity has spread beyond the Austin area to surrounding counties.

- Average price per acre for Region Seven was **\$7,764 per acre** in 2014. This is a 12.51 percent increase compared to 2013. Adjusted for inflation, this equates to **\$1,379* per acre**.
- Region Seven had the **second-highest price per acre** in the state in 2014.



*Adjusted figures are in 1966 dollars.