

Texas Small Land Sales Report
2016 Edition
Release date: June 1, 2016

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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 100,000 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

Texas small land sales were the strongest segment of the Texas real estate market in 2015, with double-digit increases in small land sales and price per acre, according to the Texas Small Land Sales Report released today by the Texas Association of Realtors.

According to the report, 6,281 small land tracts were sold in Texas in 2015, an 18.91 percent increase from 2014. This double-digit growth was consistent across all regions, with the exception of Region Five: Gulf Coast-Brazos Bottom, which fell 7.43 percent to 1,146 small land sales, and Region Two: Far West Texas, which increased 8.57 percent to 38 small land sales.

Region Seven: Austin-Waco-Hill Country recorded the most small land sales, jumping 19.74 percent to 2,062 sales in 2015.

The average price per acre for small land sales also increased, rising 10.21 percent to \$5,657 per acre statewide. Region One: Panhandle-South Plains and Region Four: Northeast Texas were the only regions to show decreases in average price per acre, falling 4.79 percent to \$1,749 per acre and 3.5 percent to \$7,305 per acre, respectively.

Region Five had the highest average price per acre, with land prices increasing 9.44 percent to \$10,002 per acre.

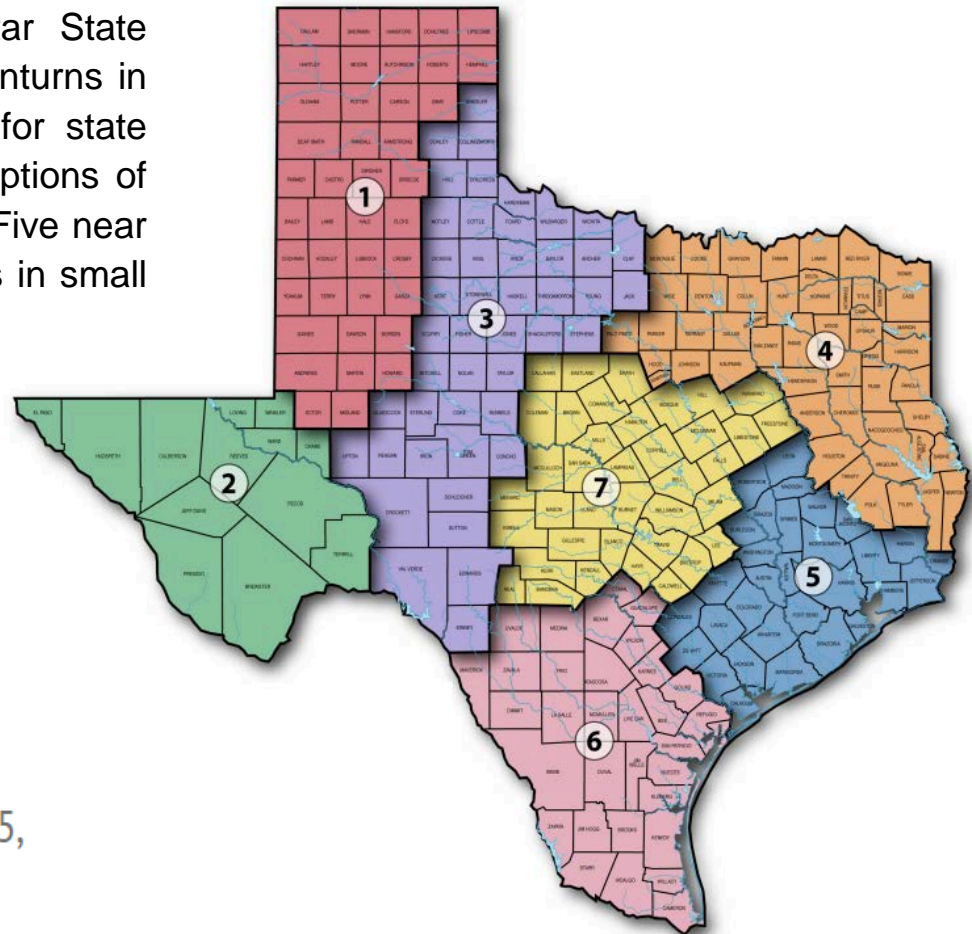
Statewide average tract size continued to drop in 2015, as high demand for Texas land drove down the average tract size 13.33 percent to 39 acres statewide.

However, average tract sizes increased in Regions One, Four and Five and remained flat in Region Seven. Economists with the Real Estate Center at Texas A&M University, explained that these increases are likely due to a shortened supply of prime land, not a decline in demand, as Texans increasingly view land as a wise investment.

Texas

Small land sales throughout the Lone Star State surged throughout 2015, despite recent downturns in the energy sector and a sluggish outlook for state agriculture. All seven regions, with the exceptions of Region Two in Far West Texas and Region Five near the Gulf Coast, experienced significant gains in small land sales throughout the year.

The average tract size for small land parcels in Texas declined as continued demand for prime land is driving down tract sizes and raising land costs.

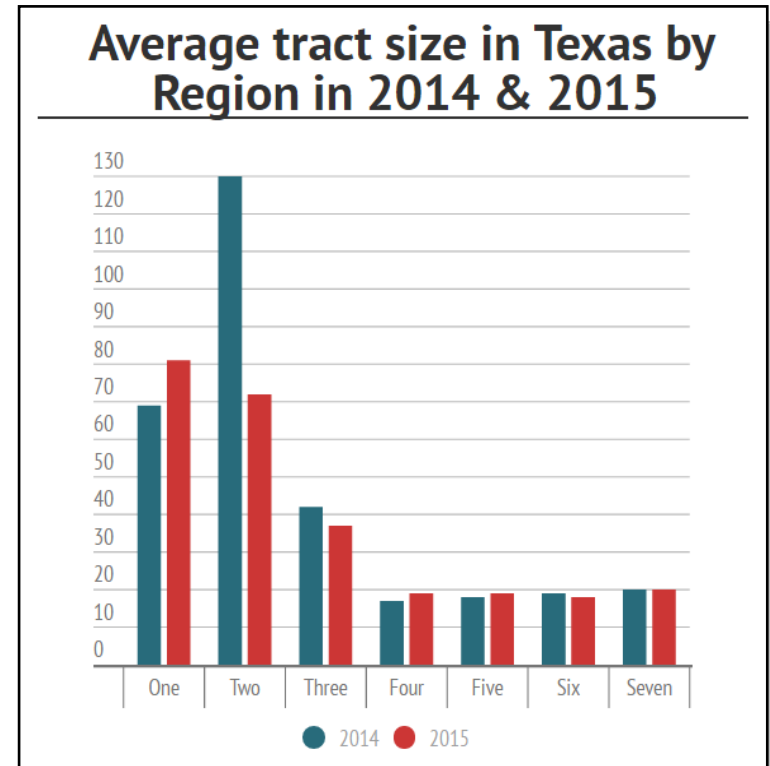
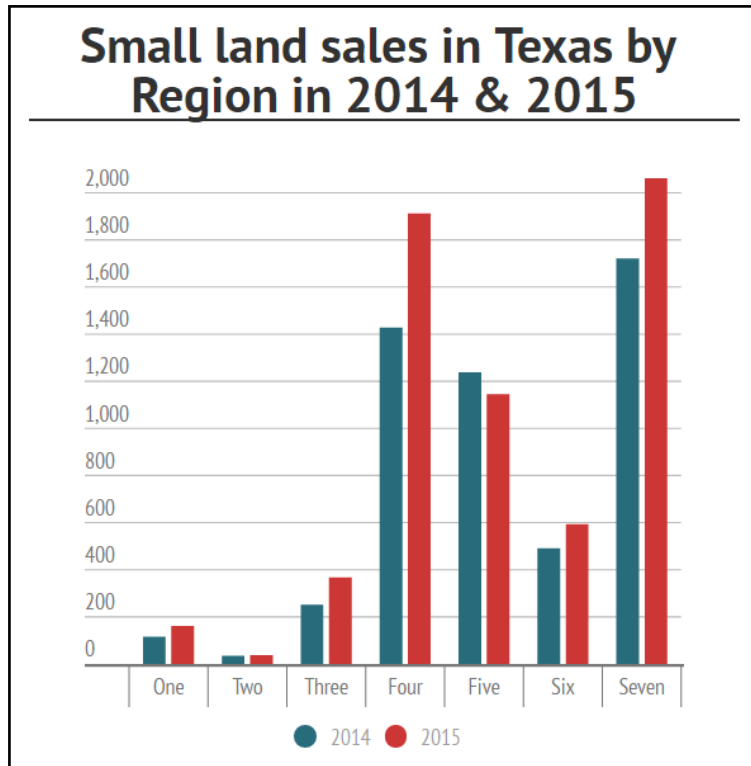


▲ 6,281 Small Land Sales

Volume sold in Region Seven in 2015, a 18.91 percent increase from 2014.

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 significantly affects the size, sale and use of small land tracts throughout Texas.

Texas, continued



▲ **\$5,657**

Average price per acre in Texas in 2015, a 10.21 percent increase from 2014.

▼ **39 Acres**

Average tract size in Texas in 2015, a 13.3 percent decrease from 2014.

Region One – Panhandle and South Plains

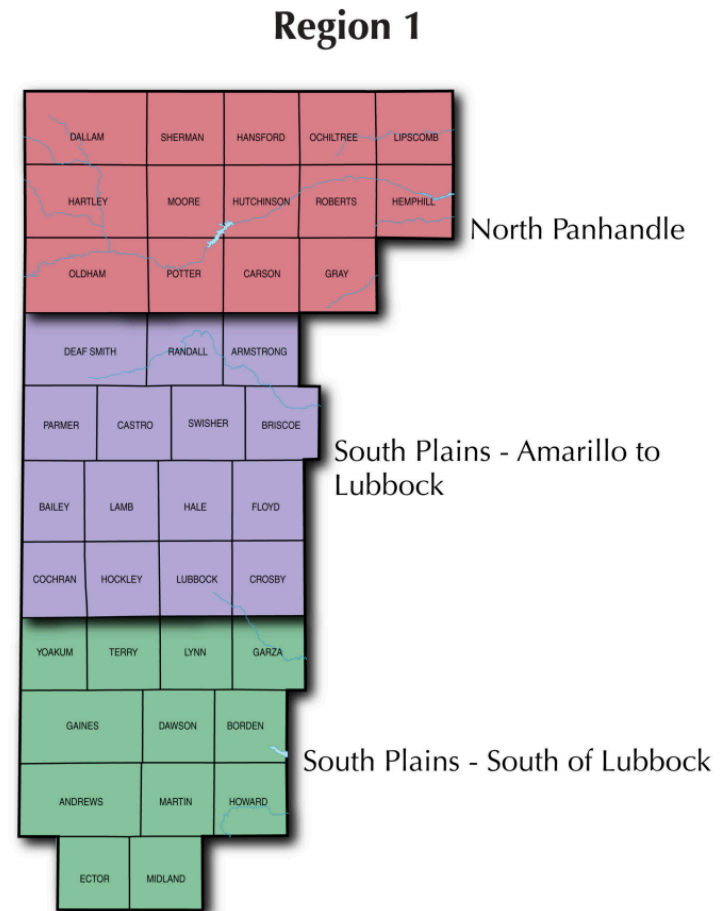
Small land sales in Region One are influenced by farming and agricultural trends more than any other region in the state. Despite sluggish forecasts for agriculture and farming in Texas, small land sales in Region One increased significantly in 2015.

The average price per acre of small land sales in Region One dipped slightly in 2015 due to a waning demand for dry land and lesser-quality irrigated land, causing buyers in the region to be more cautious about purchasing land for agricultural use and thus affecting land prices.

As a result, the average tract size for small land sales in Region One also increased significantly in 2015.

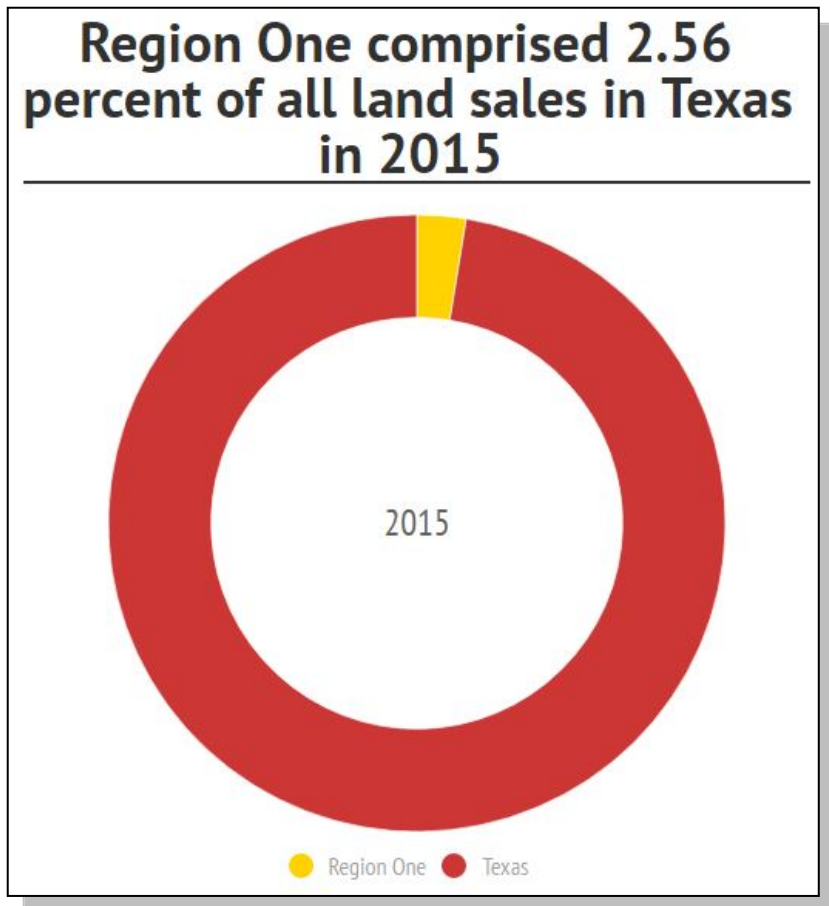
 **161 Small Land Sales**

Volume sold in Region One in 2015, a 38.79 percent increase from 2014.



Region One is the northernmost region in the state, encompassing the Metropolitan Statistical Areas for Amarillo, Lubbock, Odessa and Midland. Small land sales consist of land parcels 159 acres or smaller.

Region One – Panhandle and South Plains, continued



▼ **\$1,749**

Average price per acre in Region One in 2015, a 4.79 percent decrease from 2014.

▼ **39 Acres**

Average tract size in Region One in 2015, a 13.3 percent decrease from 2014.

★ **Lowest Price Per Acre**

Region One had the lowest price per acre in the state in 2015.

Region Two – Far West Texas

With ranching dominating most land uses, Region Two is home to the largest tract sizes and smallest sales volume for land sales in the state.

Small land sales were up in Region One in 2015. While the average price per acre among small land sales declined during the same time period, prime agricultural land – particularly around the Pecos, Texas area – remains highly priced.

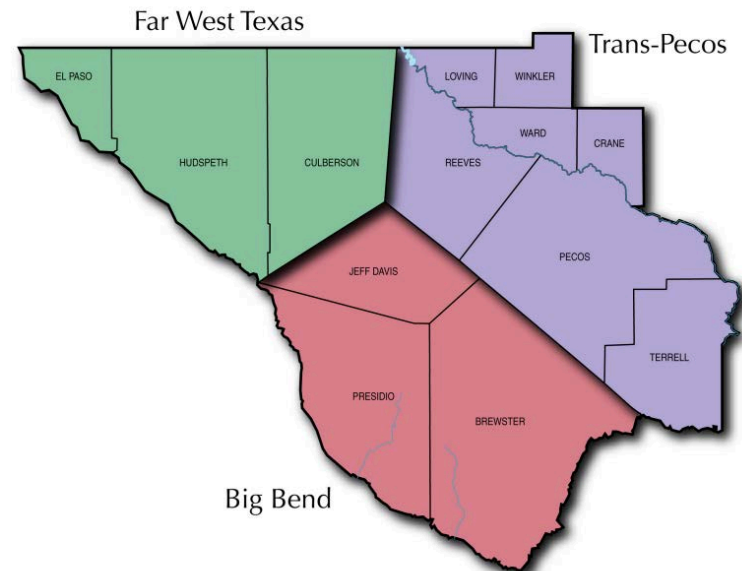
The decline of the energy sector significantly affected the demand for mineral-classified lands, while small land use for agricultural and recreational purposes remained in demand.

▲ 38 Small Land Sales

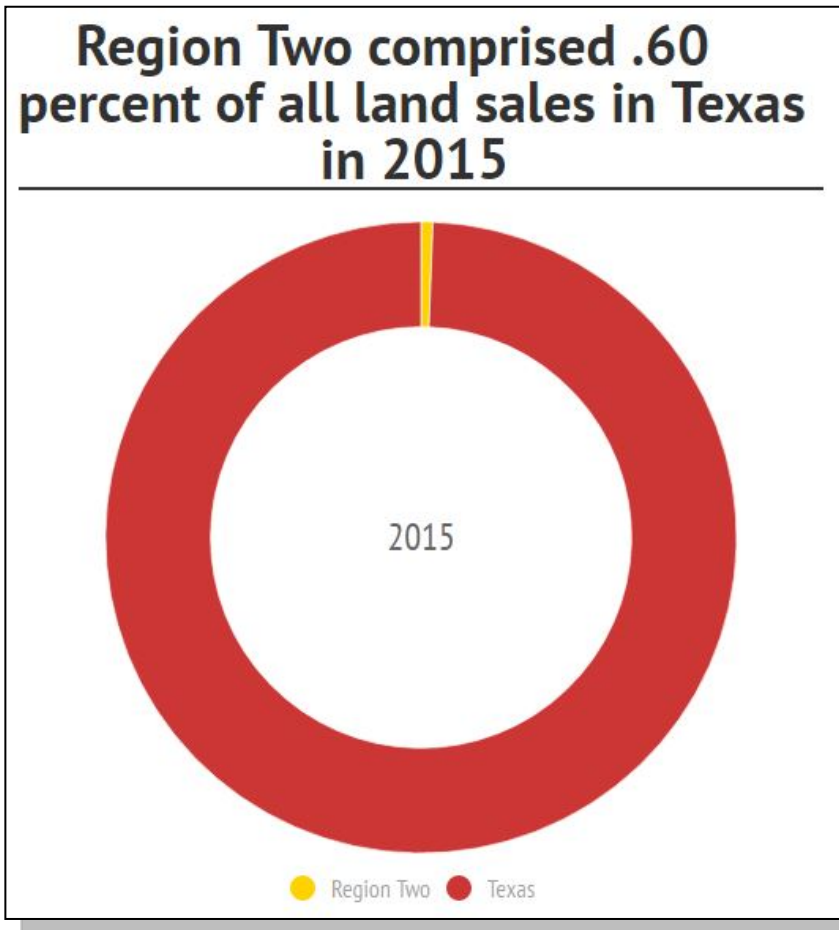
Volume sold in Region Two in 2015, a 8.5 percent increase from 2014.

Region Two encompasses West Texas and contains the El Paso Metropolitan Statistical Area. Small land sales consist of land parcels between 500 and 8,000 acres.

Region 2



Region Two – Far West Texas, continued



▲ **\$3,749**

Average price per acre in Region Two in 2015, a 62.70 percent increase from 2014.

▼ **72 Acres**

Average tract size in Region Two in 2015, a 44.61 percent decrease from 2014.

★ **Third-Lowest Price Per Acre**

Region Two had the third-lowest price per acre in the state in 2015.

Region Three – West Texas

Small land sales in Region Three experienced sharp increases in 2015, most likely due to purchases of recreational properties by buyers interested in family or hunting properties.

The average price per acre for small land sales in Region Three increased in 2015, while the average tract size decreased, indicating strong demand for small land sales in the area.

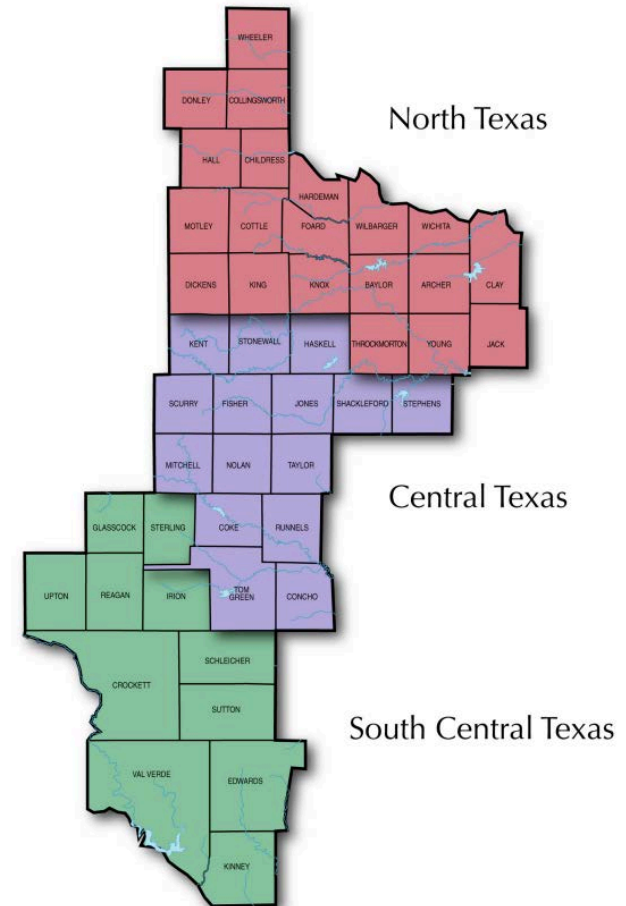
Sales are also being driven by the sale of inherited properties. Increasingly, younger owners are letting go of these properties to live closer to urban areas and avoid the upkeep of a large property.

367 Small Land Sales

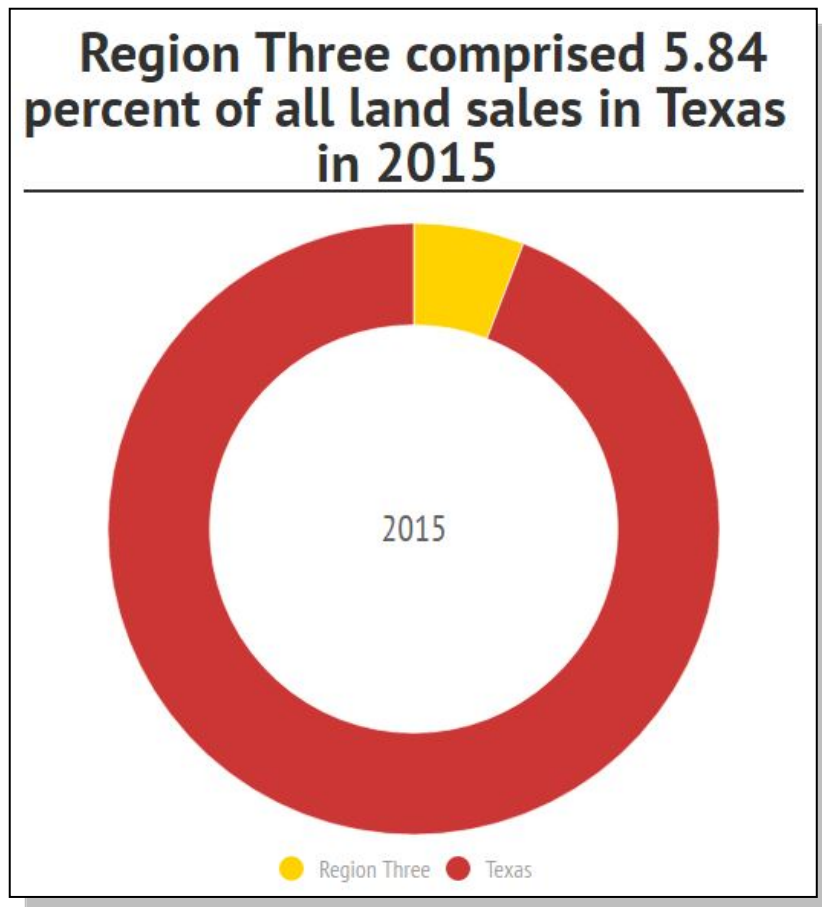
Volume sold in Region Three in 2015,
a 45.6 percent increase from 2014.

Region Three stretches from the Texas-Oklahoma border to the Mexico border and consists of Metropolitan Statistical Areas for San Angelo and Abilene. Small land sales consist of land parcels 94 acres or smaller in this region.

Region 3



Region Three – West Texas, continued



▲ **\$3,004**

Average price per acre in Region Three in 2015, a 11.06 percent increase from 2014.

▼ **37 Acres**

Average tract size in Region Three in 2015, a 11.9 percent decrease from 2014.

★ **Second-Lowest Price Per Acre**

Region Three had the second-lowest price per acre in the state in 2015.

Region Four – Northeast Texas

As one of the fastest-growing areas in Texas, Region Four experienced strong gains in small land sales in 2015.

The average price per acre for small land sales in Region Four declined slightly in 2015. Surges in land sales since 2013 have limited the supply of prime land along key corridors. As a result, supply is largely limited to more remote, lesser quality parcels, leading to declines in land prices.

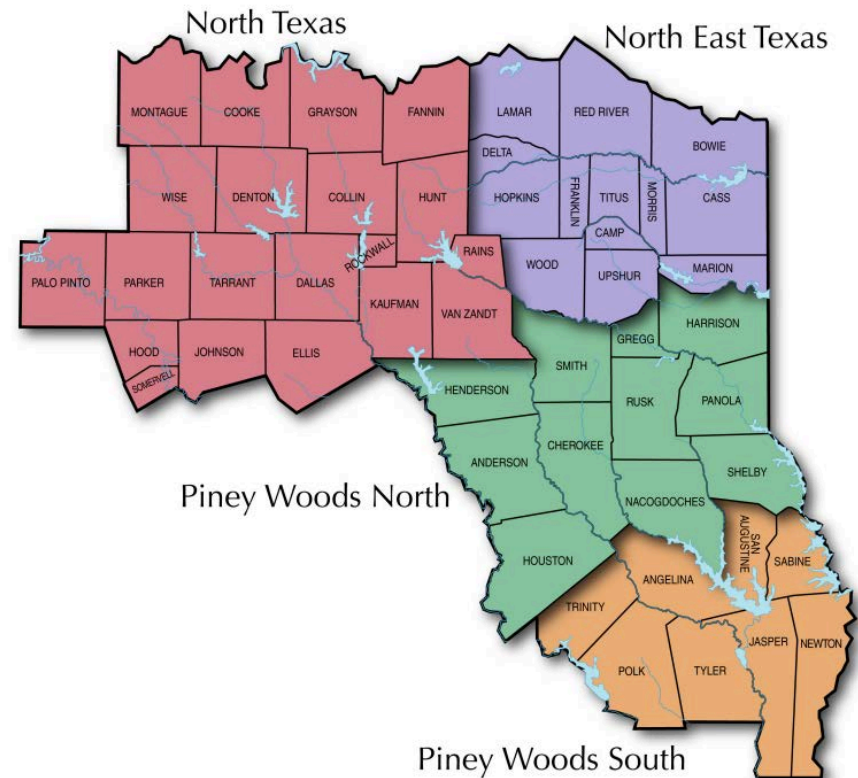
Additionally, a slowing in small land sales growth in Region Four led to a slight increase in average tract size in 2015.

▲ 1,913 Small Land Sales

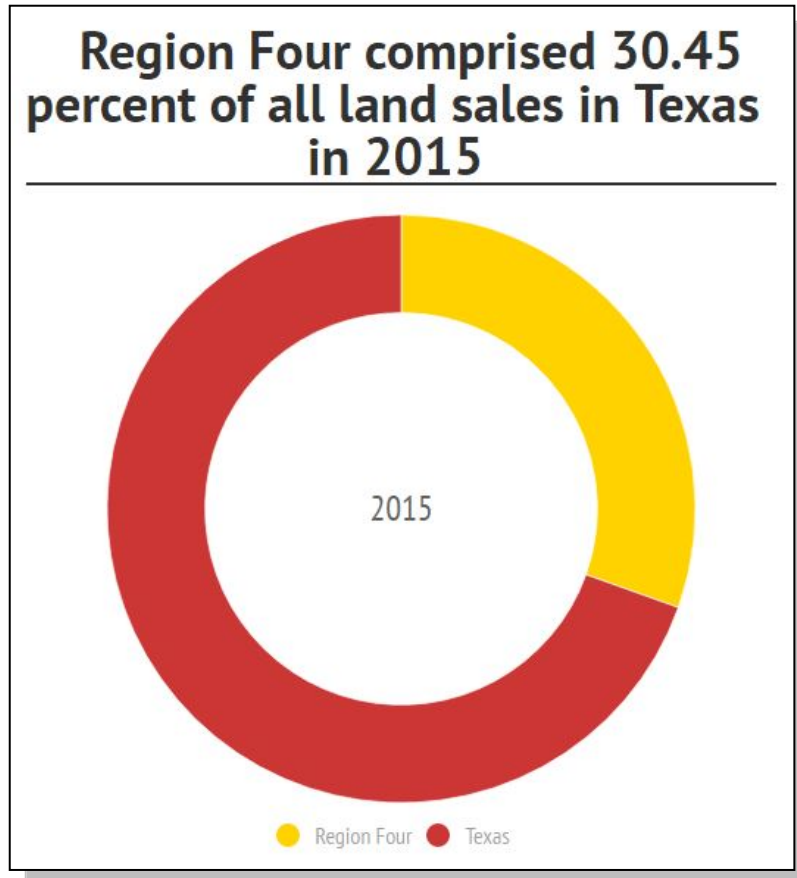
Volume sold in Region Four in 2015, a 33.9 percent increase from 2014.

Region Four encompasses the Metropolitan Statistical Areas for Dallas-Fort Worth-Arlington, Wichita Falls, Sherman-Denison, Texarkana, Longview and Tyler. In this region, small land sales consist of land parcels 33 acres or smaller.

Region 4



Region Four – Northeast Texas, continued



▼ **\$7,305**

Average price per acre in Region Four in 2015, a 11.06 percent decrease from 2014.

▲ **19 Acres**

Average tract size in Region Four in 2015, a 11.7 percent increase from 2014.

★ **Fourth-Highest Price Per Acre**

Region Four had the fourth-highest price per acre in the state in 2015.

Region Five – Gulf Coast | Brazos Bottom

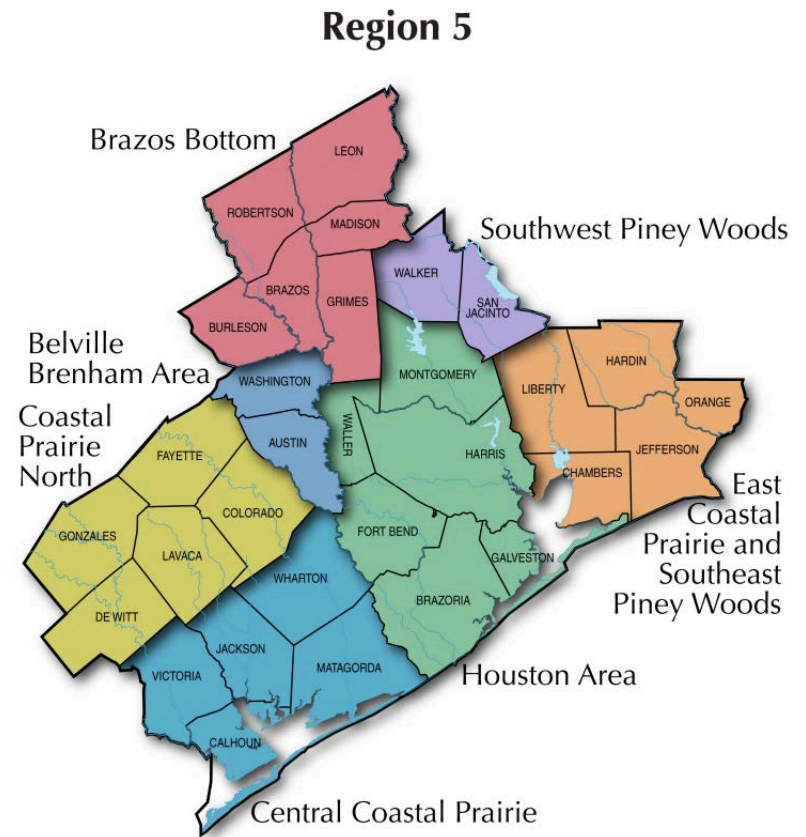
Region Five was the only region in Texas to experience a decrease in small land sales in 2015. Despite the recent downturn of the oil and gas sector in the region, the small land sales market has remained fairly resilient.

Demand for small land parcels in rural areas surrounding the Houston area continues to be popular for urban dwellers seeking second homes and recreational properties. This demand is evident in the year-over-year increases in average price per acre for small land sales experienced in 2015.

▼ **1,146 Small Land Sales**

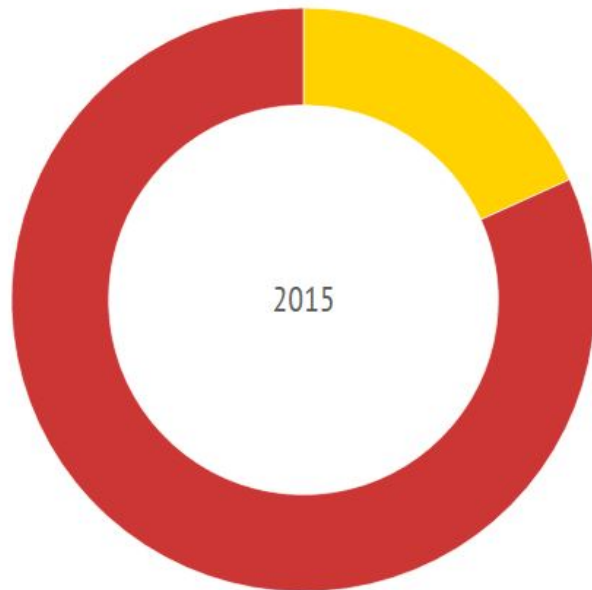
Volume sold in Region Five in 2015, a 7.4 percent decrease from 2014.

Region Five includes one of the state’s largest Metropolitan Statistical Areas, Houston-The Woodlands-Sugarland, 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.



Region Five – Gulf Coast | Brazos Bottom, continued

Region Five comprised 18.24 percent of all land sales in Texas in 2015



● Region Five ● Texas

▲ **\$10,002**

Average price per acre in Region Five in 2015, a 9.4 percent increase from 2014.

▲ **19 Acres**

Average tract size in Region Five in 2015, a 5.5 percent increase from 2014.

★ **Highest Price Per Acre**

Region Five had the highest price per acre in the state in 2015.

Region Six – South Texas

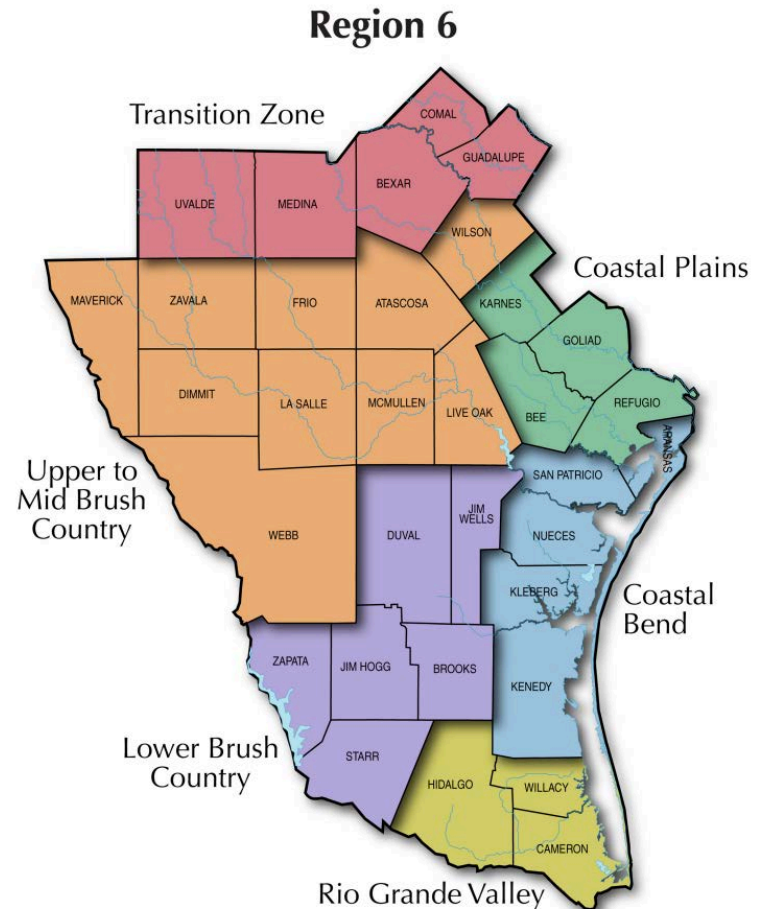
Contrary to large land sales, small land sales throughout Region Six experienced strong growth in 2015.

Likely a continued after-effect of the recent oil and gas boom in the Eagle Ford Shale, a majority of land sales were purchased for urban development in the region.

This enduring demand led to significant increases in the average price per acre for small land parcels as well as declines in average tract size.

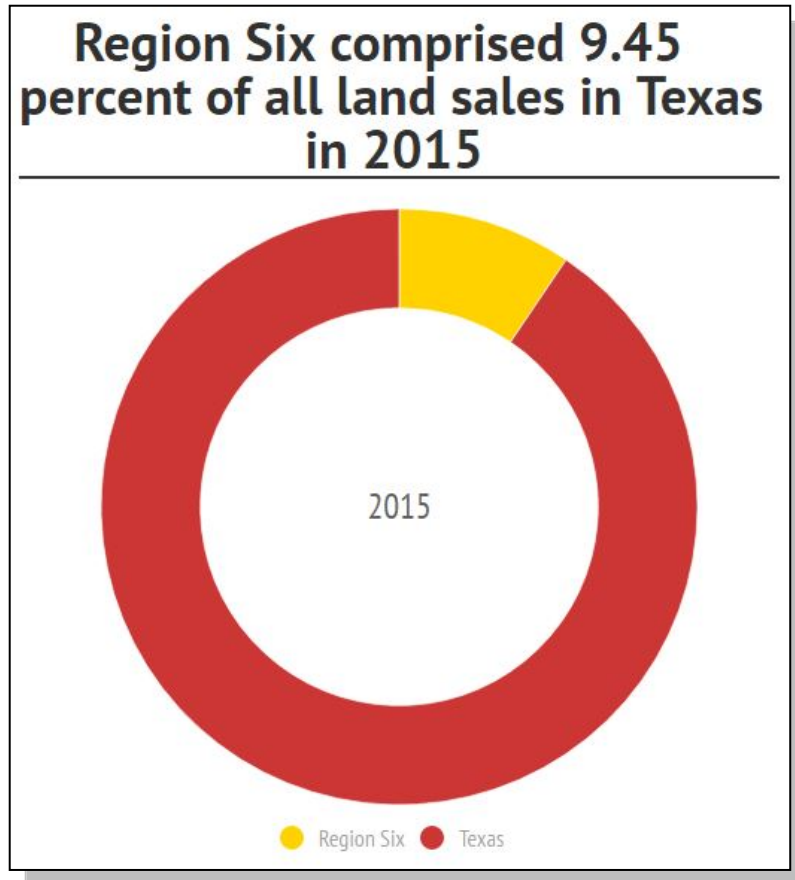
▲ 594 Small Land Sales

Volume sold in Region Six in 2015, a 20.9 percent increase from 2014.



Region Six encompasses the Metropolitan Statistical Areas for San Antonio, Laredo, Corpus Christi, McAllen-Edinburg-Mission and Brownsville-Harlingen. In this region, small land sales consist of land parcels 44 acres or smaller.

Region Six – South Texas, continued



▲ **\$8,749**

Average price per acre in Region Six in 2015, a 16.5 percent increase from 2014.

▼ **18 Acres**

Average tract size in Region Six in 2015, a 5.2 percent decrease from 2014.

★ **Second-Highest Price Per Acre**

Region Six had the second-highest price per acre in the state in 2015.

Region Seven – Austin | Waco | Hill Country

Central Texas' population growth has seen little slow-down, and the same went for small land sales in 2015.

Encompassing one-third of small land sales in Texas, Region Seven's Hill Country views and lakeside access makes land in this region among the most sought after in the state.

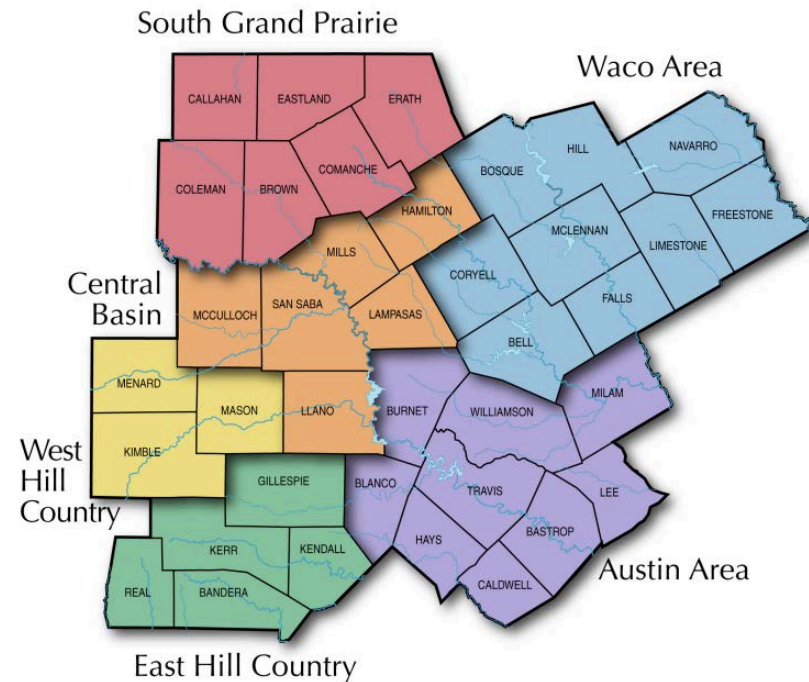
Land use in Region Seven is almost solely recreational. Properties are ideal for retirees and families seeking a lake property, hunting lease or second home.

 **2,062 Small Land Sales**

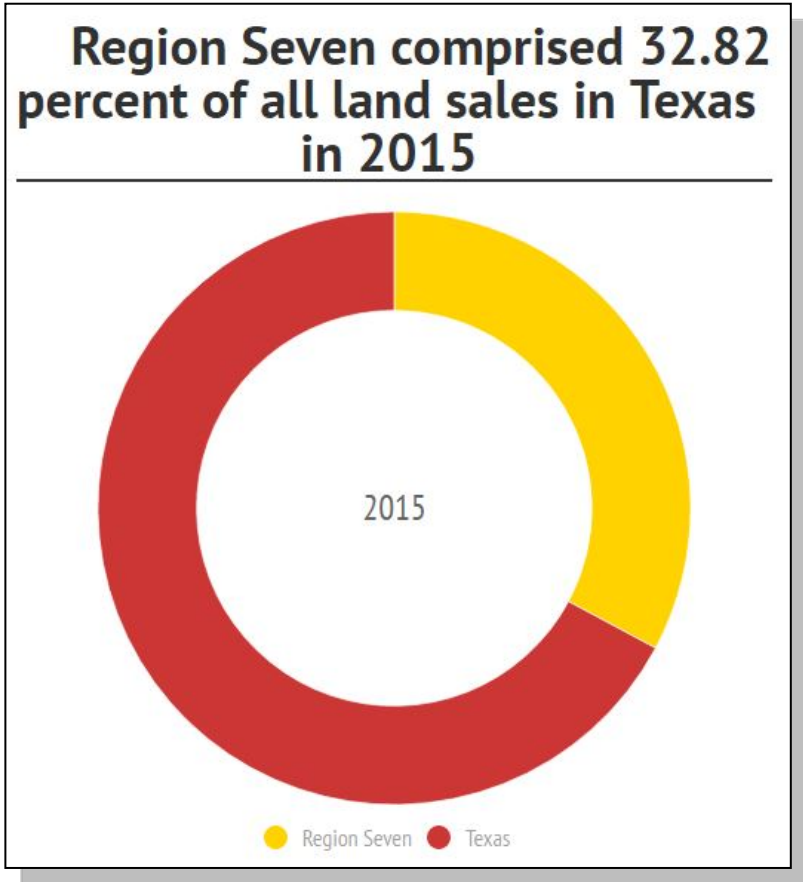
Volume sold in Region Seven in 2015, a 19.7 percent increase from 2014.

Region Seven includes 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.

Region 7



Region Seven – Austin | Waco | Hill Country



▲ **\$8,355**

Average price per acre in Region Seven in 2015, a 7.7 percent increase from 2014.

▲ **20 Acres**

Average tract size in Region Seven in 2015, unchanged from 2014.

★ **Third-Highest Price Per Acre**

Region Seven had the third-highest price per acre in the state in 2015.