

Texas Rural Land Update

**Texas Association of Appraisal Districts
Annual Conference**

February 17, 2025

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Research Economist**



TEXAS A&M UNIVERSITY
Texas Real Estate Research Center

Outline

1. Economic and Demographic Trends
2. Texas Rural Land Markets
 - a) Large tracts
 - b) Small tracts
 - c) Market update by region
 - d) Statewide Forecast
3. TRERC Overview and Rural Land Data Online

Notes:

Data represents a large and diverse sample of rural land sales.

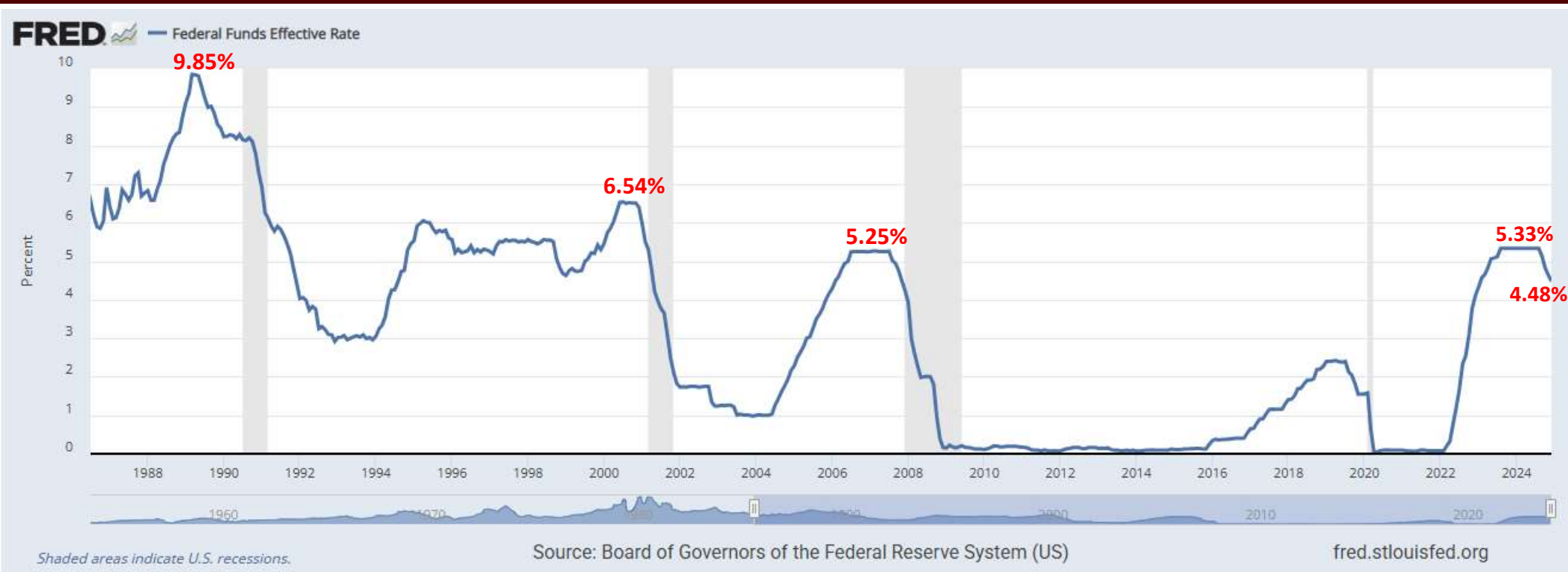
Sales data includes improvements, trends matter more than amounts.

Not speaking on behalf of Texas A&M University. Opinions are my own.

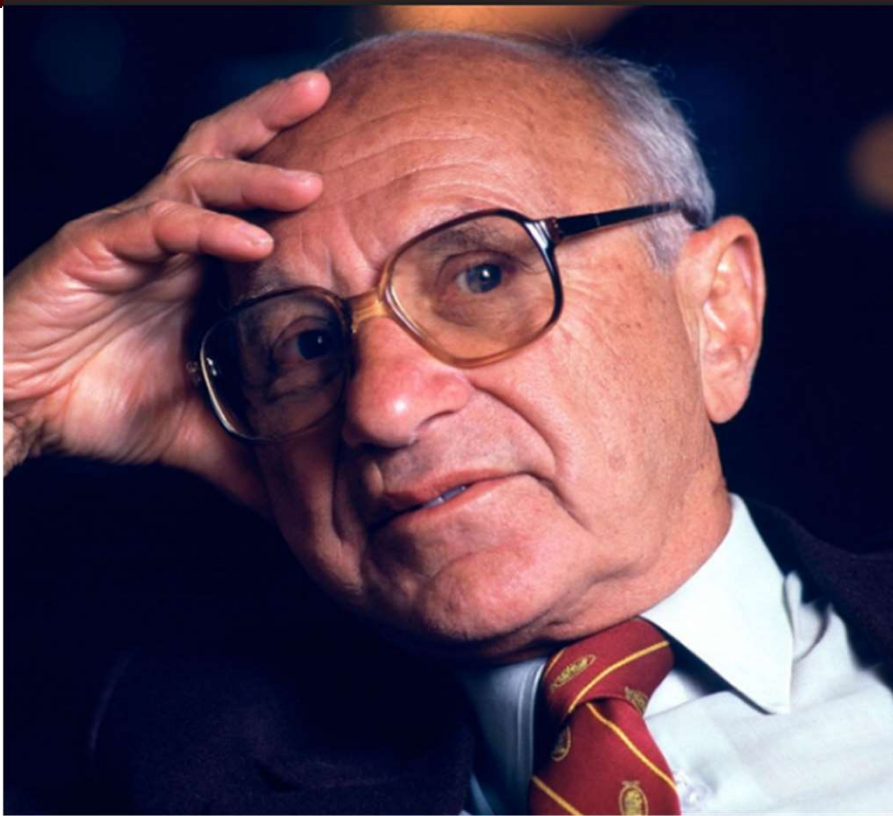


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Fed Funds Effective Rate



Causes of Inflation



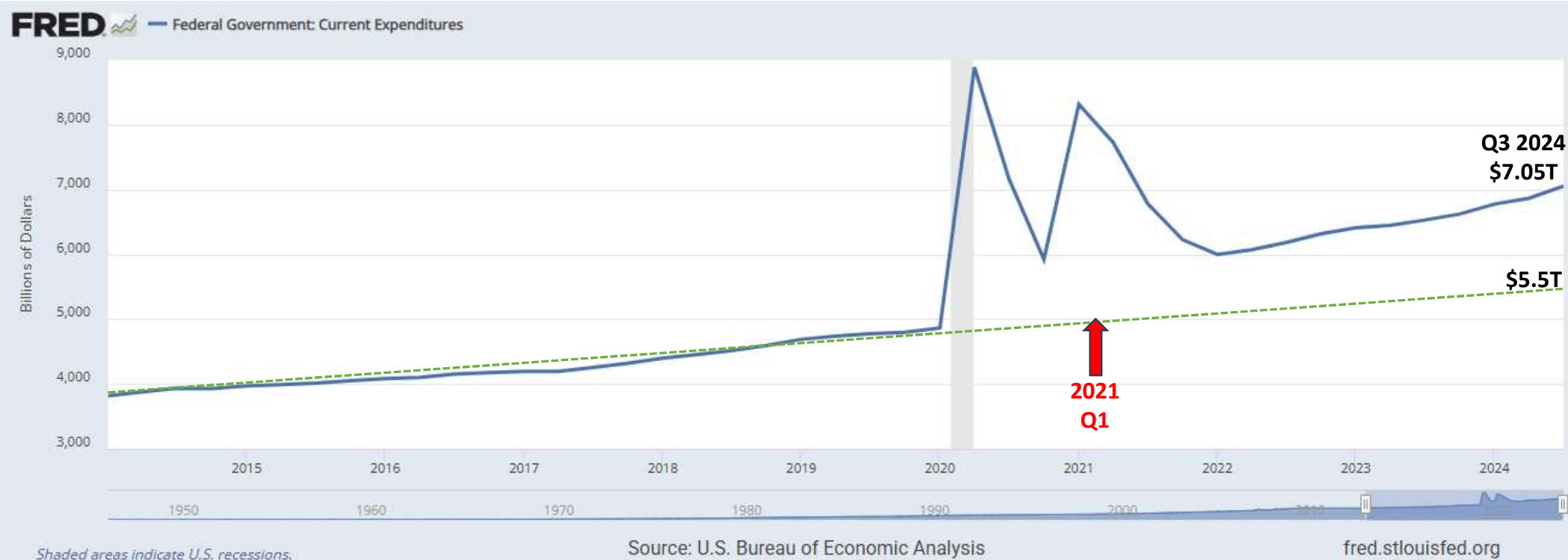
Inflation is always and everywhere a monetary phenomenon, in the sense that it is and can be produced only by a more rapid increase in the quantity of money than in output.

- Milton Friedman

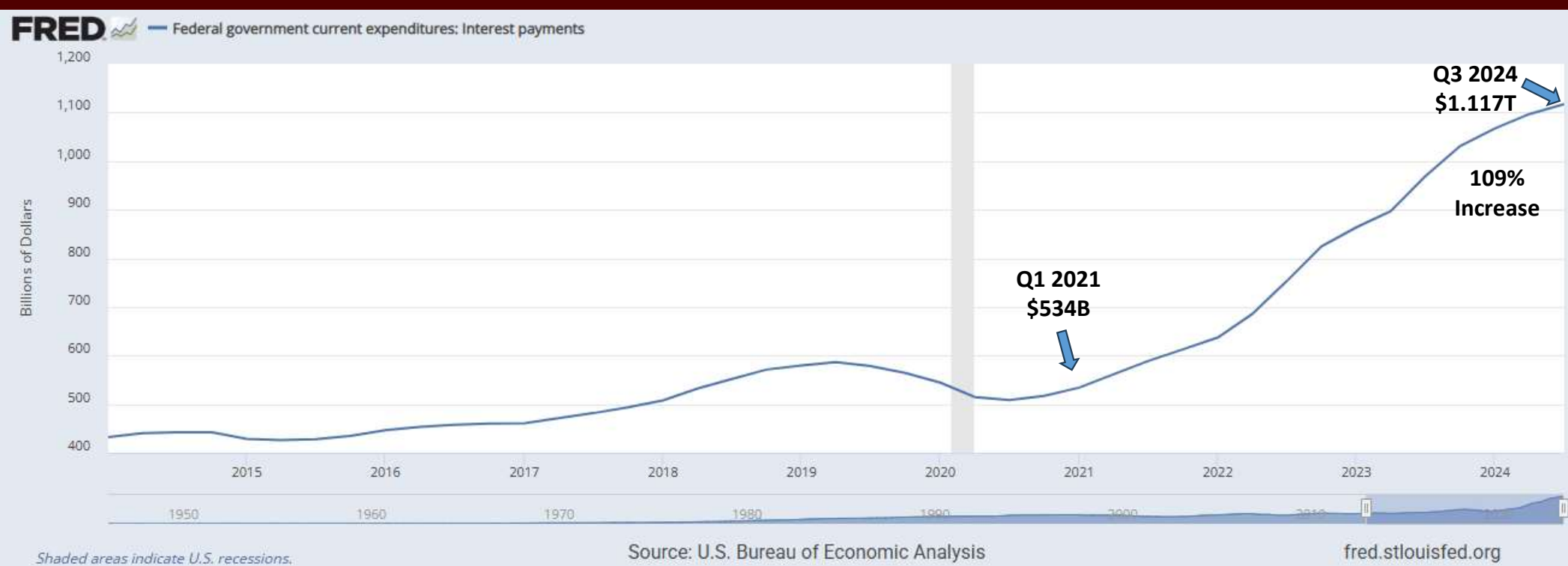


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Total Federal Government Current Expenditures

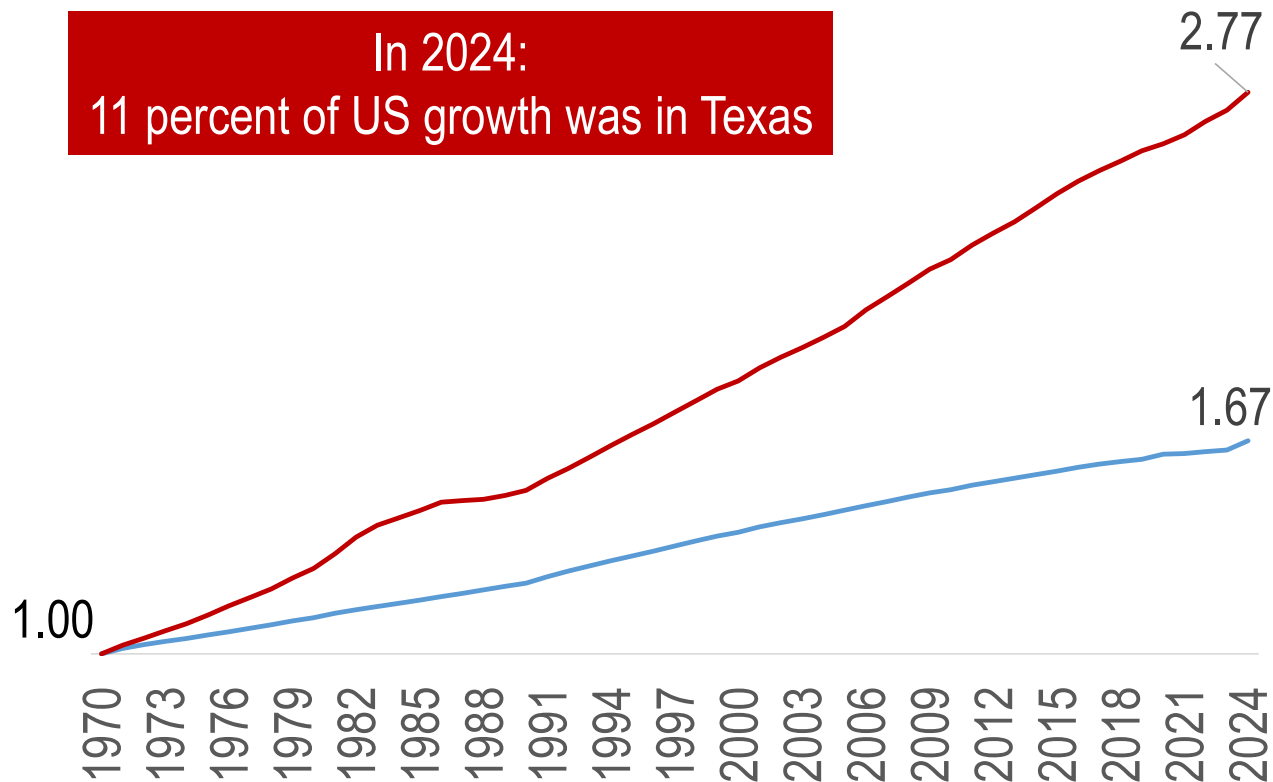


US Government Interest Payments



Texas' population up 2.8X since 1970 (Population indices, 1970 = 1.00)

In 2024:
11 percent of US growth was in Texas



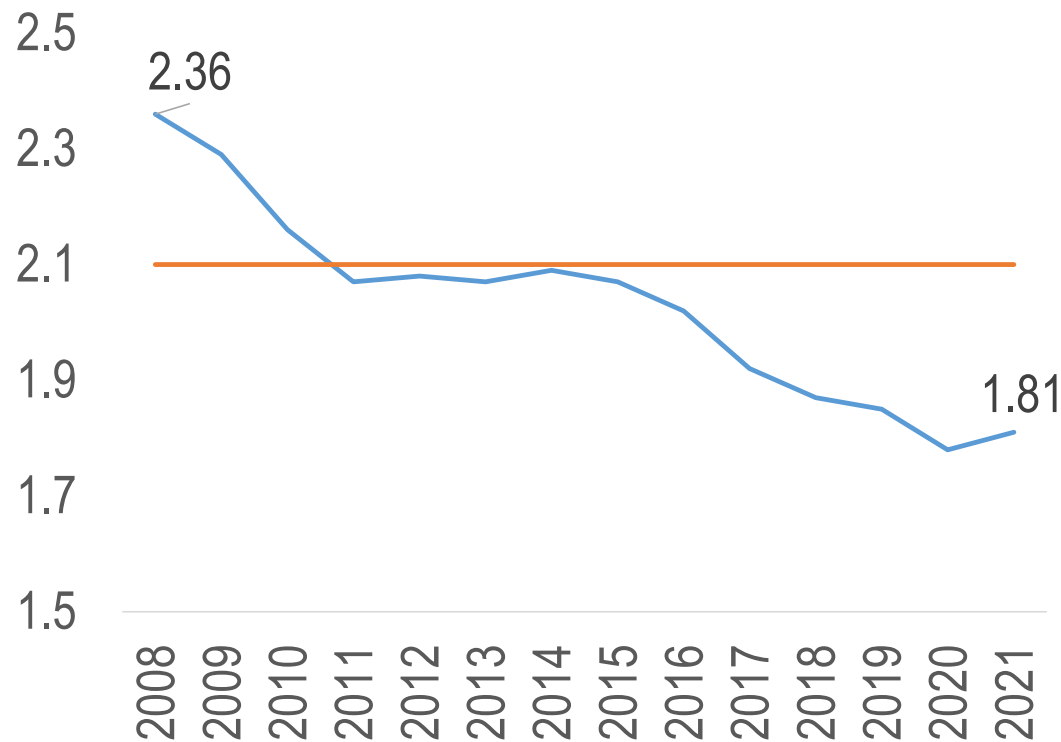
	Population Millions		
	1970	2024	Change
USA	203.3	334.9	136.8
TX	11.2	31.1	19.9

Source: U.S. Census Bureau, Texas Real Estate Research Center.



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Demographic slowdown hits even Texas (Lifetime births per woman)



Texas has been below the natural Replacement rate since 2011

2.1 = Replacement Rate

Correlated with urbanization

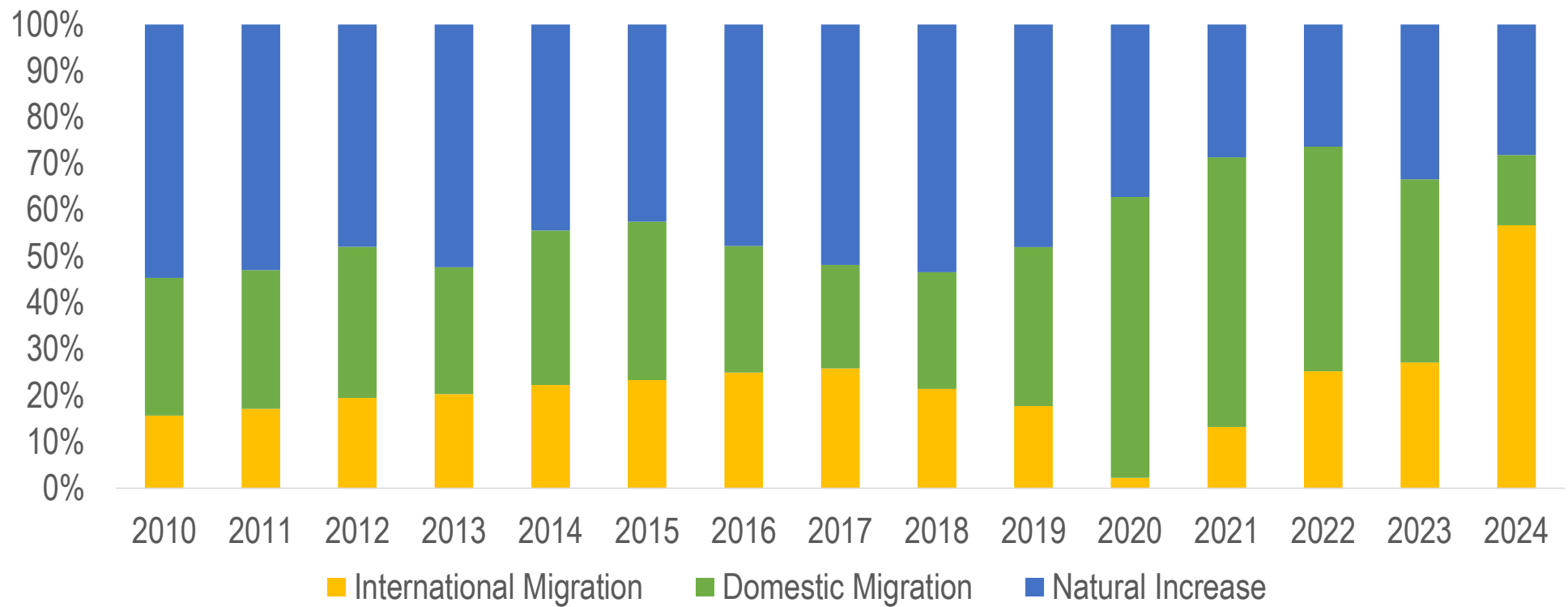
Source: US Dept Health and Human Services.



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Texas' source of growth has changed over time

(Percent of total population change)



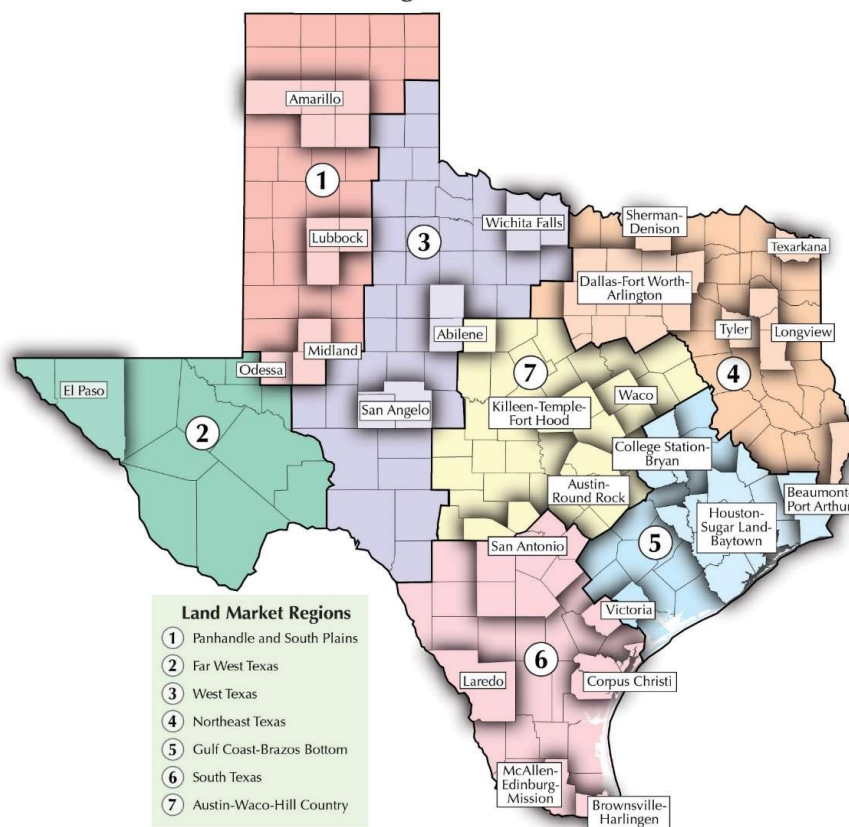
Source: Census Bureau.

Texas Total Personal Income



Texas Land Markets

Land Market Regions with MSA's

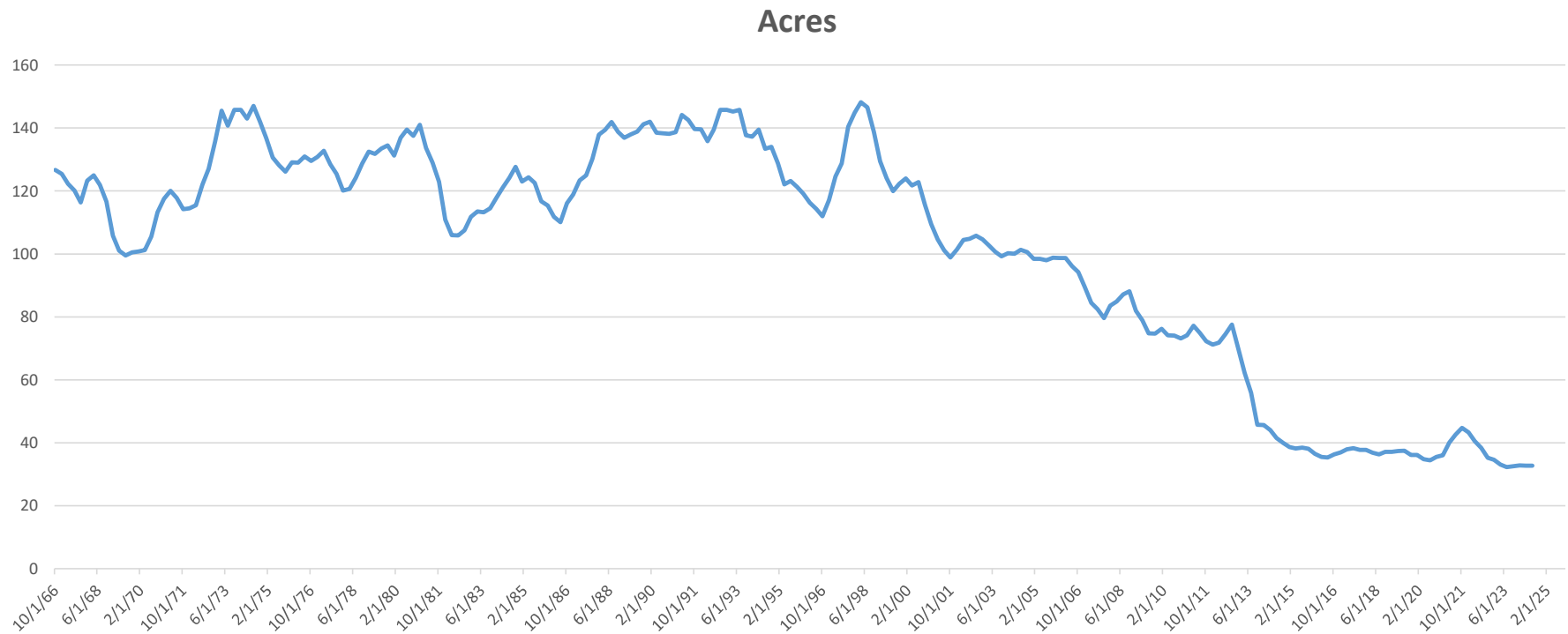


Source: Real Estate Center at Texas A&M University



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Median Tract Sizes (all size segments combined)



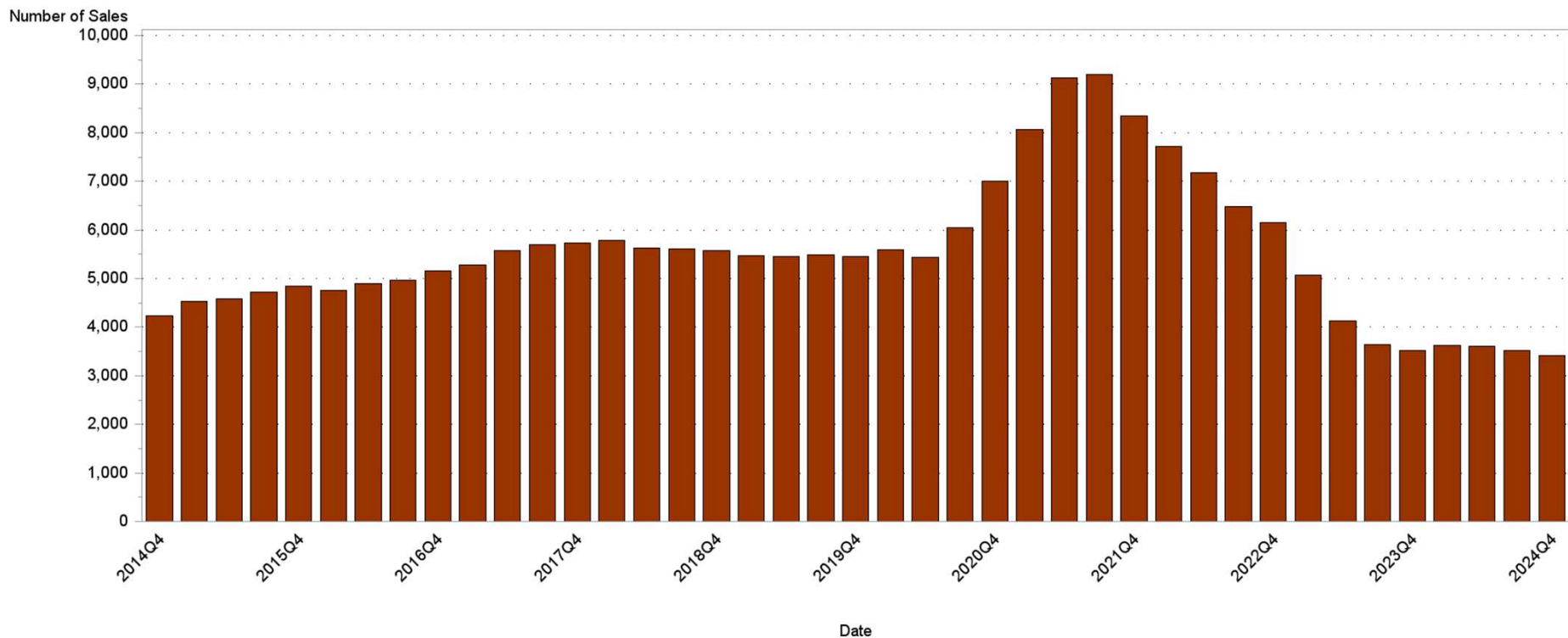
Texas Land Markets

“Small vs Large”

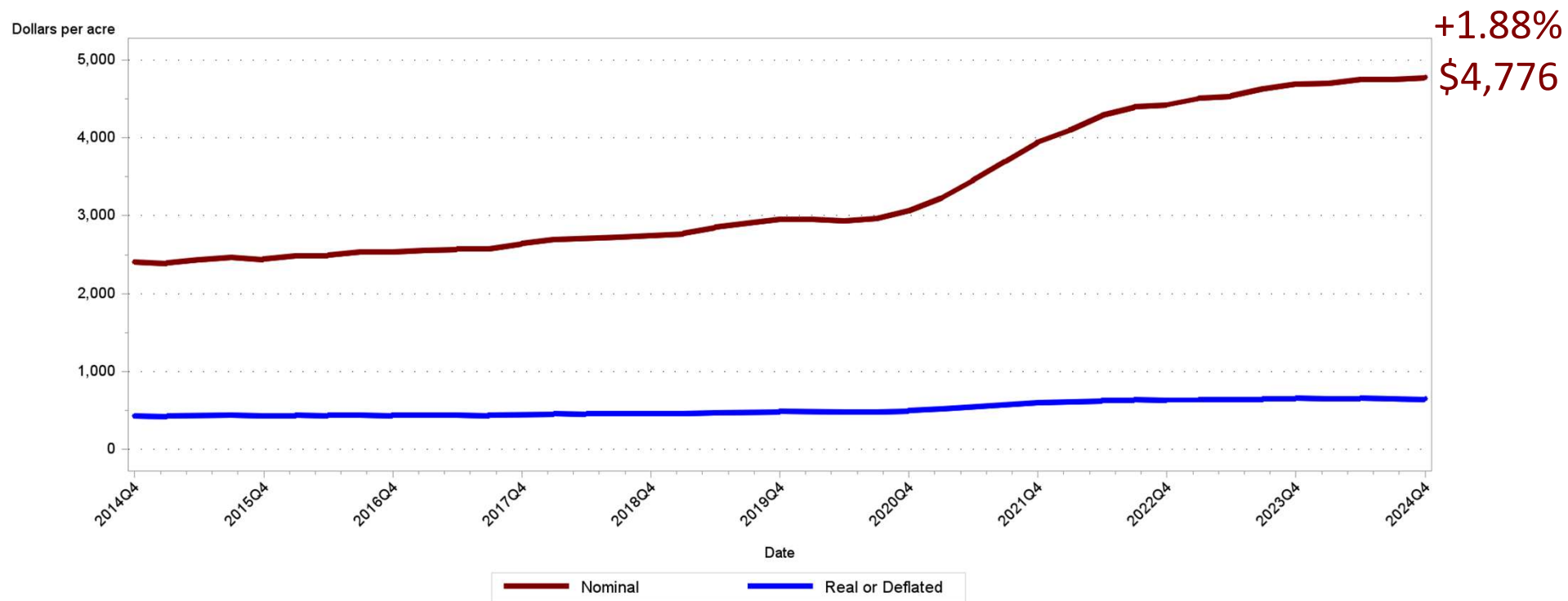
Region	Name	<i>Small Tracts in Acres</i>	
1	Panhandle and South Plains	10	160
2	Far West Texas	10	499
3	West Texas	10	95
4	Northeast Texas	10	34
5	Gulf Coast, Brazos Bottom	10	43
6	South Texas	10	45
7	Austin, Waco, Hill Country	10	50



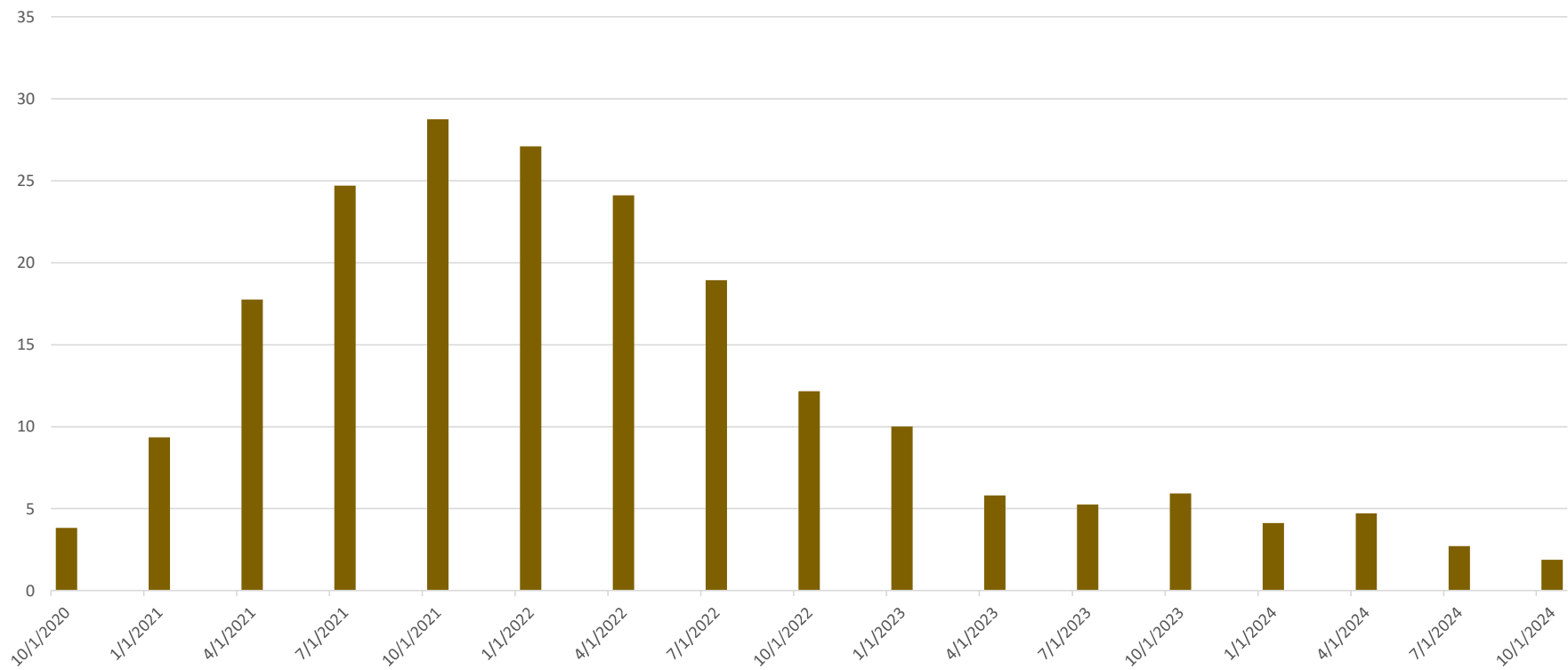
Number of Sales – Large Tracts Texas Rural Land Statewide



Texas Rural Land Prices Large Tracts



Texas Rural Land Prices – Large Tracts Annualized Percentage Change



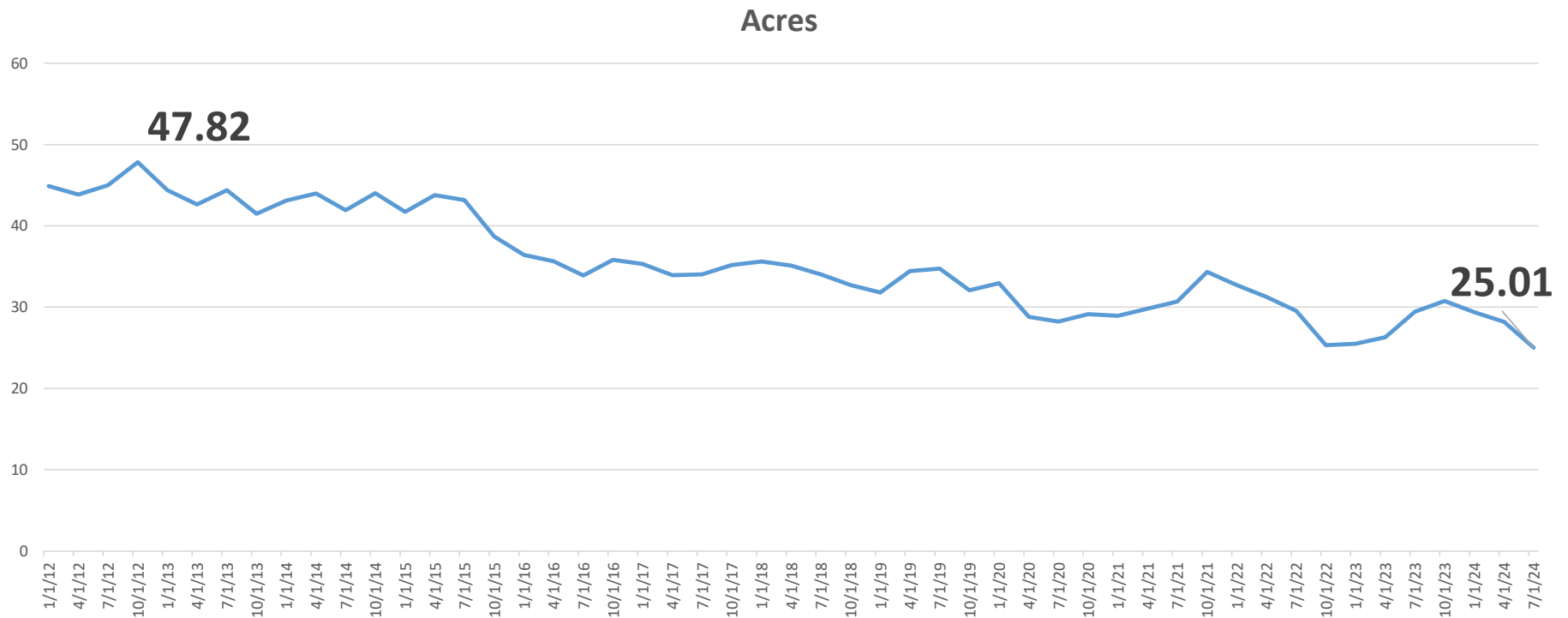
Texas Rural Land Prices Large Tracts

Statewide	1.88%	\$4,776
Region 1	8.19%	\$1,862
Region 2	6.48%	\$624
Region 3	5.10%	\$2,533
Region 4	3.89%	\$8,475
Region 5	4.46%	\$10,001
Region 6	-5.81%	\$5,850
Region 7	0.95%	\$7,203

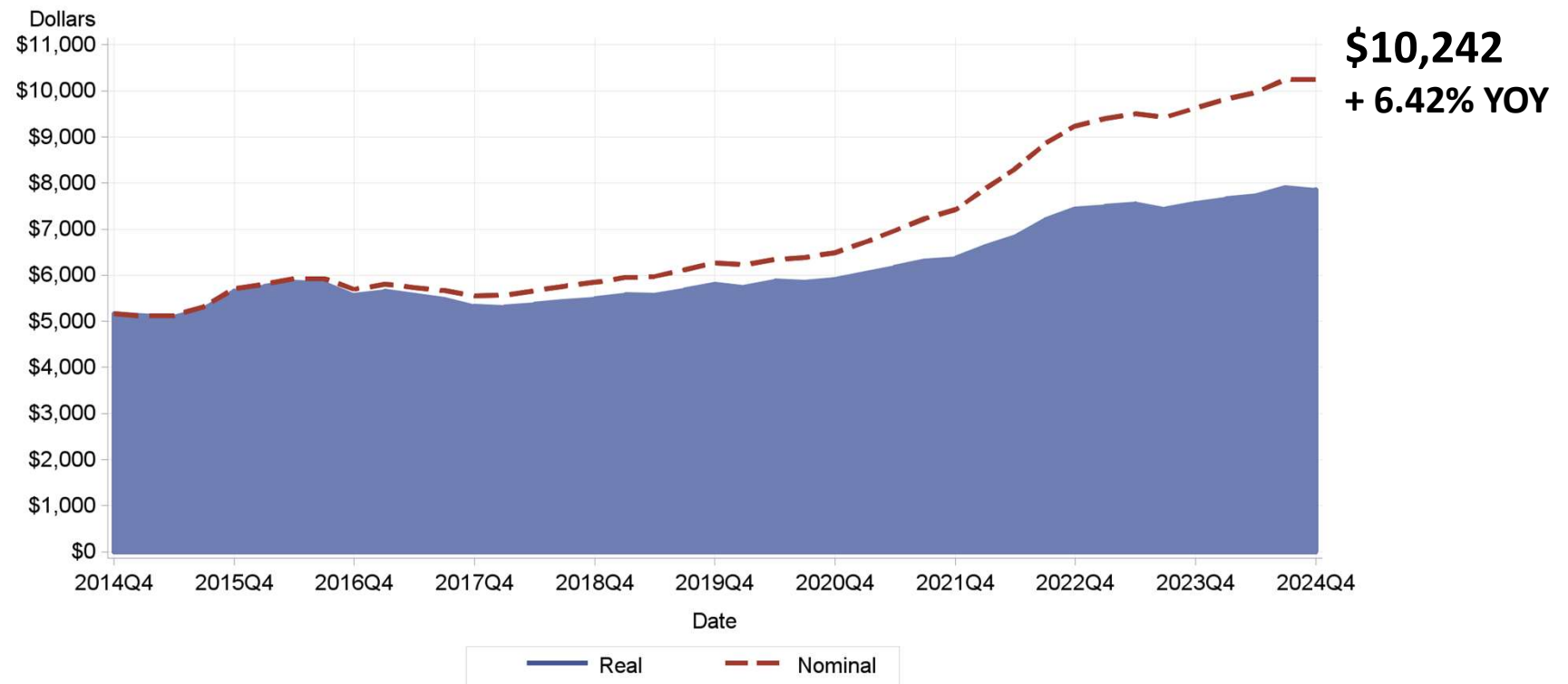


Median Tract Sizes

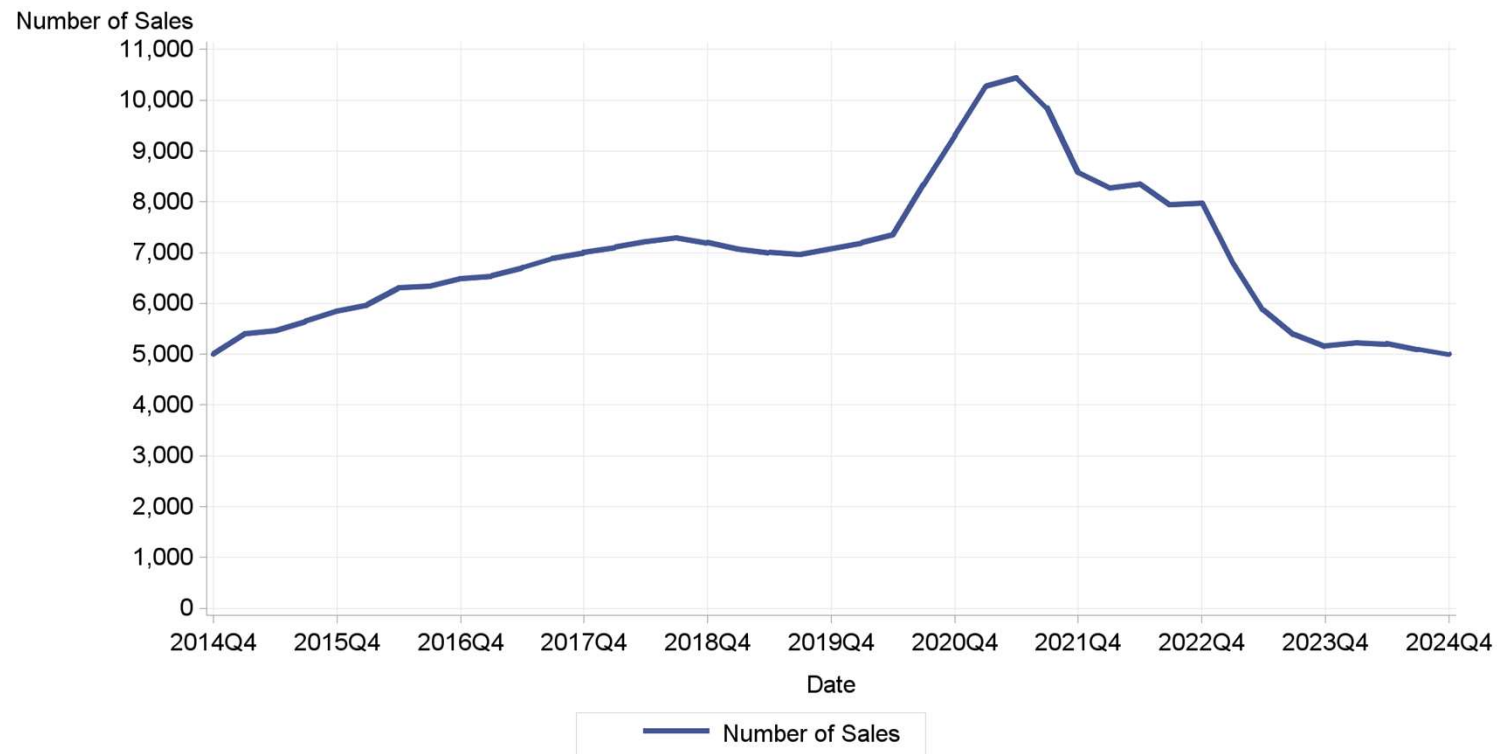
Small Tracts (smallest quintile)



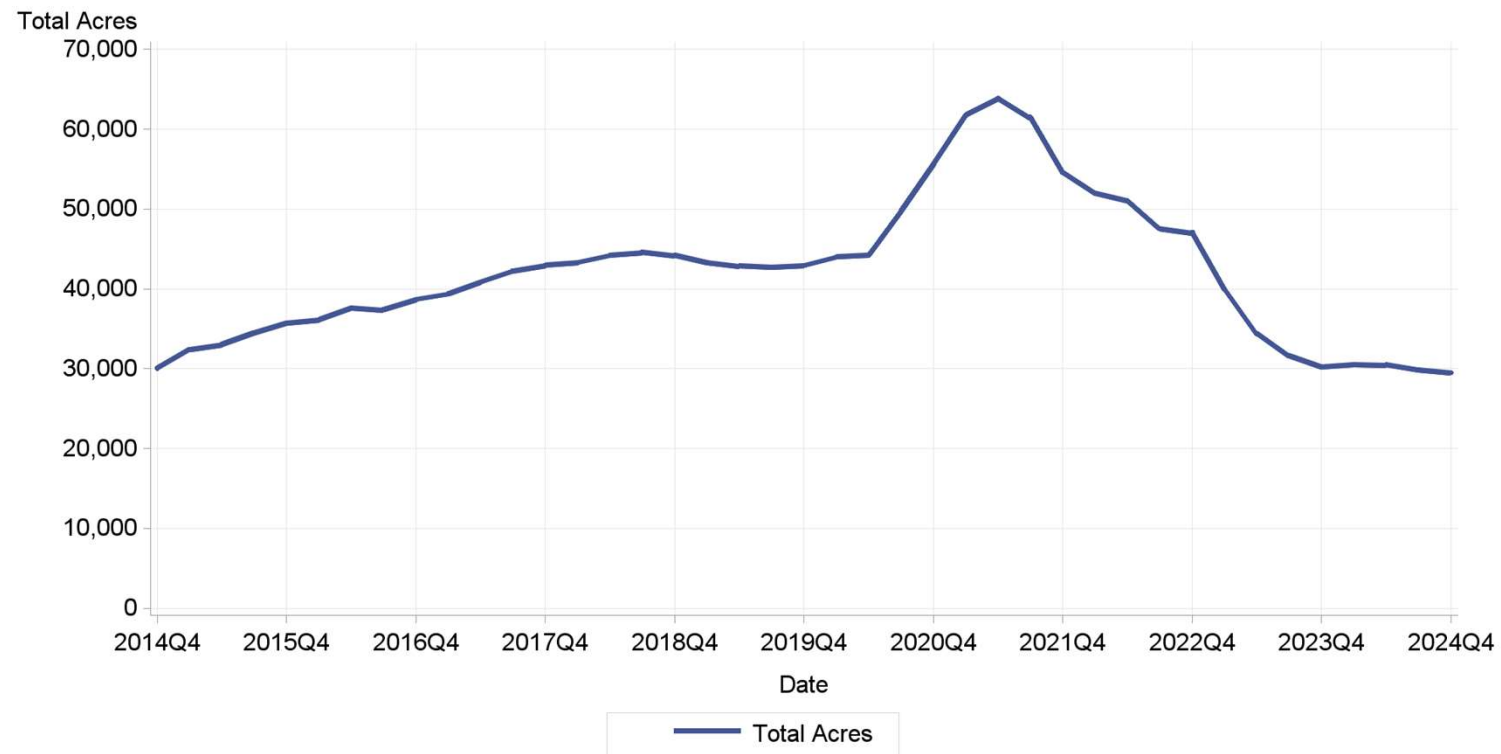
Texas Small Rural Land Sales Price Per Acre - Statewide



Texas Small Rural Land Sales Total Number of Sales - Statewide



Texas Small Rural Land Sales Total Acres Sold - Statewide



Texas Small Land Market 2024 - Statewide

Price	6.42%	\$10,242
Avg. Acreage	-18.02%	25.22
Sales Volume	-3.00%	5,006
Total Dollar Volume	3.92%	\$302,372,468
Total Acres	-2.35%	29,523

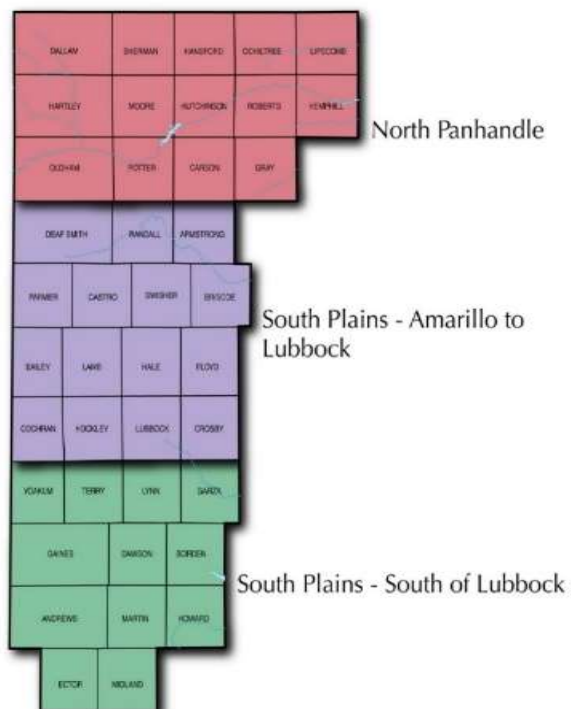
***** Prices holding up – Low volumes favor quality *****



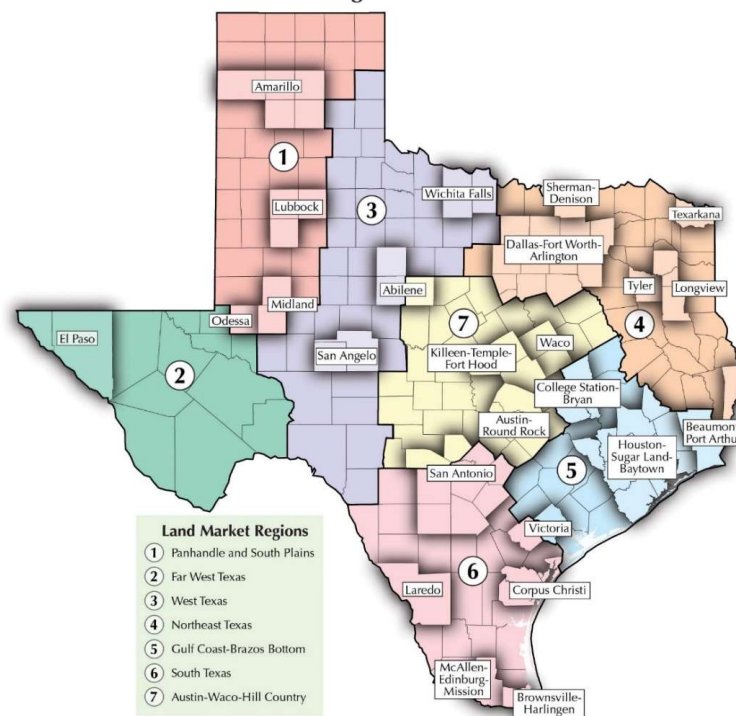
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Texas Land Markets

Region 1



Land Market Regions with MSA's

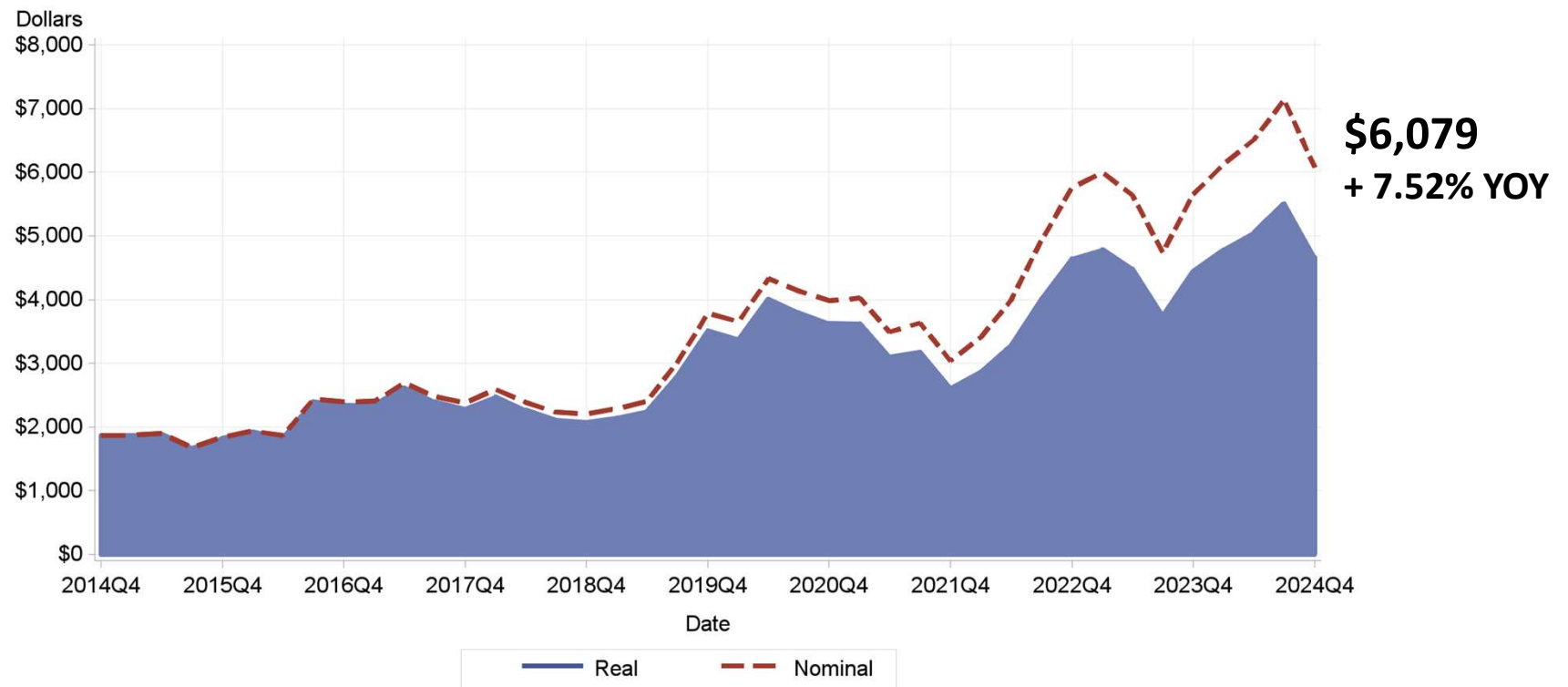


Source: Real Estate Center at Texas A&M University

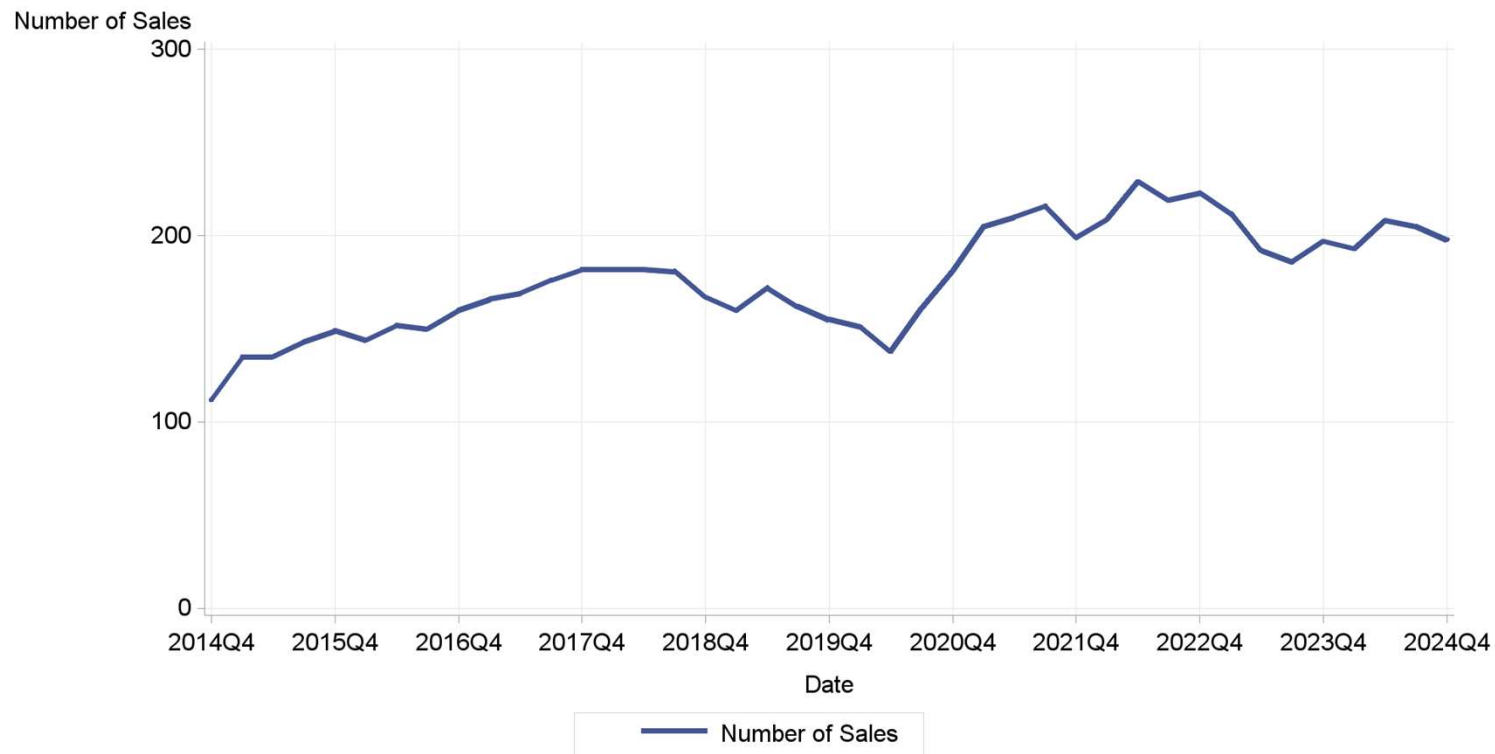


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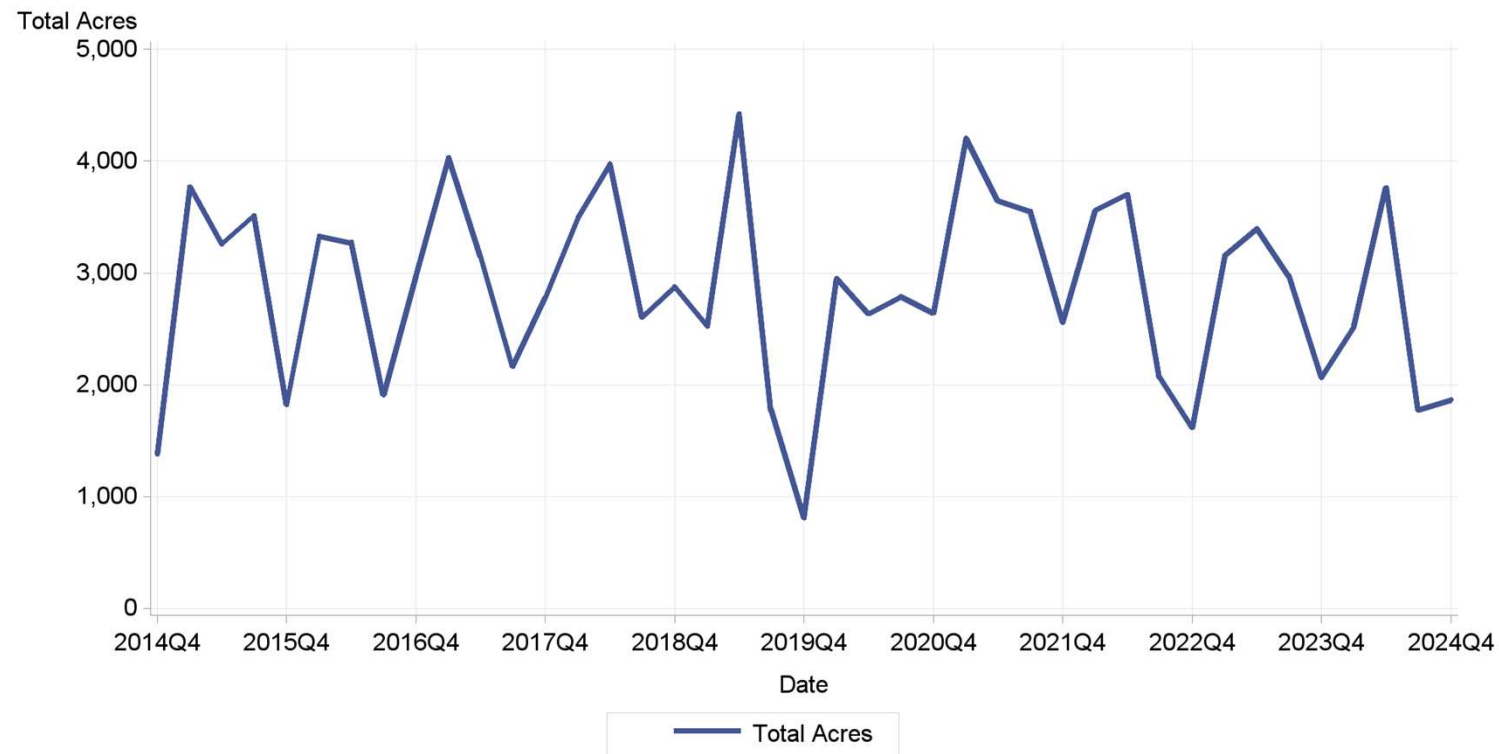
Texas Small Rural Land Sales Price Per Acre - Region 1



Texas Small Rural Land Sales Total Number of Sales - Region1



Texas Small Rural Land Sales Total Acres Sold - Region1



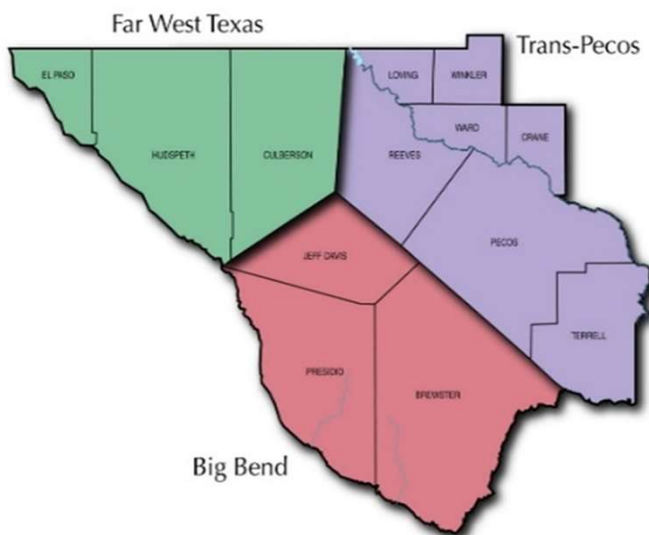
Panhandle and South Plains Region - Small

Price	7.52%	\$6,078
Avg. Acreage	-4.43%	35
Sales Volume	0.51%	198
Total Dollar Volume	-7.91%	\$15,085,742
Total Acres	-14.35%	2,482

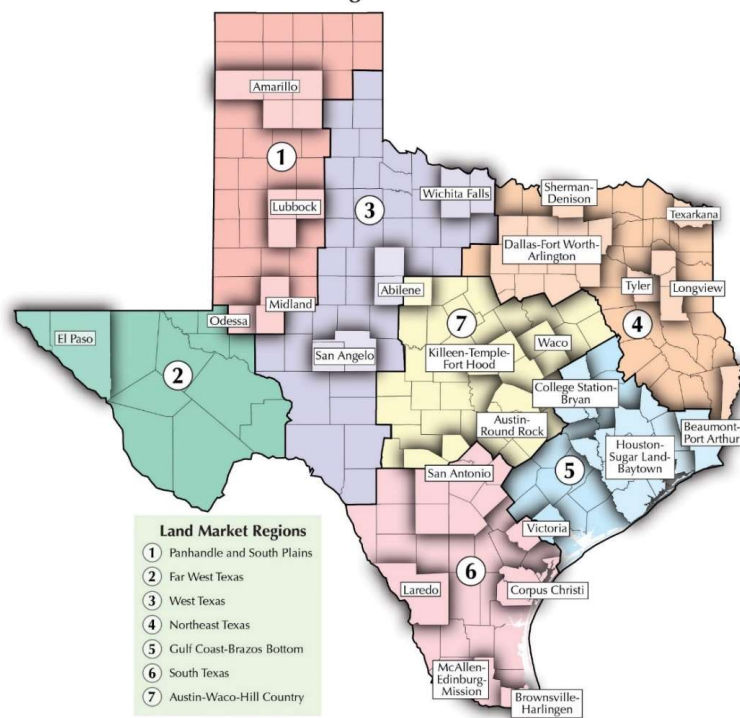
***** Strong overall from 2021 but 4Q2024 weakness*****

Texas Land Markets

Region 2



Land Market Regions with MSA's

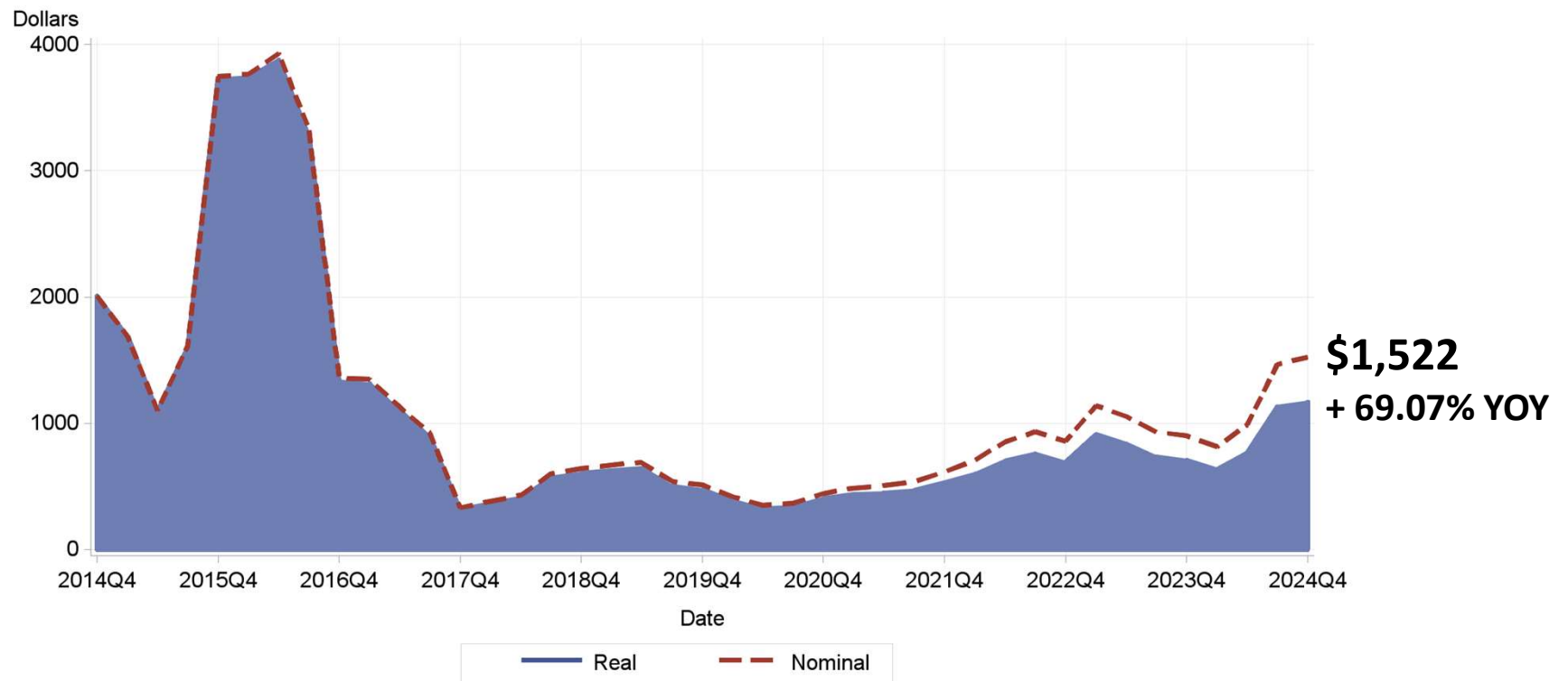


Source: Real Estate Center at Texas A&M University

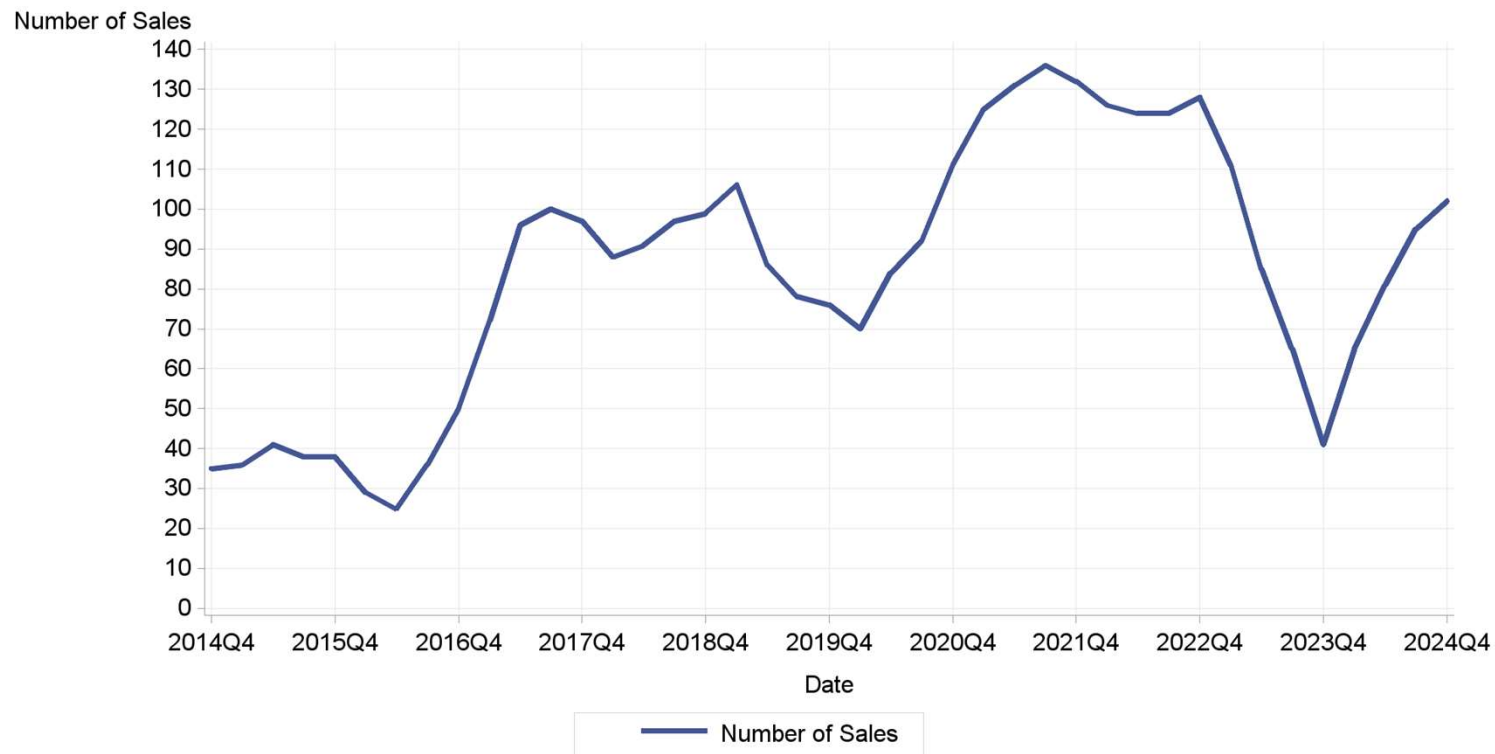


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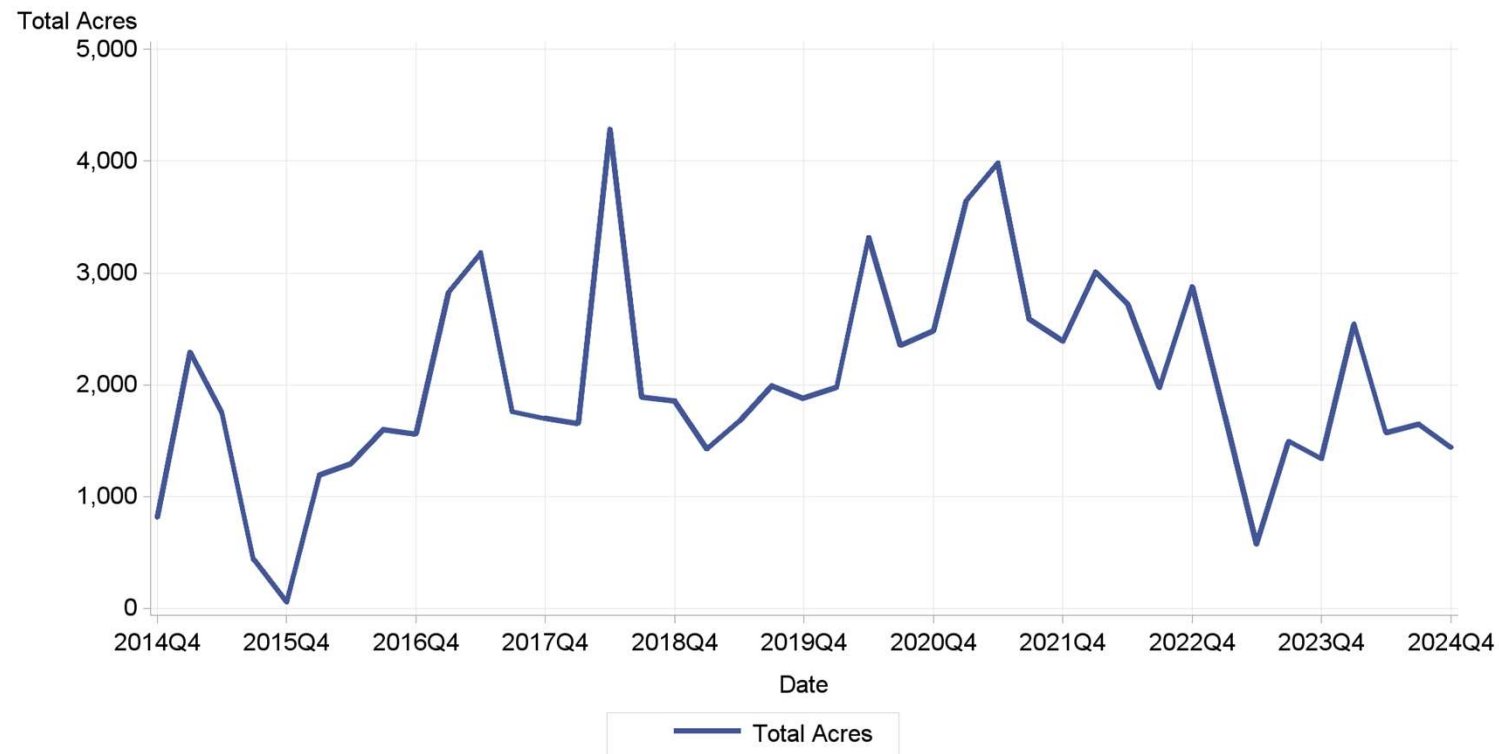
Texas Small Rural Land Sales Price Per Acre - Region 2



Texas Small Rural Land Sales Total Number of Sales - Region2



Texas Small Rural Land Sales Total Acres Sold - Region2



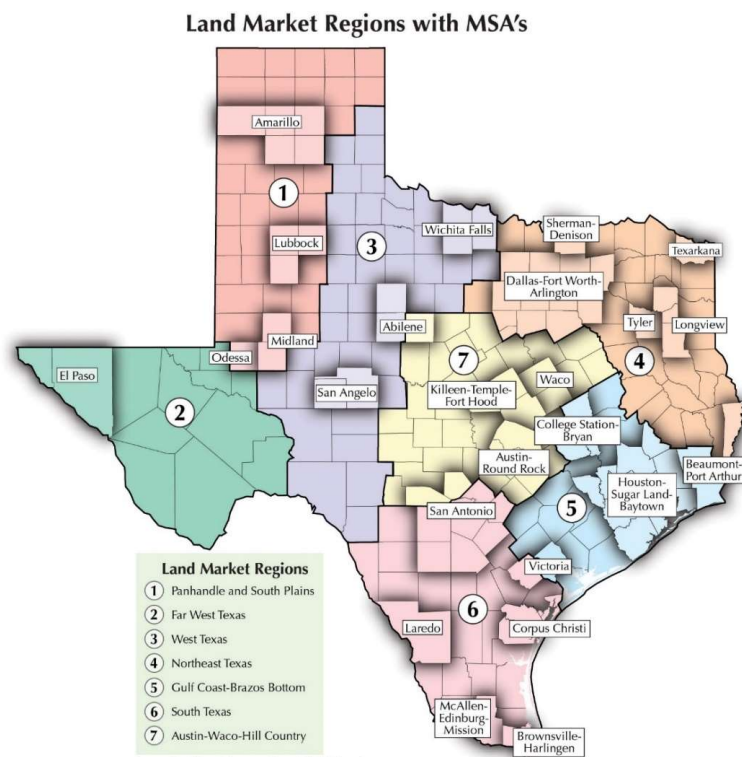
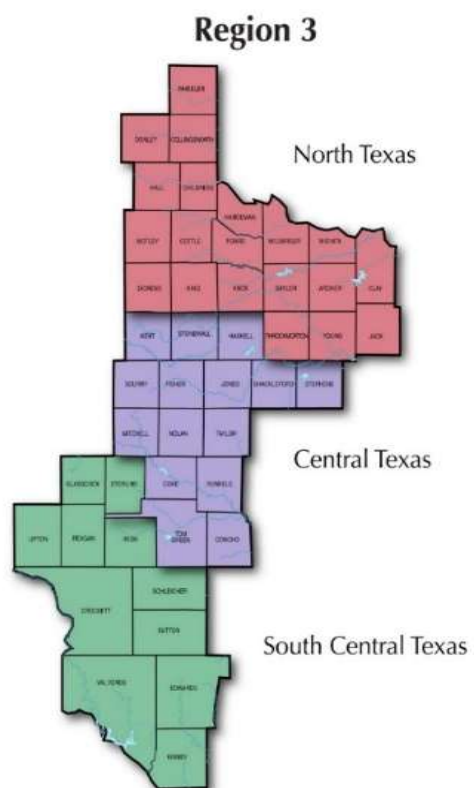
Far West Texas Region - Small

Price	69.07%	\$1,522
Avg. Acreage	-47.72%	41
Sales Volume	148.78%	102
Total Dollar Volume	137.30%	\$2,741,083
Total Acres	40.35%	1,801

***** Volatile due to low volumes and oil/gas *****



Texas Land Markets

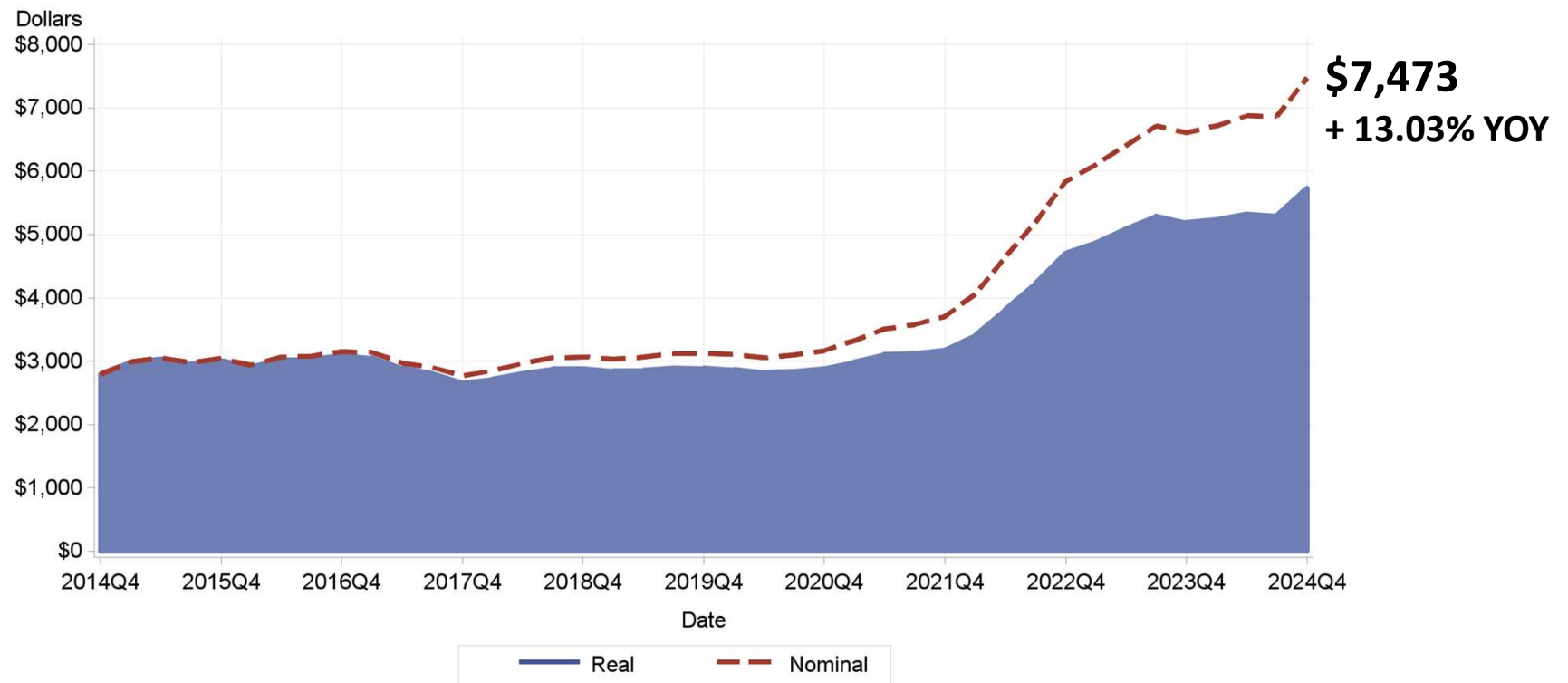


Source: Real Estate Center at Texas A&M University

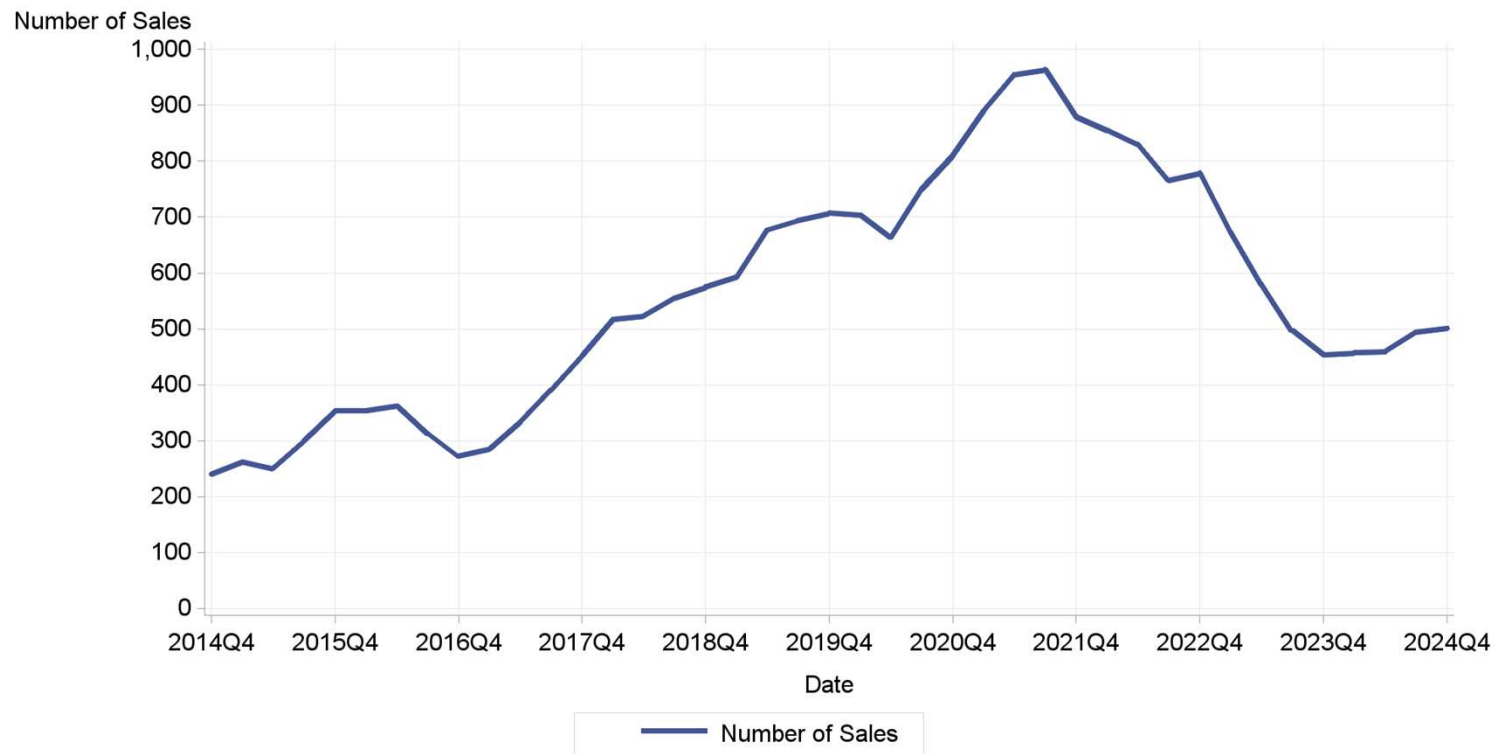


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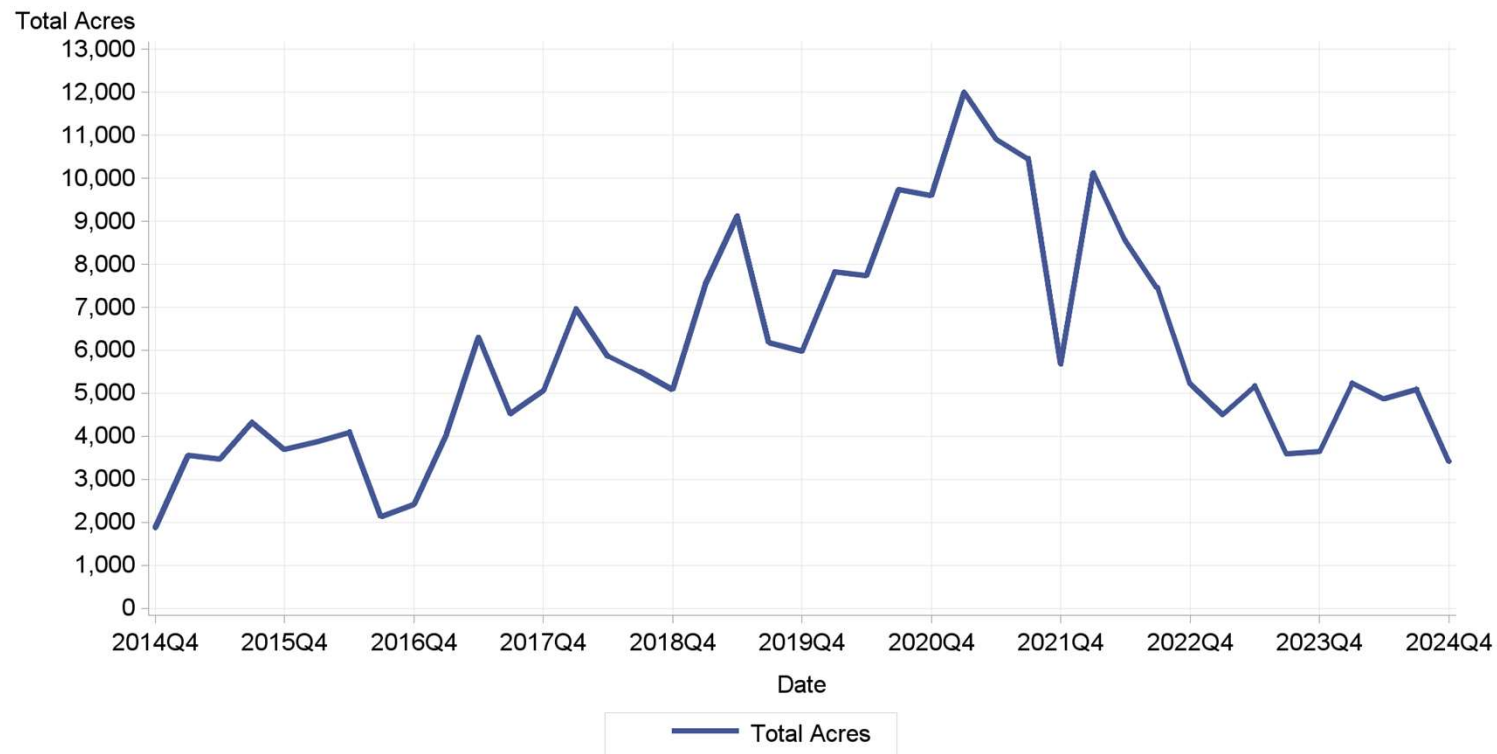
Texas Small Rural Land Sales Price Per Acre - Region 3



Texas Small Rural Land Sales Total Number of Sales - Region3



Texas Small Rural Land Sales Total Acres Sold - Region3



West Texas Region - Small

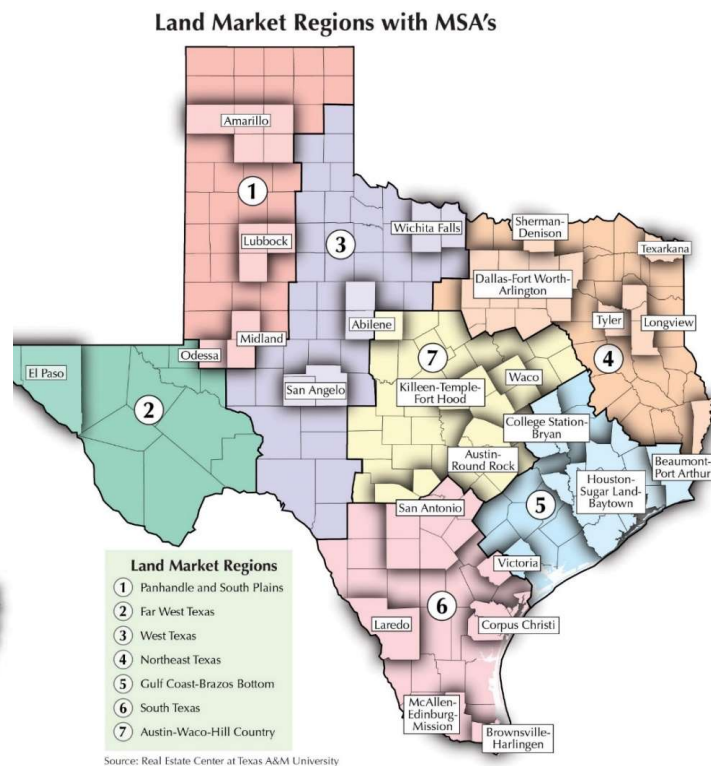
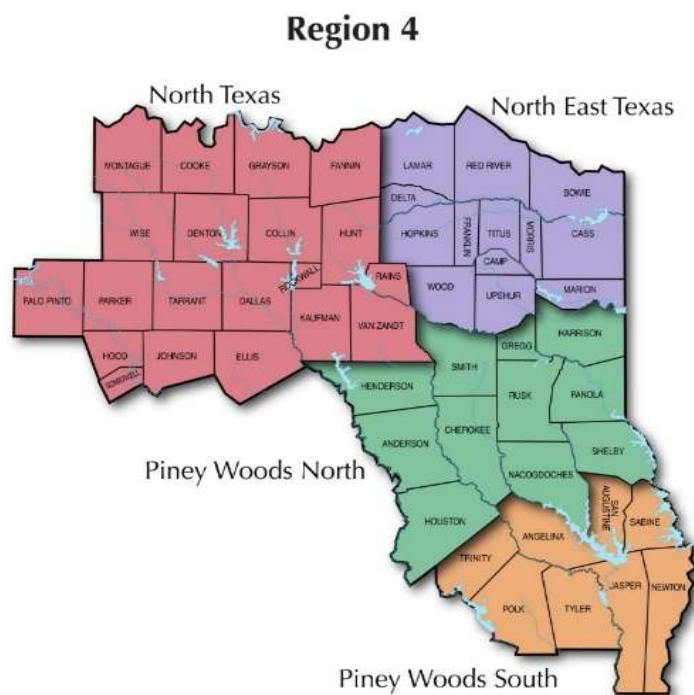
Price	13.03%	\$7,473
Avg. Acreage	-14.45%	28
Sales Volume	10.35%	501
Total Dollar Volume	24.39%	\$34,801,382
Total Acres	10.06%	4,657

***** Strong 2024 aided by smaller tracts
PPA depressing volumes of large tracts *****

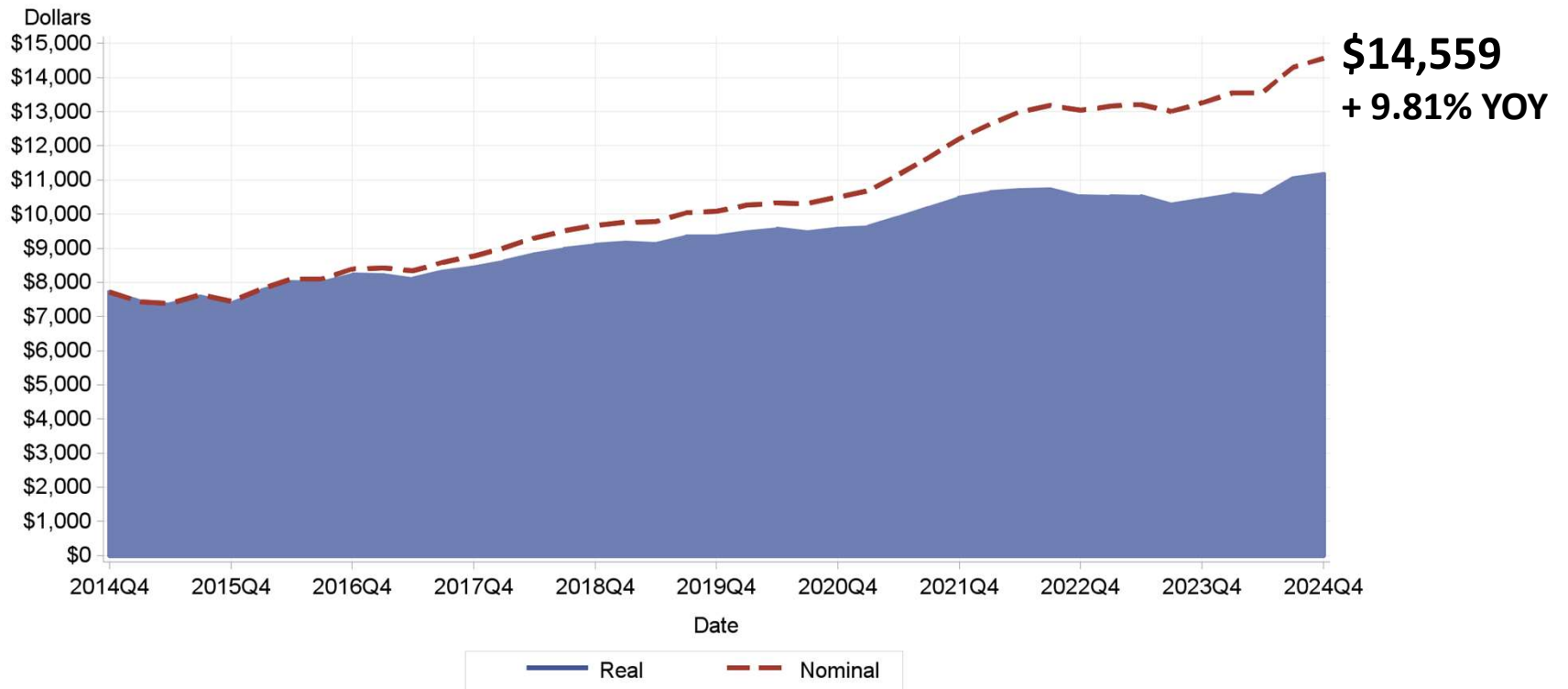


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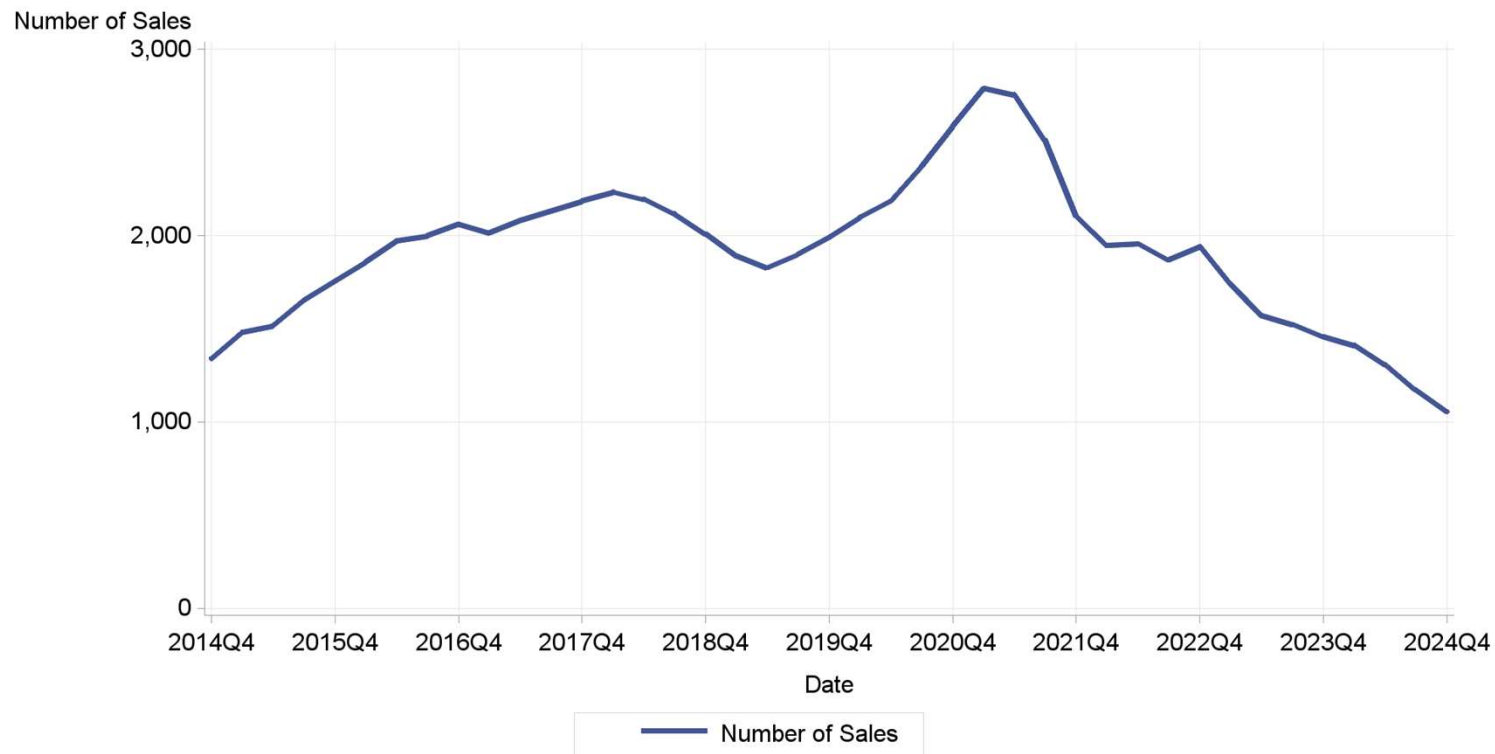
Texas Land Markets



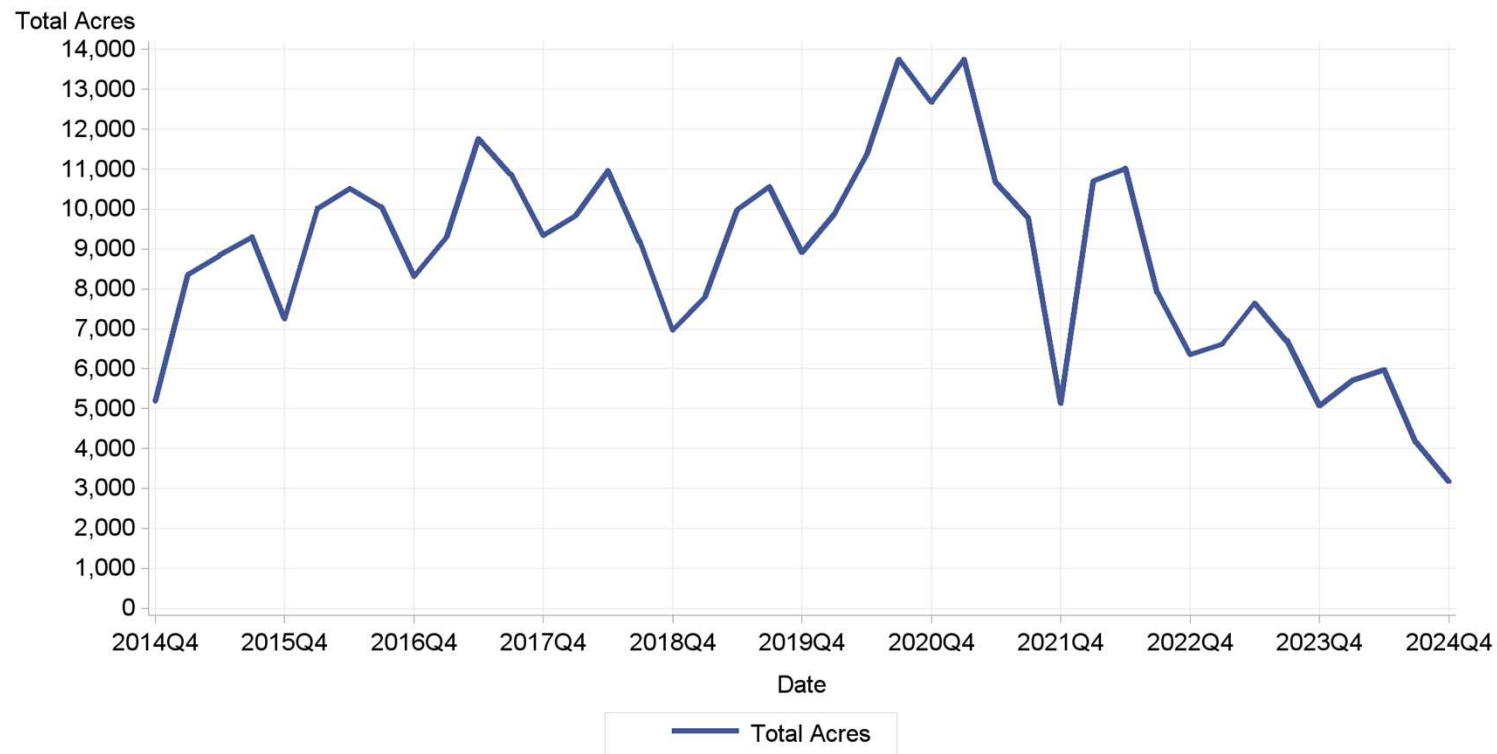
Texas Small Rural Land Sales Price Per Acre - Region 4



Texas Small Rural Land Sales Total Number of Sales - Region4



Texas Small Rural Land Sales Total Acres Sold - Region4



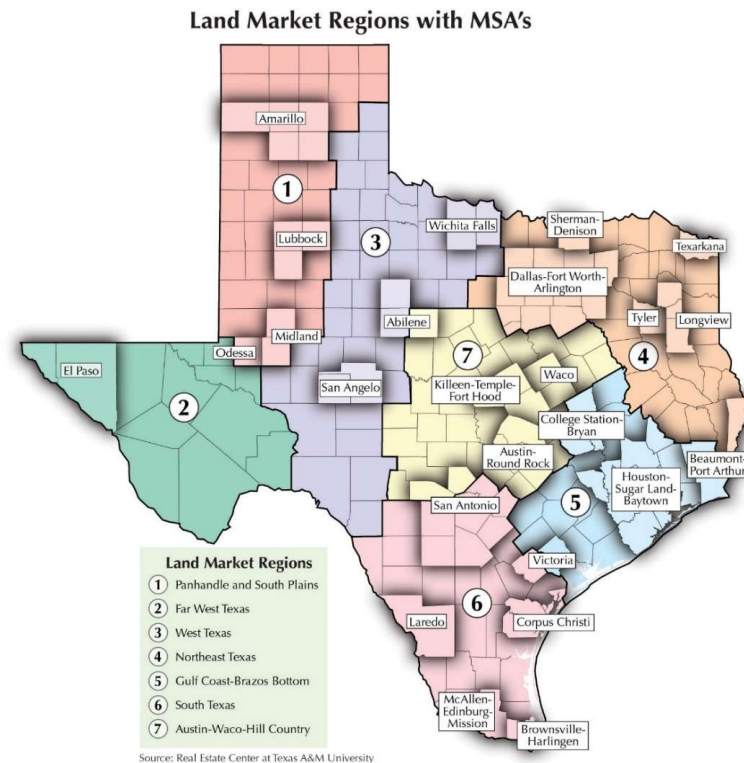
Northeast Texas Region - Small

Price	9.81%	\$14,559
Avg. Acreage	3.06%	17
Sales Volume	-27.62%	1,056
Total Dollar Volume	-19.92%	\$69,199,860
Total Acres	-27.07%	4,753

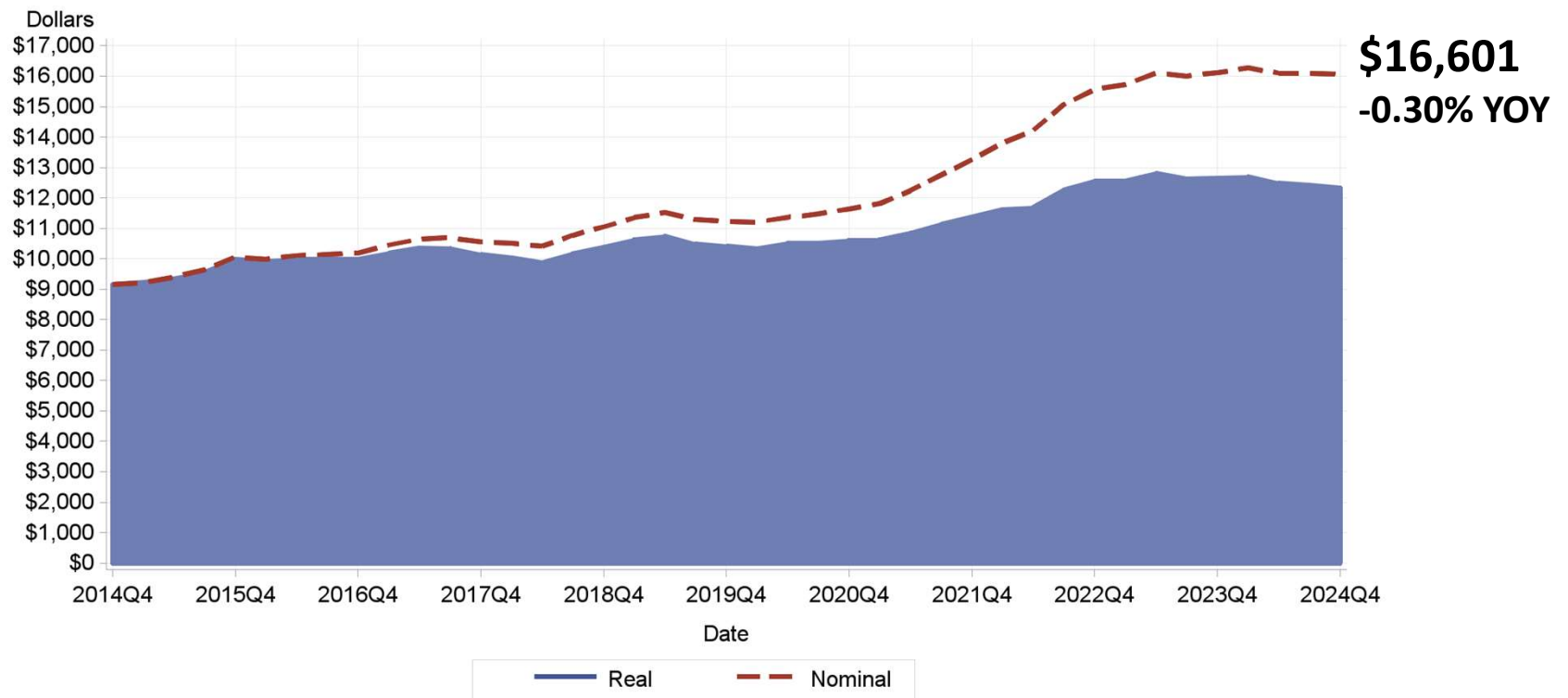
***** Price skewed by very low volumes, quality tracts *****



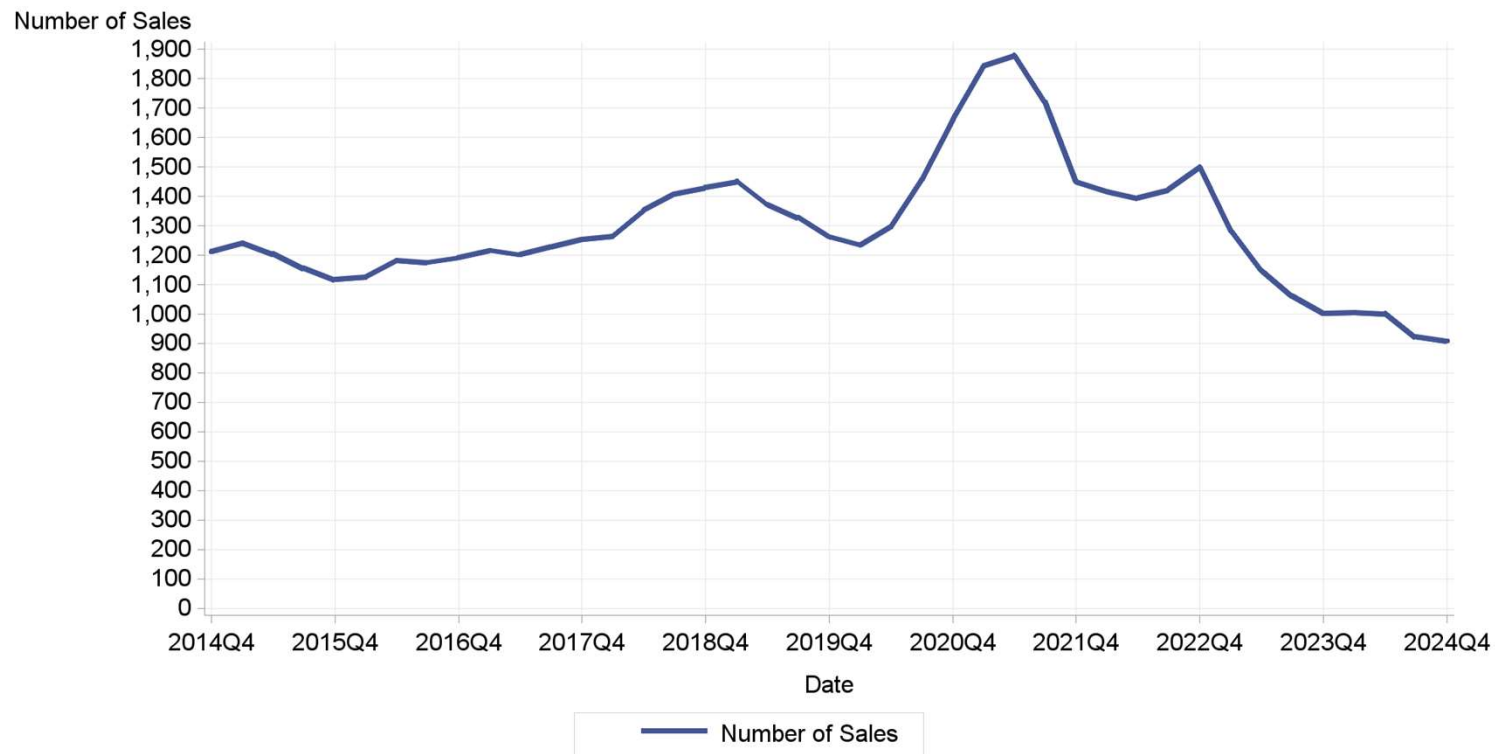
Region 5 - Gulf Coast-Brazos Bottom



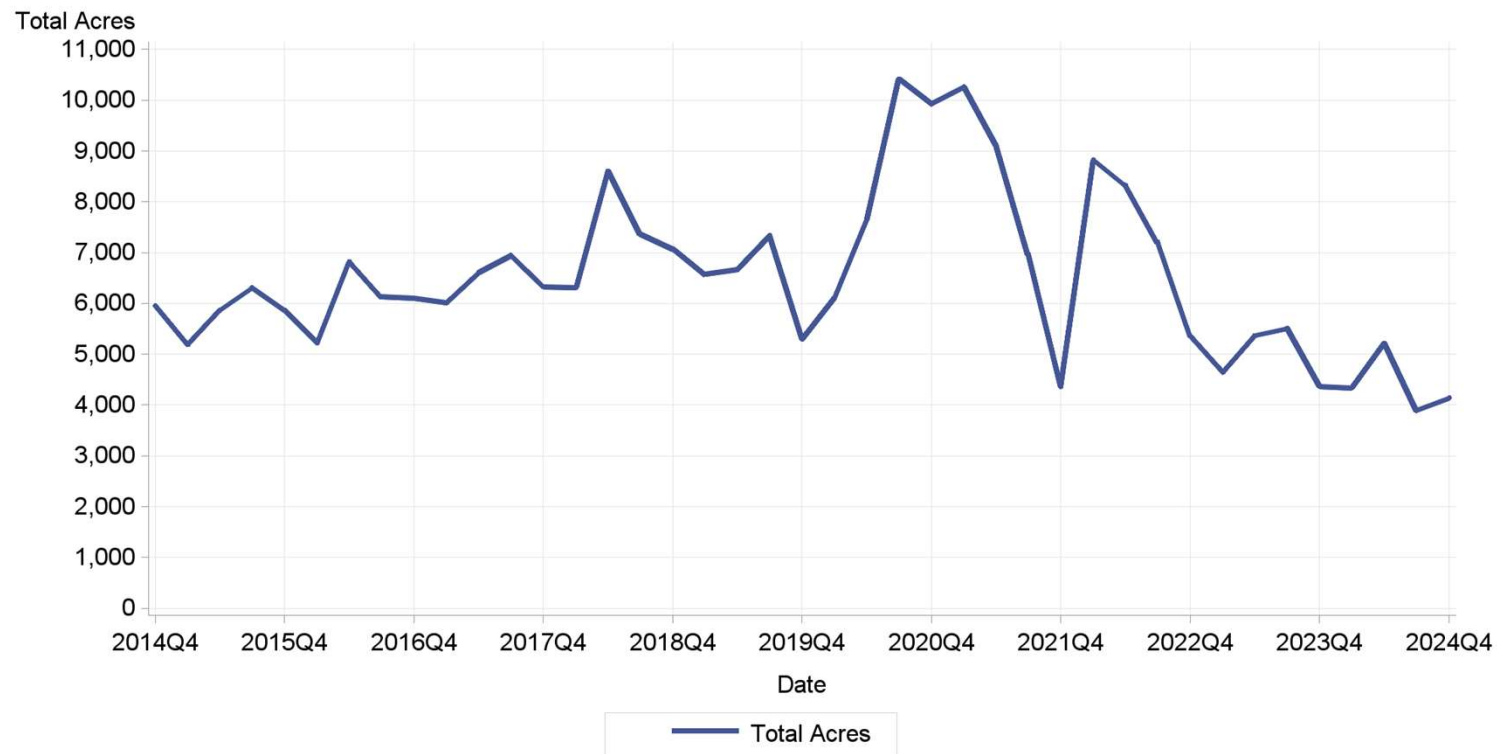
Texas Small Rural Land Sales Price Per Acre - Region 5



Texas Small Rural Land Sales Total Number of Sales - Region5



Texas Small Rural Land Sales Total Acres Sold - Region5



Gulf Coast - Brazos Bottom Region - Small

Price	-0.30%	\$16,061
Avg. Acreage	0.11%	17
Sales Volume	-9.37%	909
Total Dollar Volume	-11.77%	\$70,682,675
Total Acres	-11.51%	4,401

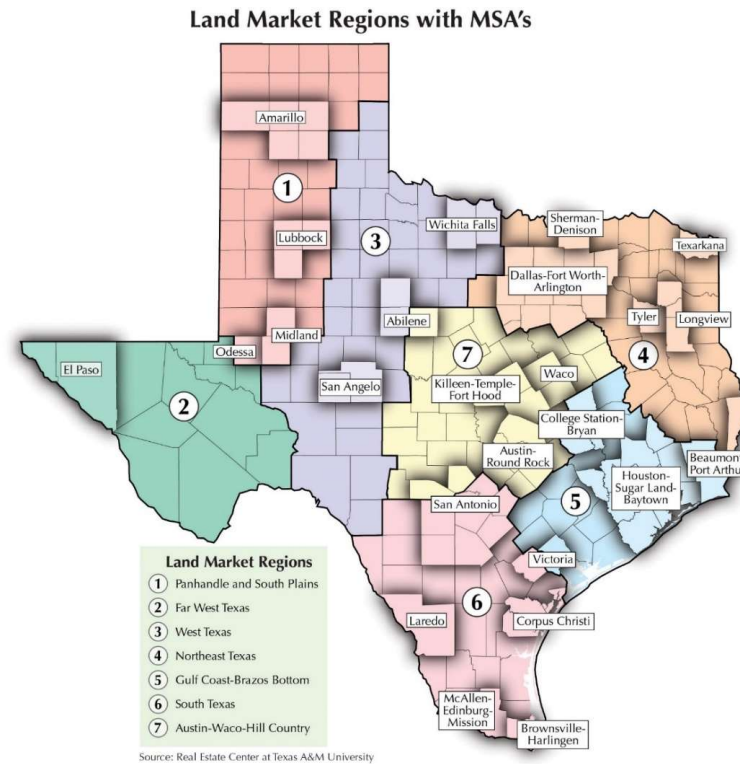
***** Prices sideways for longest, activity still in decline**

Only region with overall price decline ***



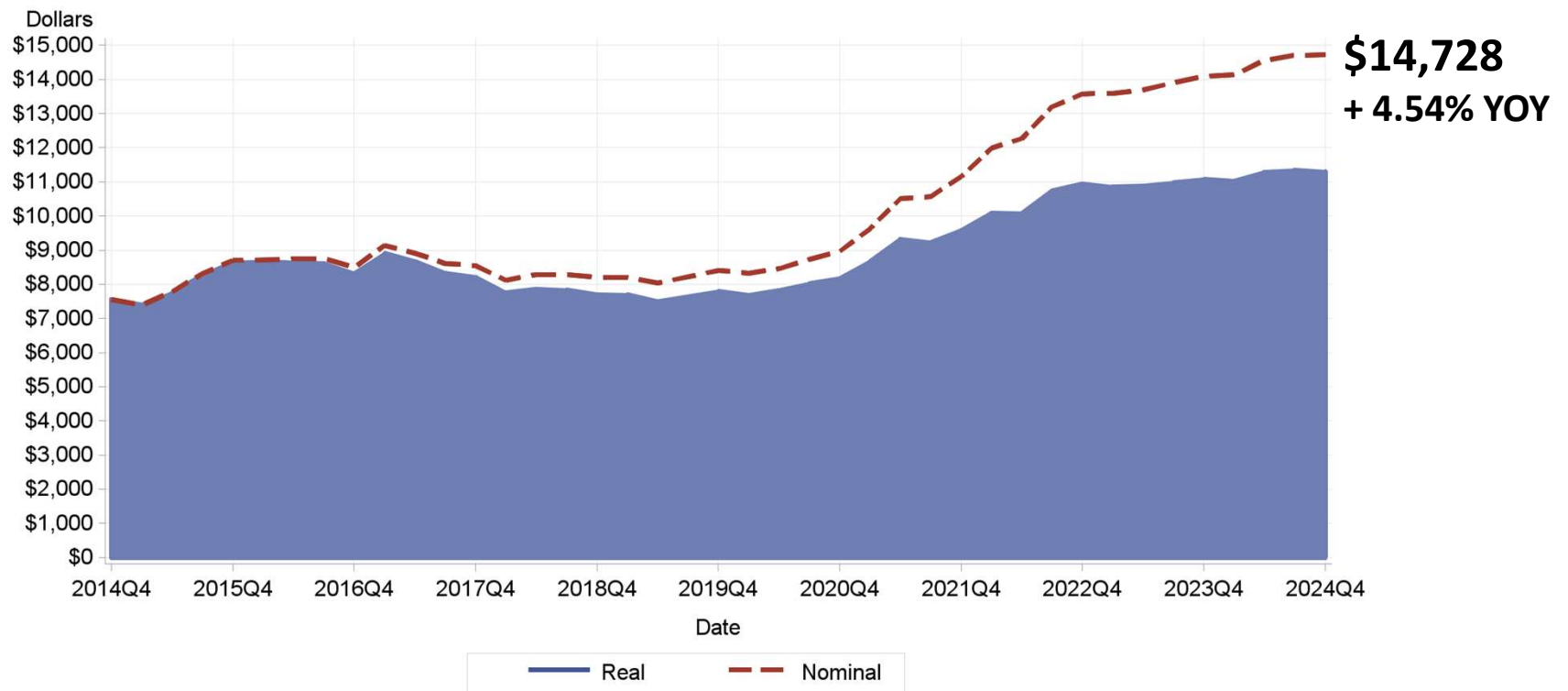
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Texas Land Markets

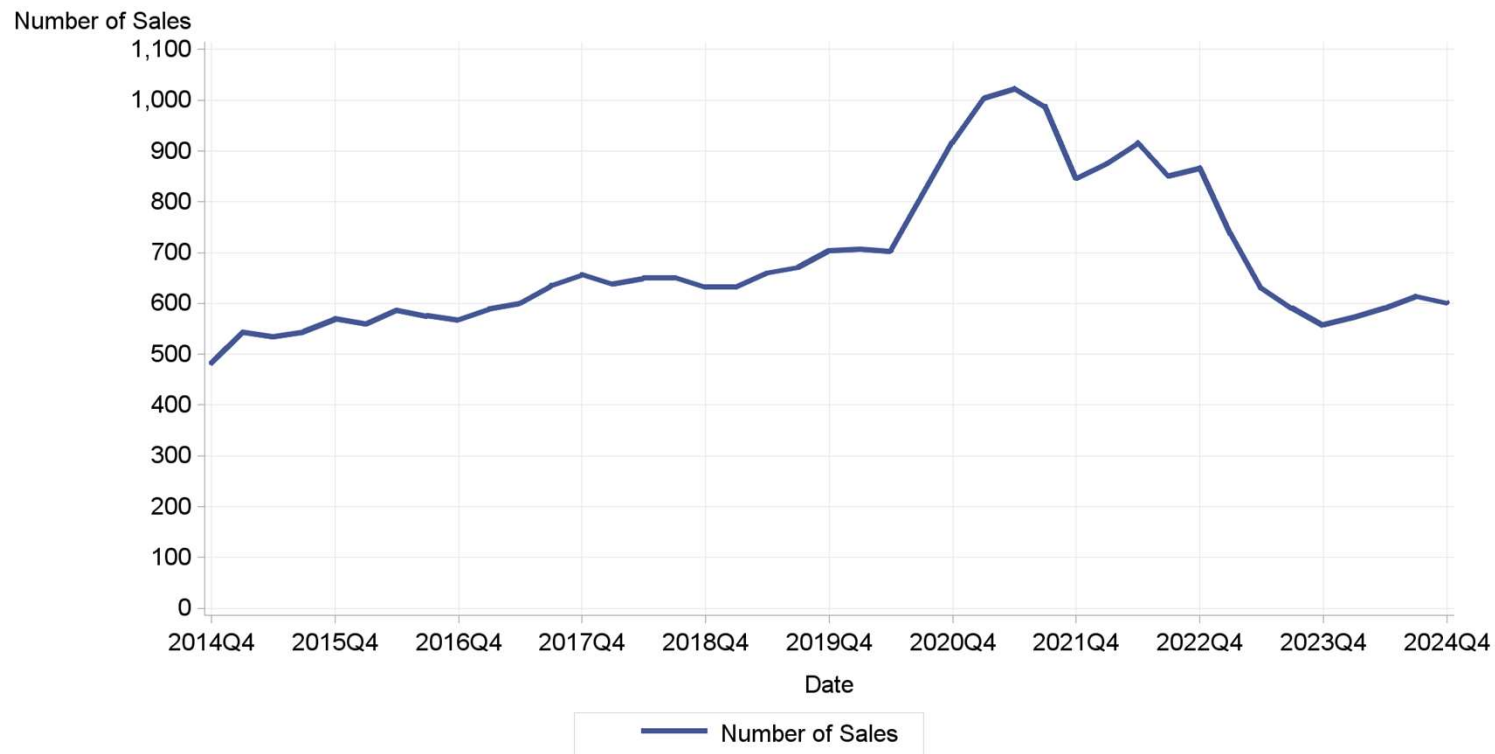


Source: Real Estate Center at Texas A&M University

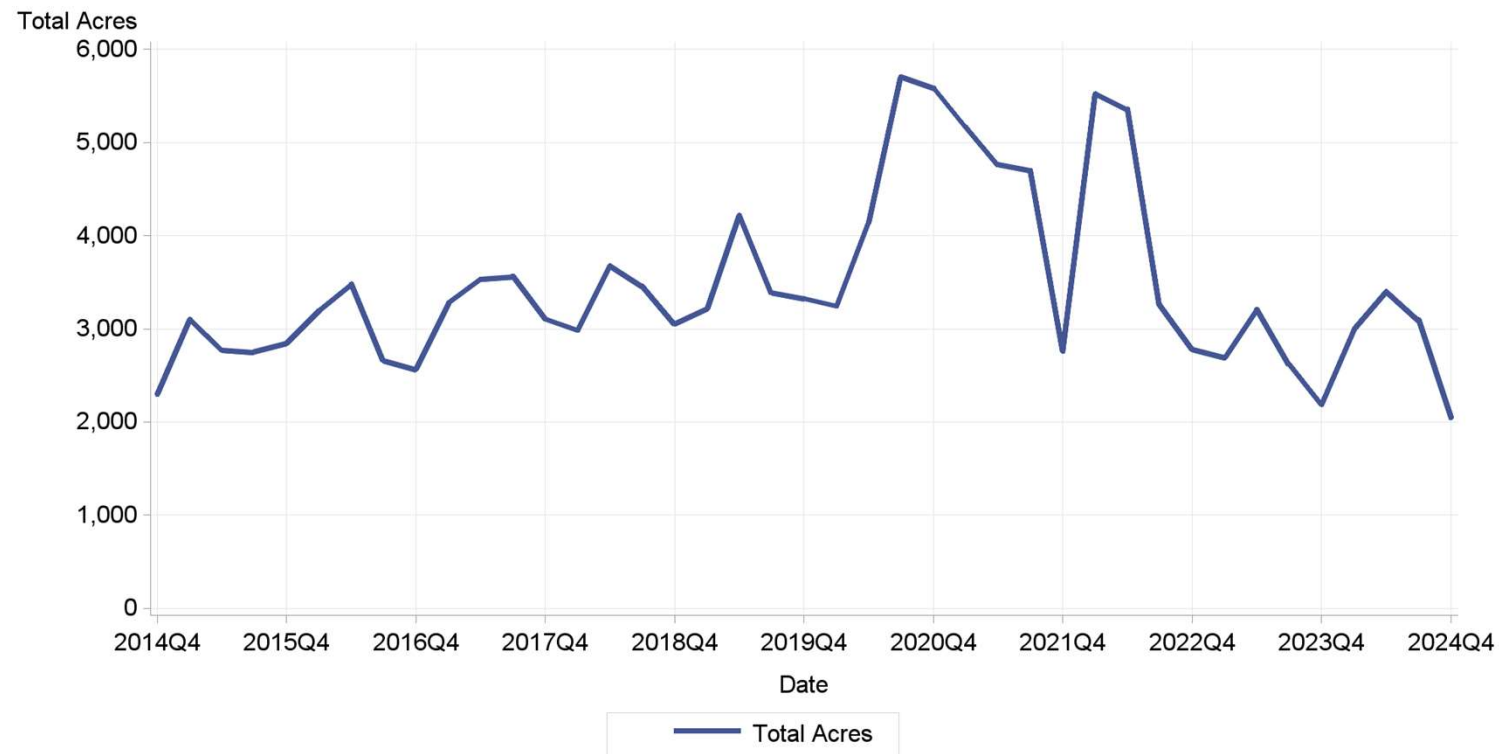
Texas Small Rural Land Sales Price Per Acre - Region 6



Texas Small Rural Land Sales Total Number of Sales - Region6



Texas Small Rural Land Sales Total Acres Sold - Region6



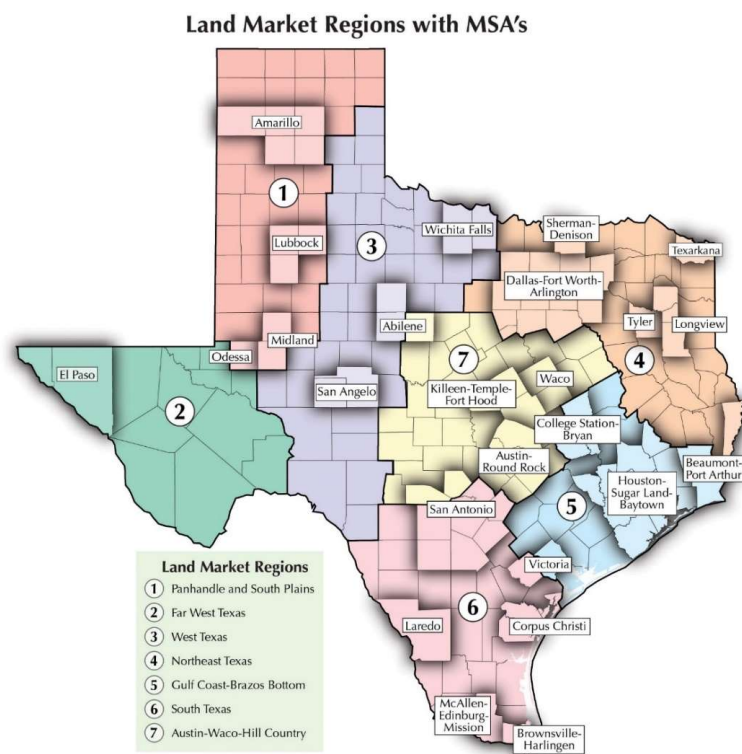
South Texas Region - Small

Price	4.54%	\$14,728
Avg. Acreage	1.60%	16
Sales Volume	7.89%	602
Total Dollar Volume	12.64%	\$42,488,821
Total Acres	7.75%	2,885

***** Most depressed large tract market, pushing buyers to smaller tracts *****



Texas Land Markets

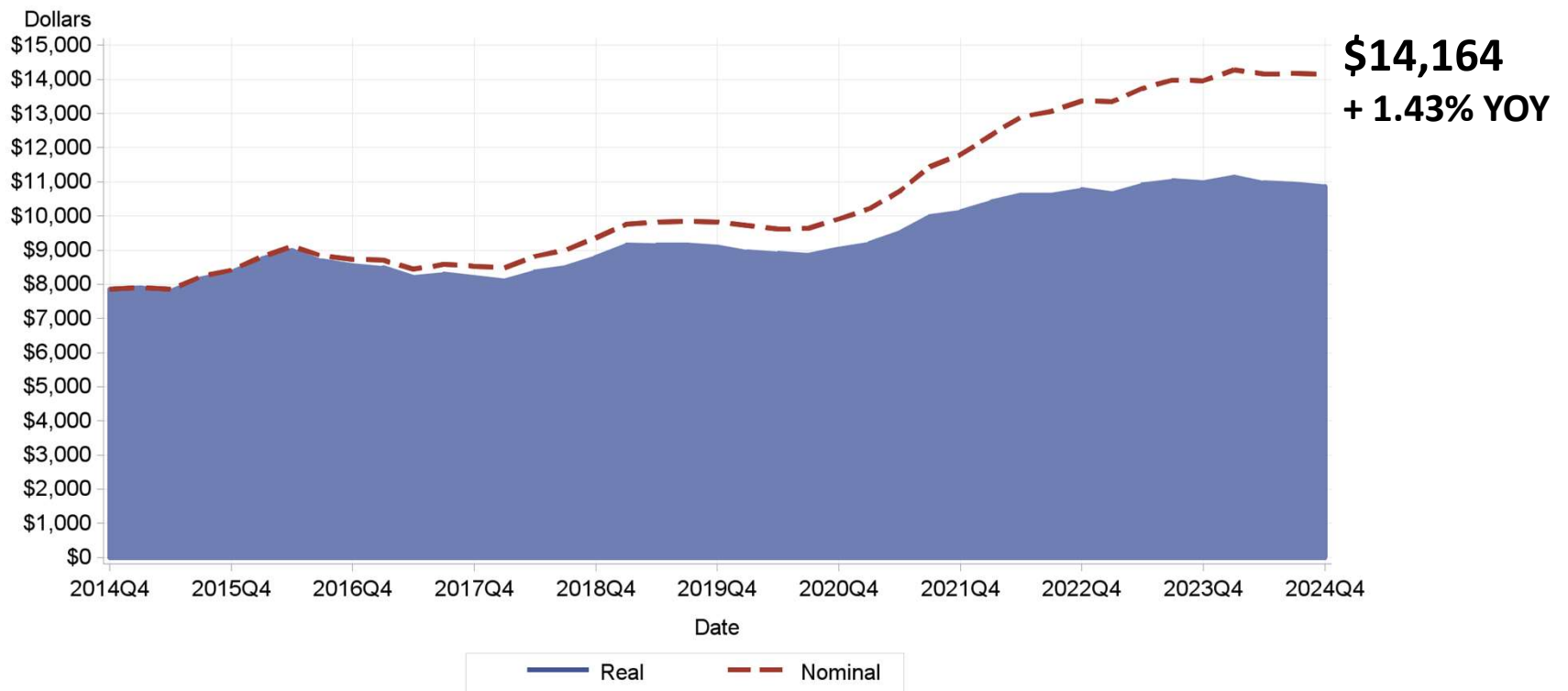


Source: Real Estate Center at Texas A&M University

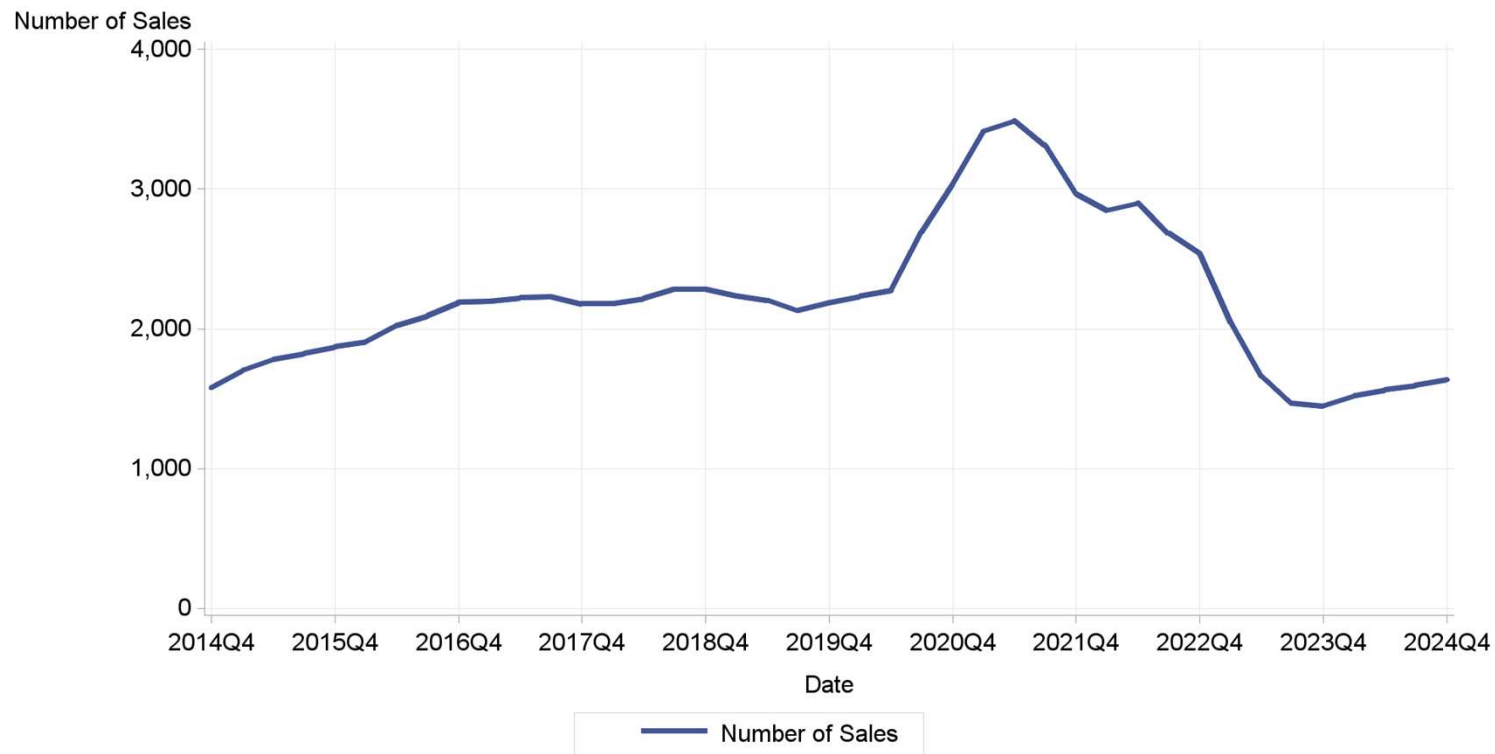


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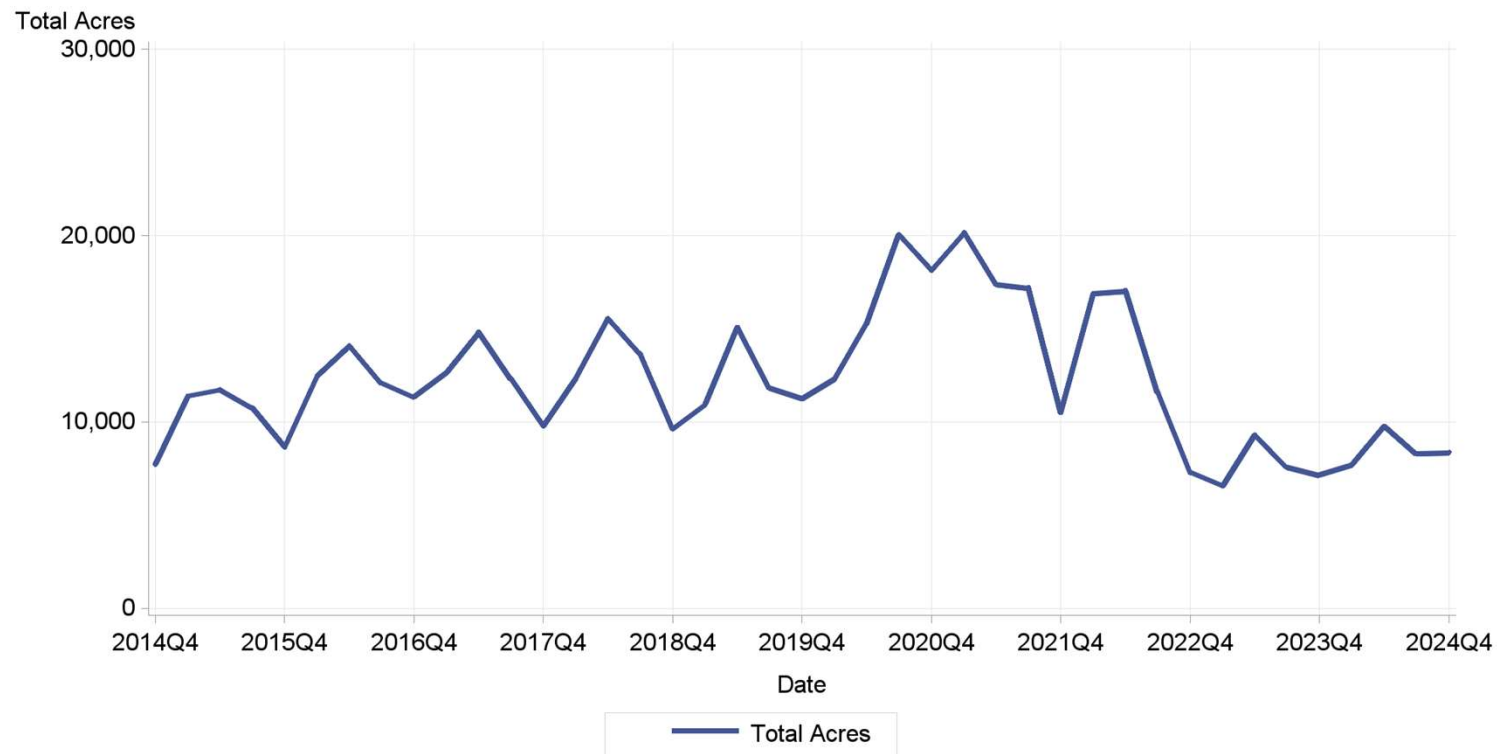
Texas Small Rural Land Sales Price Per Acre - Region 7



Texas Small Rural Land Sales Total Number of Sales - Region7



Texas Small Rural Land Sales Total Acres Sold - Region7



Austin - Waco - Hill Country Region - Small

Price	1.43%	\$14,164
Avg. Acreage	-2.51%	18
Sales Volume	13.04%	1,638
Total Dollar Volume	13.24%	\$121,017,895
Total Acres	11.64%	8,544

***** Prices flat YOY as market activity catches up *****



Texas Rural Land Prices - Small

Statewide	6.42%	\$10,242
Region 1	7.52%	\$6,079
Region 2	69.07%	\$1,522
Region 3	13.03%	\$7,473
Region 4	9.81%	\$14,559
Region 5	-0.30%	\$16,601
Region 6	4.54%	\$14,728
Region 7	1.43%	\$14,164



Texas Rural Land - Small Acres Sold

Statewide	-2.35%	29,523
Region 1	-14.35%	2,482
Region 2	40.35%	1,801
Region 3	10.06%	4,657
Region 4	-27.07%	4,753
Region 5	-11.51%	4,401
Region 6	7.75%	2,885
Region 7	11.64%	8,544



Texas Rural Land 2024 Summary

Texas	Small Tracts			Large Tracts		
Region	Size	PPA	YOY%	Size	PPA	YOY%
1 Panhandle and South Plains	36	\$6,079	7.52%	401	\$1,862	8.19%
2 Far West Texas	41	\$1,522	69.07%	17610	\$624	6.48%
3 West Texas	28	\$7,473	13.03%	425	\$2,533	5.10%
4 Northeast Texas	17	\$14,559	9.81%	117	\$8,475	3.89%
5 Gulf Coast, Brazos Bottom	17	\$16,061	-0.30%	151	\$10,001	4.46%
6 South Texas	16	\$14,728	4.54%	268	\$5,850	-5.81%
7 Austin, Waco, Hill Country	18	\$14,164	1.43%	205	\$7,203	0.95%
Statewide	25	\$10,242	6.42%	2308	\$4,776	1.88%

Notes: Size is median, PPA is nominal price per acre, YOY% is annualized percentage change.

Texas Land Market Forecast (Large Tracts)

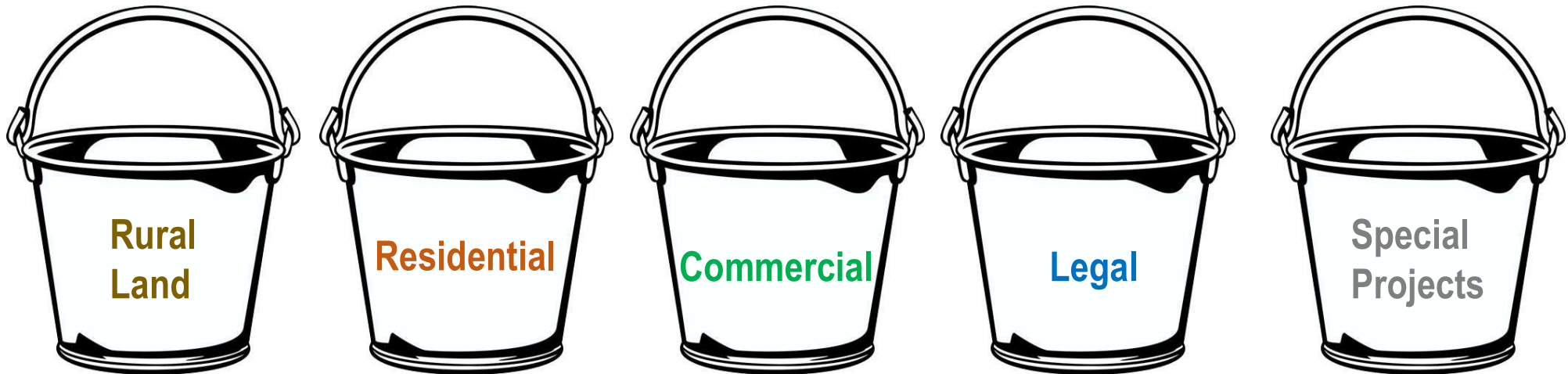
Price	Rising/Flat through	2024 Q4	Then declining
Total Acres	Declining through	2024 Quarter 3	Then flat/rising
Total Dollar Volume	Rising/Flat through	2024 Q4	Then declining

4Q2024 May have been an Inflection Point
*****The forecast has a short shelf life*****



Texas Real Estate Research Center (TRERC)

- Created by Texas Legislature in 1971
- Advisory board of real estate professionals approves research agenda
- Texas A&M University, Division of Research
- <https://trerc.tamu.edu/>



Texas Real Estate Research Center (TRERC)

QUARTERLY

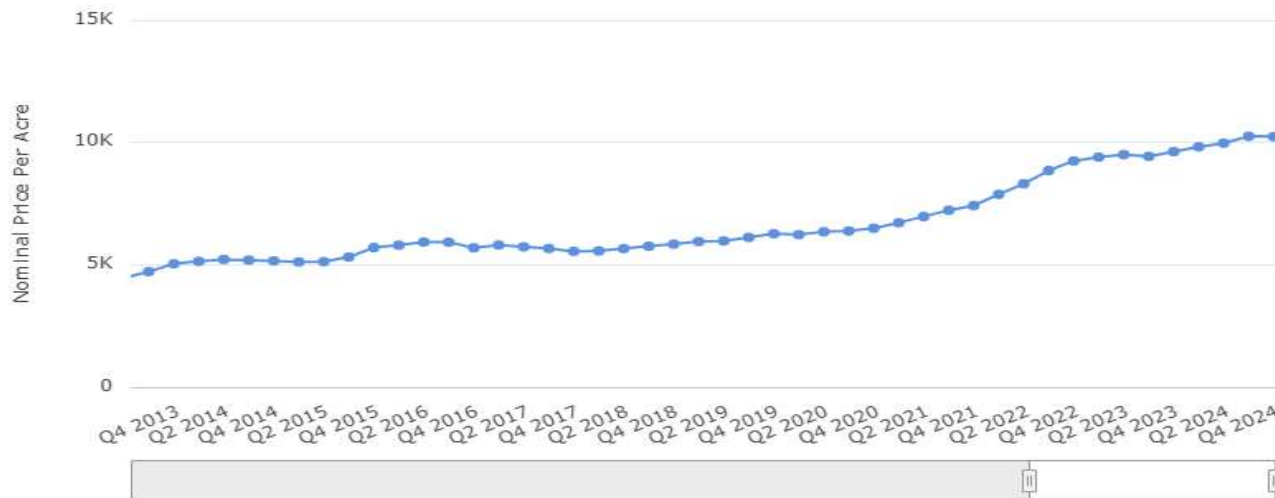
ANNUAL

USER GUIDE

Nominal Price Per Acre



Texas
Nominal Price Per Acre
(Small Tract Dataset)



SELECT A GEOGRAPHY

States:

Texas



Regions:



Land Market Areas:



TRACT SIZE DATASET

Small Tract Dataset



REVERSE LOOKUPS

County to Region:



County to Land Market Area:



trerc.tamu.edu/data/rural-land/

Texas Real Estate Research Center (TRERC)



3 MINUTE READ | OCT 03 2024

Recent Developments in Texas Property Taxes (with an Emphasis on School Taxes)

TRERC EXCLUSIVE

Property tax assessments and collections are more complex than they appear on the surface, and new revenue-growth limits and rate compression rules legislated over the past few years have added to the complexity.

trerc.tamu.edu/blog/



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Texas Real Estate Research Center

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