

The LandReport *A Monthly Report for the American Landowner*

Newsletter



S E P T E M B E R 2 0 0 9 • L A N D R E P O R T . C O M

Dear American Landowner:

The last two years have seen the toughest market for rural real estate since the late 1980s. Witness the falloff in transactions and the Out of Business notices from brand-name brokerages such as Orvis/Cushman & Wakefield. Now for the good news. Buying opportunities are emerging the likes of which haven't been seen since the last days of the RTC. In calls with investors, brokers, and developers around the country, two points are patently clear:

Sellers are pricing properties more realistically.

Brian Smith in the Steamboat Springs (Colorado) office of Hall and Hall estimates that motivated sellers are lowering prices 15% to 25% off 2007 market highs. Smith listed the 470-acre Perry Ranch (Routt County) at \$25 million in 2008. Over the next 12 months, the sellers dropped the asking price to \$19.5 million and then \$16 million before closing on a sale at \$11 million, i.e., 15% below the 2007 purchase price of \$13 million (see *Land Report* Summer 2009).

Casualties continue to mount.

Savvy buyers are sifting through long lists of distressed properties and snapping up bargains. Harry Patten at National Land Partners considers today's market "the best buying opportunity in the last 25 years" (see *Land Report* Summer 2009). Investors searching for bargains will have plenty of pickings throughout the remainder of 2009 and well into 2010, thanks to court-ordered sales, foreclosures, and auctions.

Buy Land!



Eric O'Keefe
Editor & Broker

2009
represents
"the best
buying
opportunity
in the last
25 years."

- Harry Patten,
National Land
Partners

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NEWS



NORTHEAST

SUPERIOR COURT RULES AGAINST LANDOWNERS' WIND TURBINE. Francis and Wendie Howland wanted to put a 132-foot-high turbine on their Cape Cod property, but local ordinances restrict turbine height to 75 feet. The Howlands argued that the lower height was not cost effective, but the board countered with numerous points of its own, including the danger of falling debris or the collapse of the entire structure. In July an appeals court sided with the Bourne Planning Board's decision to not allow the turbine. According to the *Cape Cod Times*, "(a)ttorneys said that unless the federal government or the state legislature acts to make such projects easier to permit, local board findings are binding."



NORTHEAST

SALE

Connecticut Wilderness

U.S. FISH & WILDLIFE BUYS 290-ACRE PARCEL. The federal government expanded the Silvio O. Conte National Fish and Wildlife Refuge this summer when it acquired 290 acres at the confluence of Pine Brook and Salmon River in south-central Connecticut for \$1.755 million (approximately \$6,000 per acre). Considered one of the state's most important conservation properties, the tract was owned by the Town of Haddam and the Nature Conservancy, who sold it for a \$245,000 loss after paying \$2 million for the acreage in 2005 (approximately \$6,900 per acre). The federal agency paid fair market value.

\$6,000+
PER ACRE



SOUTH

SALE

Georgia Timberland

FORESTAR GROUP SELLS 20,000 ACRES. The Austin-based real estate company (FOR) announced that it completed its previously announced sale of about 20,000 acres of HBU timberland in Georgia for approximately \$39.5 million (\$1,975 per acre) to St. Regis Paper Company.

\$1,975
PER ACRE



MIDWEST

AUCTION

Illinois Farmland

1,600 ACRES IN MADISON, MONTGOMERY, and VERMILION COUNTIES, ILLINOIS. SEPTEMBER 10. The 3 properties consist of 25 tracts of prime, productive tillable farmland and will be sold in 3 separate auctions. Contact Schrader Real Estate & Auction at (800) 451-2709 or go online to www.schraderauction.com for more information.

AUCTION

Iowa Horse Farm

EQUESTRIAN CENTER IN MUSCATINE COUNTY, IOWA. OCTOBER 10. Forest Hills Farms includes a 39-acre equestrian center, 30+ acres of development land including frontage on the Mississippi River, and 10 residential lots. Contact Albert Burney at (800) 434-1654 or go online to www.albertburney.com for more information.

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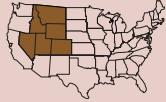
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NEWS



WEST

ORVIS/CUSHMAN & WAKEFIELD shuttered its Colorado Springs-based conservation real estate company. The decision was announced at the company's website in August. A joint venture backed by The Orvis Company and Cushman & Wakefield Inc., the brokerage closed numerous deals involving conservation properties, including the \$5.2 million Fortress Cliffs Ranch, which was acquired by the Trust for Public Land and then immediately transferred to Texas Parks and Wildlife. The 2,864-acre acquisition at \$1,815 per acre increased the size of Palo Duro Canyon State Park by nearly 10% and protected six miles of scenic cliffs along the park's northeastern edge (*Land Report* Fall 2008).



GREAT PLAINS

RESEARCH

North Dakota Farmland

GREAT PLAINS GAINS. According to the USDA's 2009 annual summary, farm real estate values were down an average of 3.2 percent on a nationwide basis in 2008. That didn't hold, however, for the Great Plains. Farm values rose 1.3% in North Dakota to \$780 per acre, rose 1.5% in Nebraska to \$1,350 per acre, and rose 2 percent in Kansas to \$1,040 per acre. South Dakota saw a decline, however: down 3.3% to \$890 per acre, according to the National Agricultural Statistical Service.

UP
1.3%



SOUTHWEST

RESEARCH

Texas Land

TEXAS SALE SIZE INCREASES. The size of the average land sale in the Lone Star State increased to 90 acres in 2008. According to the Real Estate Center at Texas A&M University, the median size had hovered in the 100-acre range from 2000 through 2006 only to decrease to a historic low of 80 acres in 2007 as the market focused on smaller sales. The 2008 rebound to 90 acres is more in keeping with longer-term averages.

90
ACRES

ALSO, researchers report that sales volume dropped last year with 5,893 transactions reported compared with 7,349 in 2007. The 2008 sales volume approximated numbers last seen in 2002.



WEST

AUCTION

Colorado Farmland

5,651 ACRES IN YUMA COUNTY, COLORADO. SEPTEMBER 16. These 39 tracts of choice farmland belong to the renowned Caribou Companies and are sited along the banks of the Republican River roughly 150 miles northeast Denver near the Kansas and Nebraska state lines. They range in size from 2 acres to 833 acres. Contact Schrader Real Estate & Auction at (800) 451-2709 or go online to www.schrader-auction.com for more information.

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WEST (continued)

POSITION

RANCH MANAGERS WANTED. Hall and Hall is advertising for ranch caretakers and/or managers in Montana's Paradise and Gallatin Valleys. Forward a cover letter and resume to Hall and Hall at P.O. Box 81490, Billings, Montana, 59108.



PACIFIC

SALE

Oregon Timberland

WEYERHAEUSER COMPANY (WY) announced it will sell 140,000 acres of timberlands in northwestern Oregon to an entity affiliated with The Campbell Group LLC for approximately \$300 million (\$2,100+/acre). The sale is expected to close in 3Q 2009. The transaction is expected to contribute approximately \$100 million after-tax to earnings.

**\$2,100+
PER ACRE**

SALE

Washington Timberland

WEYERHAEUSER ANNOUNCED it will discuss the sale of up to an additional 82,000 acres in southwestern Washington with interested buyers. These 222,000 acres represent about 10 percent of the company's holdings in the Pacific Northwest. Weyerhaeuser continues to own and manage more than 6 million acres of timberlands.



INTERNATIONAL

TIMBERLAND

Canadian Timberland

SMURFIT-STONE CONTAINER CORP. (SSCCQ) is looking for a buyer of 1 million acres of Canadian timberland at a price of \$55 million, according to published reports. Smurfit-Stone filed for Chapter 11 bankruptcy protection in January.

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