The Land Report Newsletter

A Monthly Report for the American Landowner

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Major Listings Recalibrate Pricing

Legacy properties in the Rockies, Northern California, and Southern California get repositioned to sell.

Sunrise on Lone Pine Ranch.

Colorado's 52,896-acre Cross Mountain Ranch, Northern California's 26,601-acre Lone Pine Ranch, and the 157-acre Mountain of Beverly Hills have all undergone price reductions in recent weeks. But the 69 percent markdown associated with the former Santa Ynez estate of Michael Jackson ranks as the largest percentage decrease of all. Originally listed for $100 million in 2015, the King of Pop's 2,698-acre property was relisted by a new team in 2017 for $67 million. In February 2019, a $31 million price tag was announced the same week that an unflattering documentary titled *Leaving Neverland* debuted on HBO. Kyle Forsyth and Suzanne Perkins of Compass have the listing.

One of the most diverse operating ranches on the market today, Cross Mountain is listed with Ken Mirr of Mirr Ranch Group. It originally came to market for $100 million and is now listed for $70 million (a 30 percent adjustment). Lone Pine Ranch, which is listed with Bill McDavid of Hall and Hall, is a rare large acreage holding in Mendocino and Trinity Counties that was assembled by Dean Witter, founder of Dean Witter & Company. The asking price was recently reduced from $31 million to $25 million. Twice the size of Disneyland, the Mountain of Beverly Hills came to market last summer as the most expensive land listing in the nation: $1 billion ($6-plus million per acre). Earlier this month, the asking price was reduced by $350 million to $650 million. Aaron Kirman of Pacific Union International has the listing.

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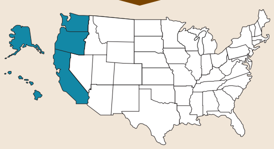
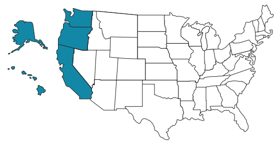


PACIFIC

MONSANTO LIABLE FOR NON-HODGKIN'S LYMPHOMA, ORDERED TO PAY $80 MILLION. The popular weedkiller Roundup was on the losing end of another major decision in federal court. A six-member jury in San Francisco found that Monsanto failed to include a label on the weedkiller warning of the risk of cancer. The jury awarded Edwin Hardeman, who used the product on his property for 26 years, more than $80 million, including $75 million in punitive damages, $5 million for past and future suffering, and $200,000 for medical bills. Monsanto plans to appeal the verdict. The company lost a similar case in 2018 and was ordered to pay $289 million in damages. That amount was later reduced to $80 million and is also being appealed. Monsanto was acquired by Bayer in 2018.

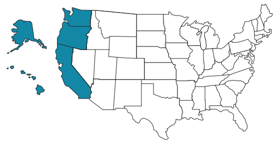


PACIFIC

VITICULTURE

AVA

COLE RANCH OFFERS RARE OPPORTUNITY TO OWN AN ENTIRE AMERICAN VITICULTURAL AREA. The 150-acre tract one hour north of Sonoma boasts few improvements except 55 acres under vine and certification from the United States Treasury as the only vineyard in the Ukiah American Viticultural Area (AVA). John Cole planted and nurtured the vines on his namesake ranch in the last decades of the 20th century. Todd Renfrew of California Outdoor Properties has the $3.3 million listing. He has fielded inquiries from across the country and around the world. "We've had calls from wine brokers in New York and Washington, D.C. A brewery owner in Croatia called. So did a real estate company with offices in Bordeaux and Paris. A brewery owner in the Bay Area with four breweries who is looking at getting into wine loves the smallest appellation theme," Renfrew says. Read more HERE.

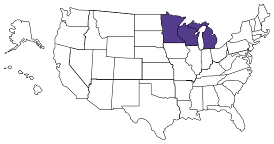


PACIFIC

PRIVATE PLACEMENT

CANNABIS REIT

TREEHOUSE REAL ESTATE INVESTMENT TRUST RAISES $45.5 MILLION, SIGNS DEBT AGREEMENT WITH FEDERALLY-INSURED COMMERCIAL BANK. A newly organized, externally managed real estate investment company that focuses on retail and commercial properties including regulated adult-use and medical-use cannabis facilities has completed a private placement of 2,067,274 shares for approximately $45.5 million. In addition to the private placement, Treehouse also signed a term sheet for a debt facility with a federally-insured commercial bank. The planned debt facility will carry a 6.1% interest rate over a five-year term and expects to provide accretive financing for Treehouse to efficiently manage its balance sheet. "Our debt facility term sheet is not only a big step for Treehouse, but a big step for the whole industry. We are witnessing federally-regulated lenders enter the cannabis industry, and we couldn't be more excited to be a part of it," said Treehouse board member Brian Kabot. Read more HERE.



LEGAL RIGHTS

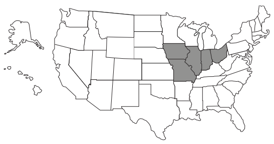
LAKE ERIE

TOLEDO VOTERS APPROVE BALLOT MEASURE GRANTING RIGHTS TO LAKE ERIE. On February 26, 61 percent of voters in Ohio's fourth largest city granted legal rights to the nation's 11th largest lake. The passage of the ballot measure by the citizens of Toledo marks the first time a US jurisdiction has granted legal status to a natural resource. Known as the Lake Erie Bill of Rights, the initiative is an example of the Rights of Nature legal movement. According to *Smithsonian* magazine, it is unclear whether or not the Toledo referendum will withstand legal challenges. The day after the referendum, a farming partnership asserted that it was unconstitutional and unlawful and filed a legal challenge against the ballot initiative. Read more HERE.

SYNDICATED EASEMENTS

GRASSLEY AND WYDEN INVESTIGATE "BAD ACTORS." The chairman and the ranking member of the Senate Finance Committee have requested information including appraisals, promotional materials, and internal documents from 14 individuals involved in a tax-avoidance scheme known as a syndicated easement. The IRS and the Justice Department are also investigating instances where individuals have received tax benefits in excess of their investment. "There are very legitimate purposes for the conservation easement provisions of the tax code," Grassley said in a statement. "But when a handful of individuals cook up a scheme to cash in at the expense of federal revenue and in violation of Congress's intent, something needs to change. There's no reason that the rest of the taxpaying American public should be left with such a raw deal. This is just our first step in getting to the bottom of how these tax provisions are being abused, and it will inform what else ought to be done to fix the problem."

Read more HERE.



MIDWEST

FARMLAND

INCOME

LOW CROP PRICES AND TEPID OVERSEAS DEMAND WEAKEN AG REVENUES. The Department of Agriculture's Farm Service Agency (FSA) reports that 19.4 percent of FSA direct loans were delinquent in January. By comparison, the delinquency rate for FSA loans in January 2018 was 16.5 percent. The 19.4 percent figure marks the highest delinquency rate since 2011. However, FSA loans are not indicative of the overall ag sector. According to the *Des Moines Register*, "the agency is a lender of last resort for riskier agricultural borrowers who don't qualify for commercial loans. Its delinquency rates typically drop in subsequent months as more farmers pay off overdue notes and refinance debt." The current economic climate in the ag sector is nowhere near as calamitous as the Farm Crisis of the 1980s. One reason why is because farmland values in many parts of the Midwest and the Great Plains have held steady, according to the Federal Reserve Bank of Kansas City. Read more HERE.