

2024

LAND REPORT





Overview

Per the survey of NAR and RLI professionals, overall land sales increased by approximately 1.2% in 2023. Over the last year, residential, industrial and recreational land has posted the strongest growth rate of 1.3-1.4%.

While the rate is slower than past performance, it marks resilience considering the challenging conditions including rising interest rates, increasing construction costs and lower home sales. 2022 was a banner year as transactions increased 6-10% across all property types. Not surprisingly, 57% of sales were agricultural and mostly located in the Midwest and upper Midwest.

In the Midwest, residential, ranch, recreation and irrigated ag land sales outperformed the country while development and industrial land underperformed. Commercial land sales were pretty much on par with the U.S. The top land markets remain in the west and southern states of California, Texas, Georgia and Florida, followed by Colorado and Arizona.


Land prices remain on the upswing. Residential land sales averaged \$13,000 per acre in the Midwest, increasing to \$200,000 per acre in the northeast and \$24-28,000 per acre in the southeast and west. Overall, prices rose by an average of 1.9%. Timber, residential and industrial increased from 1.9% to 2.9%.

Agricultural Market

The U.S. farmland market has remained remarkably resilient for the last several decades. Nationally, net farm income is expected to decline 20% in 2023 year but remains well above the 10-year average. Lower commodity prices, higher input/production costs and lower government payments all have had an adverse effect. Total farm debt increased 5% in 2023 with debt payments historically high, particularly for those with short term financing solutions.

Overall farm equity increased by almost 7%. Farmland values increased 7.5% over the last year; an average of \$220/acre. Production expenses are expected to increase by 3.5% this year with a looming negative trade balance forecasted by the USDA. Both putting pressure on values. 2024 appears to be fairly similar to 2023 in that the U.S. land values aren't likely to see any major appreciation or depreciation this year.

Economic conditions in U.S. agriculture have softened notably from a year ago alongside much higher financing costs. Commodity markets and weather are among the most unpredictable variables affecting farmers' bottom line in 2024. Conditions have tightened notably since last year. Interest expenses are an ongoing headwind, even though they have stabilized, with some risk associated with loan repricing.



Regional Ag Trends



The western two-thirds of the state, including South Central Kansas, continue to feel the impact of the lingering drought.

Overall land values were reported to increase by 25% from 2021 to 2022 and 16.3% from 2022 to 2023.

Higher interest rates and lower farm income may translate to steady land values in 2024. Demand for non-farm uses such as hunting, oil and gas exploration, wind or solar, etc. has remained strong.

Irrigated land values averaged \$4,856 per acre with local acreage with water rights selling in the \$6,500 range. Non-irrigated cropland averaged \$3,194 per acre to \$4,500 per acre. Steady demand is forecast but interest rates may influence the appetite for land if buyers have to borrow capital.

Sales in Sedgwick County have remained surprisingly consistent over the last five years. Improved and unimproved land sales were fairly evenly split year over year with values increasing.

Sedgwick County Ag Sales

2021					
	Sales	Value	Acres	\$/Acre	\$/Sales
Improved Farm	132	\$54,823,219	6,476	\$8,466	\$415,327
Unimproved Farm	140	\$55,951,720	11,454	\$4,885	\$399,655
Total	272	\$110,414,939	17,930	\$6,158	\$405,937
2022					
	Sales	Value	Acres	\$/Acre	\$/Sales
Improved Farm	151	\$69,703,756	6,306	\$11,054	\$461,614
Unimproved Farm	154	\$72,693,302	11,246	\$6,464	\$472,034
Total	305	\$142,397,058	17,552	\$8,113	\$466,876
2023					
	Sales	Value	Acres	\$/Acre	\$/Sales
Improved Farm	108	\$60,005,106	3,607	\$16,636	\$555,603
Unimproved Farm	138	\$61,247,124	8,728	\$7,017	\$443,820
Total	246	\$121,252,230	12,335	\$9,830	\$492,895

Wichita / Sedgwick County

Sedgwick County Industrial/Commercial Sales

2021					
	Sales	Value	Acres	\$/Acre	\$/Sales
Industrial	43	\$8,923,599	368	\$24,249	\$207,526
Commercial	75	\$44,235,496	425	\$104,084	\$589,807
Total	117	\$53,159,095	793	\$67,035	\$454,351
2022					
	Sales	Value	Acres	\$/Acre	\$/Sales
Industrial	27	\$10,510,427	315	\$33,366	\$389,275
Commercial	94	\$51,985,065	287	\$181,133	\$553,033
Total	121	\$62,495,492	602	\$103,813	\$516,492
2023					
	Sales	Value	Acres	\$/Acre	\$/Sales
Industrial	23	\$7,121,831	69	\$103,215	\$309,645
Commercial	68	\$64,536,754	310	\$208,183	\$949,070
Total	91	\$71,658,585	379	\$189,073	\$787,457

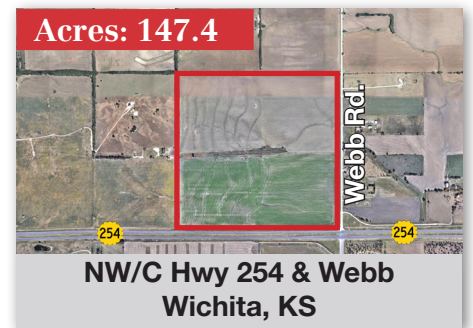
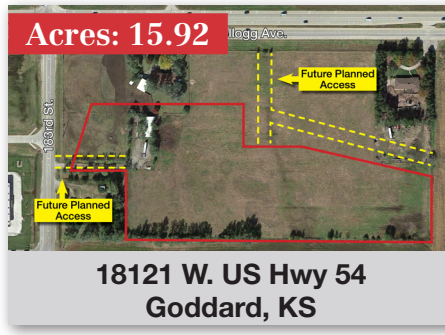
Commercial and Industrial land sales in Wichita and Sedgwick County continued their steady run over the last five years. Industrial land transactions reached a high of 43 in 2021. Commercial transactions averaged just over 105 per year and saw a strong 2023.

Development land transactions in 2023 represented some of the highest per acre prices in recent history. Well-located and infrastructure served property is commanding a premium price of \$11,000 to \$29,000 per acre. Large parcels adjacent to the metro area, continue to be north of \$25,000 per acre.



Average industrial sites are marketed between \$2.00 and \$2.50 per square foot with an exceptional site north of \$3.00 per square foot. Multifamily land is around \$2.50 per square foot with a premium site going up to \$4.00. Office sites are generally available at \$6.00-12.00 per square foot with a premium location asking \$25.00. Well-located retail is offered in the \$14.00-16.00 per square foot range with outstanding locations pushing \$35.00 per square foot.

Recent NAI Martens Land Transactions



Sources: National Association of Realtors (NAR) and Realtors Land Institute (RLI) 2023 Land Market Survey Report, AGAMERICA 2024 Outlook for U.S. Agriculture National Land Realty. USDA. Federal Reserve Bank of Kansas City, Kansas State University, American Society of Farm Managers and Rural Appraisers and Kansas Farm Management Association, Sedgwick County



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