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Texas Rural Land Prices, 1999

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Joseph Biles
Graduate Research Assistant



July 2000

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Texas Rural Land Prices, 1999

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Preface

Buyers continued to flock to the Texas hills in 1999 searching for a place to hunt or a weekend retreat. The thriving 1999 economy expanded purchasers' incomes, leaving them with flush pocketbooks and a desire to own Texas land. This rising tide of prosperity overcame woes in the agricultural economy, including prolonged drought and low commodity prices, that frequently are linked to faltering or declining land values.

Buyers Fuel Rising Prices

Observers reported that consumers, those who use land for recreation or other non-agricultural activities, dominated the market in 1999. Panelists responding to the Center's land value survey have consistently ranked recreation as the dominant motive among Texas land buyers since spring 1995 (see Figure 1). More than 40 percent of the panel listed recreation as the driving motive in purchases. Purchases for agricultural production have declined, leading less than 20 percent of the panel to list that motive as dominant in their area.

With potential buyers rushing into the market, real estate agents report shortages of good quality properties for sale. Consequently, 1999 markets remained under strong upward price pressures. Financial stress has declined as a motive driving sellers in Texas land markets (Figure 2). Estate settlement tops the list of primary motives for sellers as it has since spring 1994. Retirement ranks second in reasons for selling, according to the survey.

Trends in Texas Land Values

Statewide, Texas land prices rose a healthy 9 percent from 1998 to 1999, climbing from \$720 per acre to \$786 per acre (see Table 1 and Figure 3). Calculated using the percentage of land in each state region, the nominal weighted median price per acre reflects the cost of a typical acre of rural land sold each year. Year-to-year changes in this nominal price reflect state-wide trends in land prices.

As the chart and table reveal, Texas' nominal land prices have recovered much of the ground lost in the great land price decline of the 1980s. The 1999 price falls just \$79 short of the 1985 peak of \$865 per acre. A 10 percent increase in 2000 will return prices to that 1985 record level. The continuing pressure on land markets promises to propel prices above that record level in the next year or two.

The real price, shown at the bottom of Figure 3 and in Table 1, is the nominal price adjusted for inflation. The real price reflects purchasing power changes required to acquire an acre of Texas

land. For example, purchasing an acre in Texas in 1966 required a \$157 investment; by 1999, that acre cost \$153 of those 1966 dollars, indicating that, compared to the cost of other goods, Texas land markets have just returned to price levels last seen in 1966.

Local markets respond to local economic and social developments. State-wide prices, reflecting consolidated conditions across a wide variety of local markets, may fall short of adequately portraying individual markets. Analysis of local markets, shown in the maps and Table 2, reveals local variations from the state-wide norm. The first map shows the geographic distribution of median prices, while the second shows percentage changes from 1998 to 1999. Table 2 contains the statistics underlying the maps.

With two exceptions, Blacklands - North (LMA 25) and Brazos (LMA 27), all locations with verified region-wide trends registered rising prices. Statistical testing identifies those areas where all prices moved up or down from one year to the next. For example, the Rio Grande

Plains (LMA 11) recorded an 11 percent rise in median price from \$540 per acre in 1998 to \$597 per acre in 1999. Contrasted with this region, the Trans-Pecos area (LMA 8) registered a 31 percent rise in median price from 1998 to 1999. However, testing reveals that the increase did not occur across all areas or apply to all types of land. Those regional changes not registering a statistical significance may have seen substantial local variations from the regional percentage change which, therefore, should be used with caution.

All of the local land market areas posting area-wide increases (LMAs 11, 12, 13, 14, 17 and 23) boast either expanses of rangeland with recreational amenities prized in the market or are near a growing metropolitan area. These markets reflect those consumer-driven pressures boosting rural land prices throughout the state.

The huge increase in the Hill Country-South (LMA 17) resulted from numerous sales of highly prized lands surrounding the cities and towns of the region. This area, including Comfort and Kerrville, is seeing a proliferation of recreational development and numerous small property sales.

The size of tracts marketed in this region fell from a median of 284 acres in 1998 to 153 acres in 1999 (see Table 3). This decline indicates a market saturated with small properties that typically sell at much higher per acre prices than larger tracts. As the market returns to a more normal mixture of lands, this enormous increase in price could evaporate if sales next year reflect a broader market. Still, this huge increase indicates frenzied activity in this attractive market.

Similarly, the declines posted in the Blacklands - North (LMA 25) and Brazos (LMA 27) followed large 1997-1998 price increases with increases in median tract size in the 1999 market. Thus, these markets appear to have returned to a more normal configuration in 1999, and the declines do not reflect generally weakened land values, just a change in the composition of properties sold in 1999.

Prospects for Texas Land Values

Texas land markets face a series of issues as the year 2000 unfolds. The lingering drought promises to continue into the foreseeable future. Attendant poor growing conditions threaten to put production-oriented landowners and buyers under financial stress as another crop year begins with short or inadequate moisture. Adding to those concerns, prices for Texas field crops continue to be low, while rising oil prices increase costs. Continuation of poor weather and low prices could dampen demand for Texas farmland in the coming year. Insurance payments and government assistance have staved off financial catastrophe for farmers in recent years. Assuming assistance continues, prices for farmland will remain steady in 2000.

Economists forecast recovering farm commodity prices in two or three years. Farmers who survive the current difficulties can expect brighter prospects as rainfall returns to the state. Still, smaller operators will face competitive pressures that will likely force them to expand or abandon production. Water rights and water quality will become increasingly important. Some landowners may reap substantial profits from the sale of water. In the long-term, landowners should anticipate rising prices for good quality farmland but mixed prospects for average and marginal tracts.

The outlook for Texas rangeland prices is more positive for the coming year. Beef prices have risen to comfortable levels, and hunting revenues continue to support land prices throughout Texas. Further, rangeland generally attracts the recreational buyers prevalent in today's market. Drought continues to threaten these markets, but buyers and owners continue to view the current dry conditions as a departure from long-term conditions.

Poor weather conditions will likely have little or no effect on rangeland markets in the coming year. Supplies of

rangeland will continue to be tight in the face of strong demand. Look for Texas rangeland prices to rise, particularly in communities surrounding cities and in scenic areas. These markets should thrive as long as the economy continues to be strong.

Rangeland owners continue to break up large ranches into smaller units. By subdividing a large property, the seller appeals to a broader market of able buyers. Enlarging the buyers' pool usually results in prices per acre that exceed the price of the ranch as one large unit.

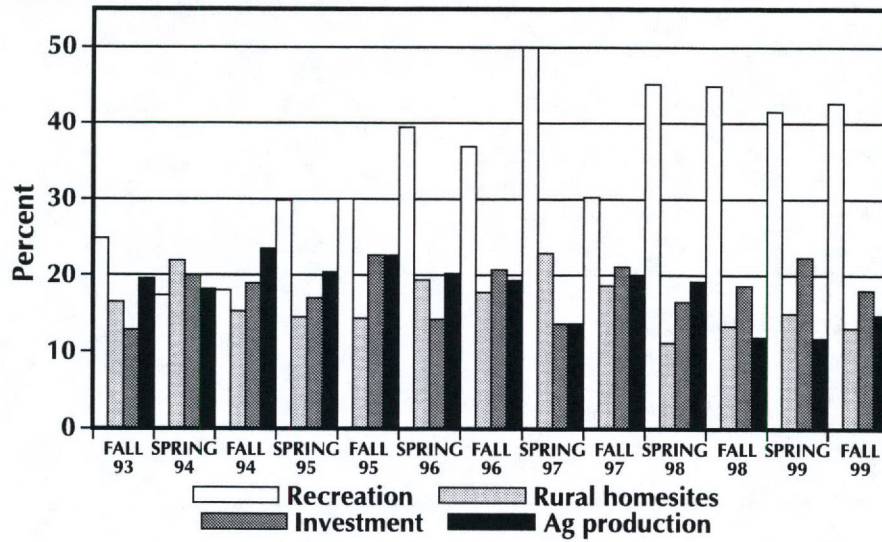
Sales in scenic areas with recreational amenities often reflect these pressures, leading to a proliferation of relatively small properties. This growing tendency toward subdividing larger properties promises to transform much of the Texas countryside. Population growth in rural areas leads to better infrastructure demands and promotes growth in the retail and service sectors of the local economy.

Challenges prompted by a growing population of rural landowners have sparked political and social changes in many areas of the state. Local residents can no longer afford to buy land. New stores arrive and existing establishments remake themselves to cater to the arrivals. Environmental groups lament the development of the countryside and seek to secure conservation easements prohibiting development on large, scenic ranches. As prosperity continues and population expands, these kinds of conflicts will spread.

Texans face a difficult puzzle as they seek to accommodate competing visions of the future. No matter how Texas resolves these conflicts, demand for attractive rangeland will likely remain strong in the long-term, pointing to higher prices throughout the state.

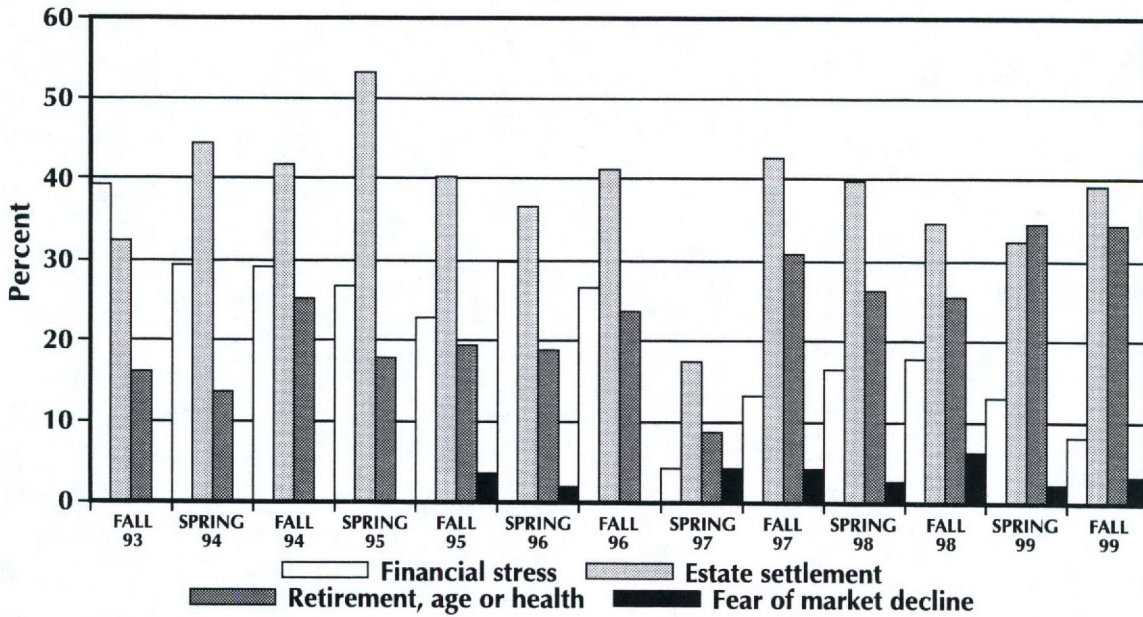
Populated by an army of eager buyers, the markets for Texas rural land face stable to rising prices into the foreseeable future. For further information, see the tables included in Appendix A and the data statistics and publications offered at the Center's website (<http://recenter.tamu.edu>).

Figure 1. Buyer Motives in Texas Rural Land Markets



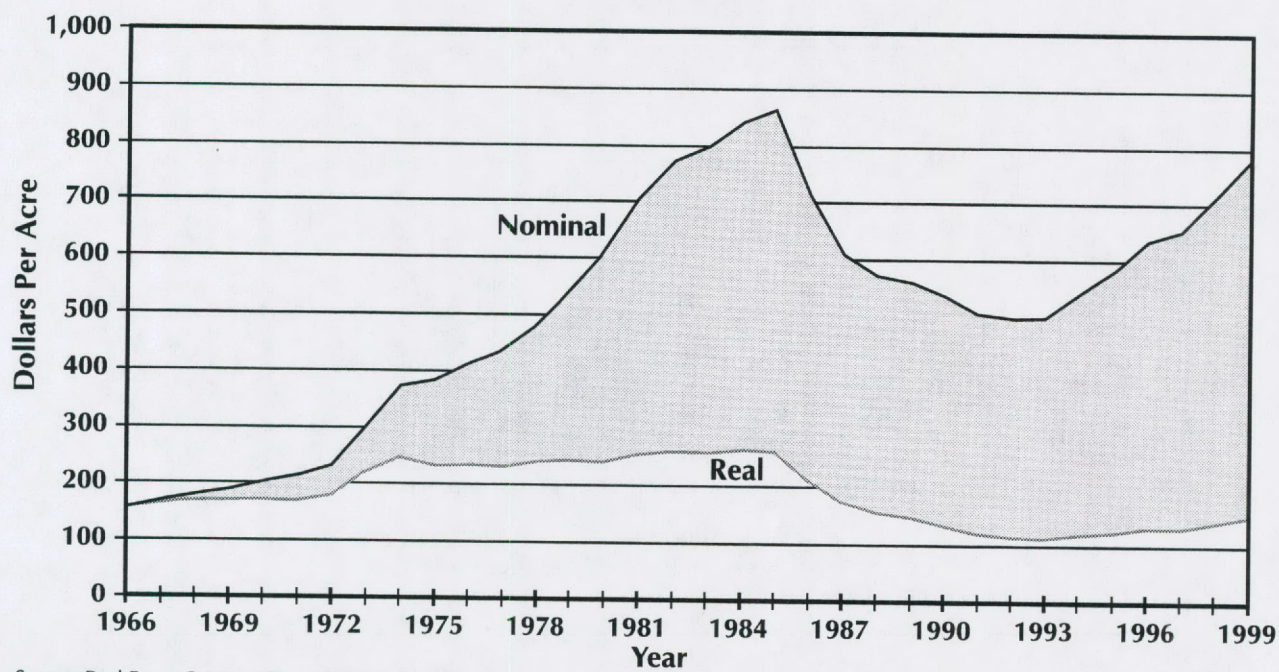
Source: Real Estate Center at Texas A&M University

Figure 2. Top Seller Motives in Texas Rural Land Markets



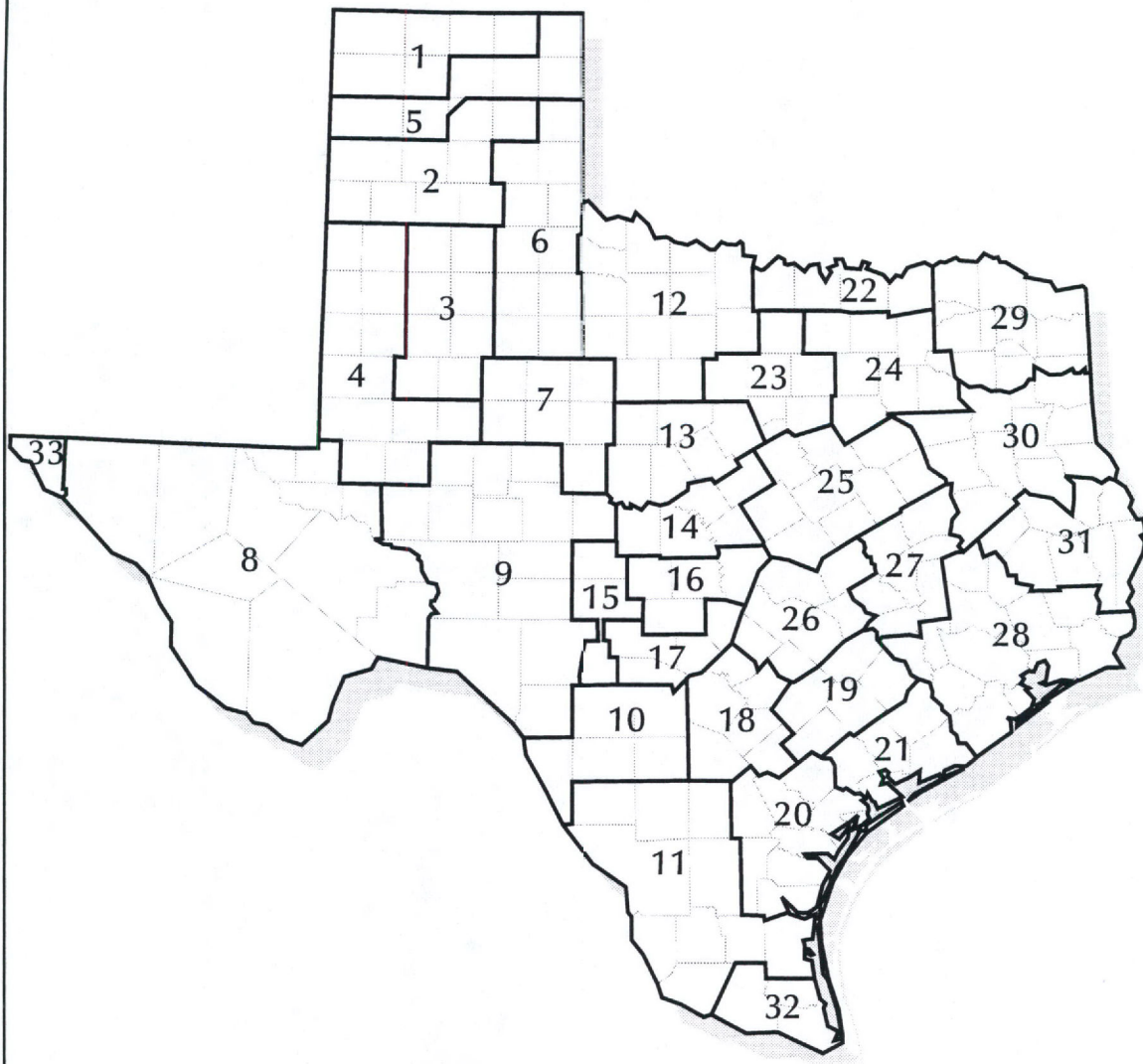
Source: Real Estate Center at Texas A&M University

Figure 3. Texas Rural Land Prices



Source: Real Estate Center at Texas A&M University

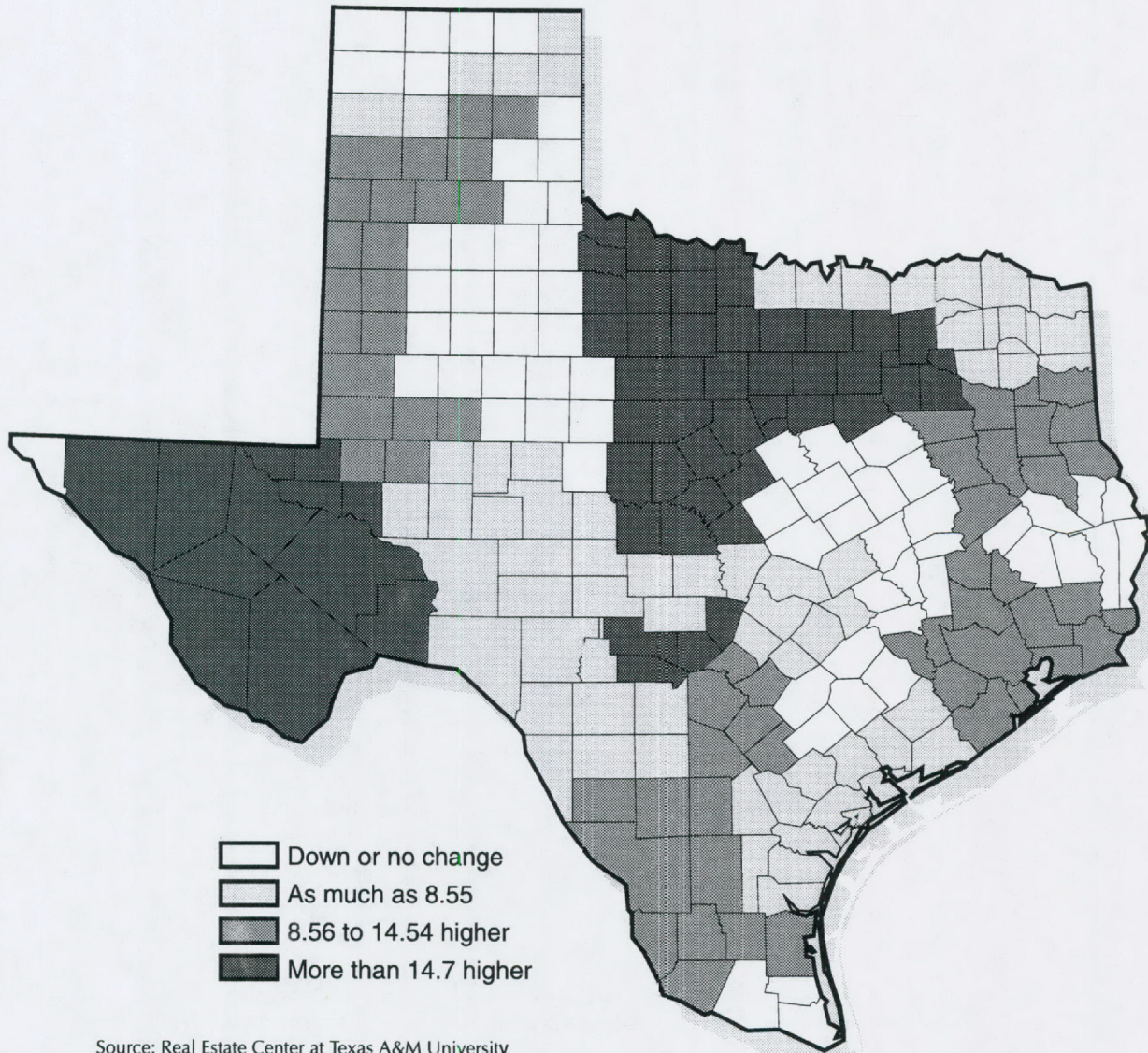
Figure 4. Texas Land Market Areas



1 Panhandle–North	12 North Central Plains	23 Fort Worth Prairie
2 Panhandle–Central	13 Crosstimbers	24 Dallas Prairie
3 South Plains	14 Hill Country–North	25 Blacklands–North
4 Permian–West	15 Hill Country–West	26 Blacklands–South
5 Canadian Breaks	16 Highland Lakes	27 Brazos
6 Rolling Plains–North	17 Hill Country–South	28 Houston
7 Rolling Plains–Central	18 San Antonio	29 Northeast
8 Trans-Pecos	19 Coastal Prairie–North	30 Piney Woods–North
9 Edwards Plateau–West	20 Coastal Prairie–South	31 Piney Woods–South
10 Edwards Plateau–South	21 Coastal Prairie–Middle	32 Lower Rio Grande Valley
11 Rio Grande Plains	22 Texoma	33 El Paso

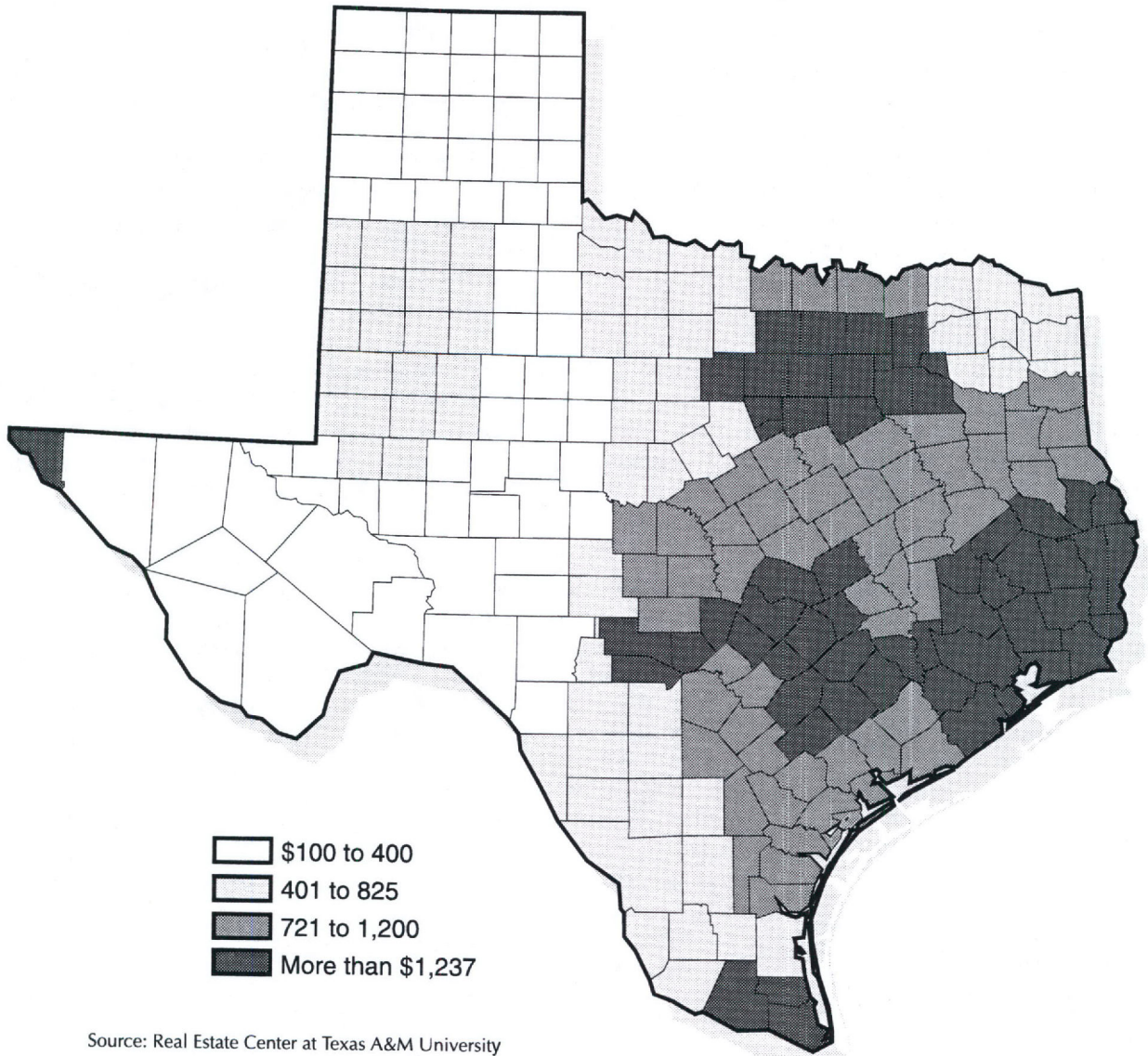
Source: Real Estate Center at Texas A&M University

Figure 5. Percent Changes in Rural Land Prices, 1999



Source: Real Estate Center at Texas A&M University

Figure 6. Texas Rural Land Prices, 1999



Source: Real Estate Center at Texas A&M University

Appendix A

Guide to Appendix Tables

The tables included in this analysis contain statistics based on regional medians of prices paid for rural lands in Texas. Approximately 4,000 reported transactions form the foundation for this analysis of general trends in Texas land markets.

The median is the middle price in a ranked list of prices. **Each individual Land Market Area listing in the tables relates to the median sale prices** for the indicated region. Because medians are not unduly influenced by extremely high or low prices (outliers), these medians provide a stable indicator over time of typical properties, using relatively small samples of sold properties.

The state-wide trend analysis reflects changes in the weighted average of regional median land prices. The weighting process reflects the percentage of Texas rural land found in each land market area, as well as each regional median price.

Readers should use the statistics from the tables as an indicator of past general trends in Texas land market prices. The data are highly aggregated and do not represent land prices or values of any particular farm, ranch or tract. However, the statistics do provide a general guide to land market developments. **Readers should not regard the reported statistics as a substitute for an appraisal or market study of current local sales regarding the value any particular farm or ranch.**

Reported data consists of two sets of tables. One set reports on prices while the other relates the size of properties in the sample of transactions. Statistics for price contain the median sale price for each LMA. The state-wide table contains a weighted average price per acre based on individual LMA median prices aggregated according to the relative amount of acreage in each LMA. Thus, while regional medians reflect probable values of land in each LMA, the weighted average reflects the value of an "average" acre of Texas rural land. This weighting process ensures that trend comparisons reflect the same relative distribution of land over time and limits distortions in indicated trends that can result from variations in the mix of lands sold from year to year.

Tables 1, 2, 4, 5 and 6 report price statistics. The remaining tables report on size of properties in transactions. Data contained in each table are as follows.

Table 1. Nominal and Real Changes in the Weighted Average Price of Texas Rural Land. This table contains price and tract size statistics from 1966 to date. The table contains the following information.

- **Year.** Calendar year for the statistics contained in the analysis beginning with 1966.
- **Median Size.** The median size in acres for tracts sold during the year listed on the left. Variations in tract size can indicate shifts in property types sold. For example, ranches generally require more land than farms. Therefore, a marked increase in tract size could signal a shift from smaller cropland sales to larger ranchland sales.
- **Nominal.** The statistics listed in the three columns beneath this heading refer to the actual prices paid for the reported transactions. Nominal prices reflect dollars per acre.
 - **Weighted Average Price per Acre.** This column reports the weighted average of land market area median prices per acre. The weights represent the proportion of land in each land market area based on a long term average of acreage reported to the Office of Comptroller—Property Tax Division. This weighted average price represents a composite of a "typical" acre of Texas rural land, containing a little Lower Rio Grande Valley land, a little Amarillo area land as well as a little of all the land in between.
 - **Year-to-Year Percentage Change.** The percentage change in current weighted average price from the weighted average price in the previous year.
- **Annual Compound Pretax Growth Rate from 1966.** The annually compound rate of appreciation for the current weighted average price per acre compared to the 1966 weighted average land price. This column reports a yield for an investment in a typical acre of Texas rural land between 1966 and the current year.
- **Real.** The statistics listed in the three columns beneath this heading report statistics for the nominal prices after adjusting for changes in purchasing power. Resulting real prices reflect Texas land prices in 1966 dollars.
 - **Deflated Weighted Average Price per Acre.** The nominal weighted average of land market area median prices per acre adjusted with the consumer's price index to reflect purchasing power changes from 1966.
 - **Year-to-Year Percentage Change.** The percentage change in current deflated weighted average price from the deflated weighted average price in the previous year.

- **Annual Compound Pretax Growth Rate from 1966.** The annually compounded rate of appreciation for the current deflated weighted average price per acre compared to the 1966 weighted average land price. This column reports a real inflation-adjusted yield for an investment in a typical acre of Texas rural land between 1966 and the current year.

Table 2. Trends in Texas Rural Land Prices. This table reports land market area median prices for the past two years, indicating the changes in those medians. The table also identifies which of those calculated trends were statistically significant according to a Mann-Whitney Test.

- **Land Market Area.** This column shows the number of the land market areas producing the statistics listed to the right in the table.
- **Median Price.** The two columns under this heading report the median price per acre for each of the years listed at the head of those columns. State-wide prices reflect the weighted average price.
- **Trend Analysis.** This section of the table contains an indication of the change in prices in both dollars per acre and percentages from the first year to the second. The final column indicates the results of a *Mann-Whitney* test of the distributions of prices from each year. When the test indicates statistical significance, prices have changed across the board for the area listed. Price trends in those LMAs with a single asterisk were significant at the 5 percent level while two asterisks indicates significance at the 1 percent level.
- **Volume of Sales Analysis.** This section of the table reports the number of sales for each land market area for each of the years listed. The analysis includes the change from the first year to the next in both numbers of sales and as a percentage of the sales reported in the first year.
- **State.** State-wide price statistics reflect the weighted average prices for the listed years.

Table 3. Tract Size Changes in Texas Rural Land Prices. This table reports the

median tract size for sales in each land market area for the past two years and changes in those medians. The table also identifies which of those trends are statistically significant according to the *Mann-Whitney* Test.

- **Land Market Area.** This column indicates the number and name of the land market area producing the statistics listed to the right in the table.
- **Median Size.** The two columns under this heading report the median size per acre for each of the years listed at the head of those columns.
- **Shifts in Size.** This section of the table contains an indication of the change in sizes in both acres and percentages from the first year to the second. The final column indicates the results of a *Mann-Whitney* test of the distributions of size from each year. When the test indicates statistical significance, tract size has changed across the board for the area listed. Size trends in those LMAs with a single asterisk were significant at the 5 percent level while two asterisks indicates significance at the 1 percent level.

Table 4. Distribution of Nominal Prices Per Acre for Texas Rural Land.

This table reports the lower quartile, median and upper quartile price per acre for sales in each land market area.

- **Land Market Area.** This column indicates the number and name of the land market area producing the statistics listed to the right in the table.
- **Number of Sales.** This column gives the number of sales in each LMA.
- **Price Per Acre.** The three columns in this section report the lower quartile, median and upper quartile price per acre.
 - **Lower Quartile.** The lower quartile is the 25th percentile of the distribution of sales. When ranked from lowest to highest, one fourth of the sale prices are less than the 25th percentile while 75 percent exceed that amount. The lower quartile probably indicates price levels for larger, more production-oriented properties.
 - **Median.** The median is the 50th percentile of the distribution of sales. When ranked from lowest to highest, one half of the sale

prices are less than the median while half exceed that amount.

- **Upper Quartile.** The upper quartile is the 75th percentile of the distribution of sales. When ranked from lowest to highest, one fourth of the sale prices exceed the upper quartile while 75 percent rank lower than that amount. The upper quartile probably indicates price levels for smaller, more consumer or development-oriented properties.

Table 5. Confidence Intervals (95 Percent) for Median Price Per Acre for Texas Rural Land. This table reports the lower and upper limits of a 95 percent confidence interval on the median price per acre for sales in each land market area. The interval indicates the amounts that bracket the median price for all LMA land. Technically, the calculated median is a sample median that represents the best estimate of the population median using the information from the sample. These limits are based on the numbers of sales and ranks of the sales within the distribution. Therefore the interval is not symmetric about the median.

- **Land Market Area.** This column indicates the number and name of the land market area producing the statistics listed to the right in the table.
- **Number of Sales.** This column recites the number of sales in each LMA.
- **Price Per Acre.** The three columns in this section report the lower limit, median and upper limit of the confidence interval.
 - **Lower Limit.** The lower limit is the bottom end of the interval likely to include the population median.
 - **Median.** This column contains the sample median. It represents the best estimate of the population median from available information.
 - **Upper Limit.** The upper limit is the top end of the interval likely to include the population median.

Table 6. Limits of the 95 Percent Confidence Interval on (current year's price) as a Percentage of (last year's median price). This table reports the lower and upper limits from Table 5 as a

percentage of the previous year's median price per acre. The lower and upper limits define a range of percentage changes that includes the market-wide trend for each LMA. For example, an interval spanning from -19 percent to a +1 percent indicates that all land in the

LMA may have declined by as much as 19 percent but probably did not increase by more than 1 percent. The median of -11 indicates that prices most likely declined by that amount.

Table 7. Acreage Distribution of Texas Rural Land Sales. This table re-

ports size statistics that correspond to Table 4 for prices.

Table 8. Confidence Intervals (95 Percent) for Median Tract Size for Texas Rural Land. This table reports statistics on size of transaction corresponding to Table 5 for prices.

Table 1. Nominal and Real Changes in the Median Price of Texas Rural Land, 1966-99

Year	Median Tract Size (acres)	Nominal			Real		
		Weighted Average Price per Acre	Year-to-Year Percentage Change	Annual Compound Pretax Growth Rate from 1966	Deflated Weighted Average Price per Acre*	Year-to-Year Percentage Change	Annual Compound Pretax Growth Rate from 1966
1966	120	\$157	****	****	\$157	****	****
1967	110	169	8	8	164	4	4.5
1968	101	181	7	7	169	3	3.8
1969	100	190	5	7	168	-1	2.3
1970	107	204	7	7	171	2	2.2
1971	110	213	4	6	170	-1	1.6
1972	120	233	9	7	180	6	2.3
1973	153	304	30	10	222	23	5.1
1974	150	372	22	11	245	10	5.7
1975	126	384	3	10	232	-5	4.4
1976	128	412	7	10	235	1	4.1
1977	121	436	6	10	234	0	3.7
1978	126	485	11	10	241	3	3.6
1979	132	544	12	10	243	1	3.4
1980	138	613	13	10	242	0	3.1
1981	124	708	15	11	253	5	3.2
1982	105	773	9	10	260	3	3.2
1983	113	796	3	10	259	0	3.0
1984	125	842	6	10	264	2	2.9
1985	118	865	3	9	261	-1	2.7
1986	113	714	-17	8	211	-19	1.5
1987	130	611	-14	7	175	-17	0.5
1988	139	574	-6	6	157	-10	0.0
1989	141	562	-2	6	148	-6	-0.3
1990	135	539	-4	5	134	-9	-0.7
1991	138	508	-6	5	121	-10	-1.0
1992	145	499	-2	5	116	-4	-1.2
1993	140	503	1	4	113	-3	-1.2
1994	136	544	8	5	119	5	-1.0
1995	122	586	8	5	125	5	-0.8
1996	111	638	9	5	132	6	-0.6
1997	142	657	3	5	133	1	-0.5
1998	139	720	10	5	144	8	-0.3
1999	120	786	9	5	153	6	-0.1

*In 1966 dollars

Source: Real Estate Center at Texas A&M University

Table 2. Trends in Texas Rural Land Prices, 1998-99

Land Market Area	Median Price (\$/ac)		Trend Analysis			Volume of Sales Analysis			
			Change 1997-98			Number of Sales		Change 1997-98	
	1998	1999	(\$/ac)	(%)	Test	1998	1999	Number	(%)
1	357	350	(7)	(2)		78	94	16	21
2	307	341	34	11		200	162	(38)	(19)
3	481	475	(6)	(1)		166	179	13	8
4	425	475	50	12		129	131	2	2
5	225	236	11	5		45	38	(7)	(16)
6	250	250	0	0		170	133	(37)	(22)
7	368	354	(14)	(4)		140	135	(5)	(4)
8	100	131	31	31		39	NA	NA	NA
9	386	400	14	4		174	140	(34)	(20)
10	755	798	43	6		183	137	(46)	(25)
11	540	597	57	11	*	77	86	9	12
12	403	548	145	36	**	189	225	36	19
13	549	700	151	28	**	146	213	67	46
14	704	850	146	21	**	131	264	133	102
15	696	714	18	3		90	44	(46)	(51)
16	1,695	1,800	105	6		63	107	44	70
17	1,511	3,426	1,915	127	**	NA	NA	NA	NA
18	929	1,045	116	12		123	163	40	33
19	1,581	1,500	(81)	(5)		195	220	25	13
20	828	851	23	3		166	150	(16)	(10)
21	882	893	11	1		110	144	34	31
22	1,082	1,100	18	2		109	189	80	73
23	2,000	2,500	500	25	**	107	128	21	20
24	1,400	1,621	221	16		177	195	18	10
25	1,016	960	(56)	(6)	*	382	359	(23)	(6)
26	1,501	1,613	112	7		96	232	136	142
27	1,451	1,236	(215)	(15)	**	212	247	35	17
28	2,180	2,497	317	15		224	232	8	4
29	760	825	65	9		221	217	(4)	(2)
30	1,033	1,157	124	12		112	144	32	29
31	1,459	1,294	(165)	(11)		32	66	34	106
32	2,000	1,750	(250)	(13)		113	49	(64)	(57)
33	7,822	2,936	(4,886)	(62)		NA	NA	NA	NA
State	720	786	66	9	**	4,426	4,880	454	10

Note: Test shows the result of a Mann-Whitney test of the indicated changes

(**) indicates significance at the 99 percent level

(*) indicates significance at the 95 percent level

All others showed no statistically verifiable trend.

Source: Real Estate Center at Texas A&M University

Table 3. Tract Size Changes in Texas Rural Land, 1998-99

Land Market Area	Median Size (acres)		Shifts in Size		
	1997	1998	Change, 1998-99		Test
			(ac)	(%)	
1 Panhandle-North	320	369	49	15	
2 Panhandle-Central	323	320	-3	-1	
3 South Plains	172	180	8	5	
4 Permian-West	204	177	-27	-13	
5 Canadian Breaks	325	455	130	40	
6 Rolling Plains-North	189	274	85	45	*
7 Rolling Plains-Central	168	160	-8	-5	
8 Trans-Pecos	7,048	5,947	-1,101	-16	
9 Edwards Plateau-West	320	381	61	19	
10 Edwards Plateau-South	324	214	-110	-34	
11 Rio Grande Plains	662	700	38	6	
12 North Central Plains	150	160	10	7	
13 Crosstimbers	170	148	-22	-13	
14 Hill Country-North	200	140	-60	-30	**
15 Hill Country-West	295	339	44	15	
16 Highland Lakes	154	144	-10	-6	
17 Hill Country-South	284	153	-131	-46	*
18 San Antonio	86	91	5	6	
19 Coastal Prairie-North	61	70	9	15	
20 Coastal Prairie-South	123	146	23	19	
21 Coastal Prairie-Middle	84	100	16	19	
22 Texoma	94	97	3	3	
23 Fort Worth Prairie	56	50	-6	-11	
24 Dallas Prairie	63	53	-10	-16	
25 Blacklands-North	83	100	17	20	*
26 Blacklands-South	89	76	-13	-15	*
27 Brazos	63	70	7	11	
28 Houston	56	51	-5	-9	*
29 Northeast	89	83	-6	-7	
30 Piney Woods-North	65	58	-7	-11	
31 Piney Woods-South	49	61	12	24	
32 Lower Rio Grande Valley	31	29	-2	-6	
33 El Paso	112	173	NA	NA	
State	139	120	-19	-14	**

Note: Test shows the result of a Mann-Whitney test of the indicated changes.

(**) indicates significance at the 99 percent level that 1998 is significantly different from 1999

(*) indicates significance at the 95 percent level that 1998 is significantly different from 1999

Others showed no statistically verifiable trend.

Source: Real Estate Center at Texas A&M University

**Table 4. Distribution of Nominal Prices
Per Acre for Texas Rural Land, 1999**

Land Market Area	Number of Sales	Price per Acre (\$)		
		Lower Quartile	Median	Upper Quartile
1 Panhandle-North	94	\$262	\$350	\$523
2 Panhandle-Central	162	263	341	550
3 South Plains	179	340	475	619
4 Permian-West	131	258	475	618
5 Canadian Breaks	38	208	236	350
6 Rolling Plains-North	133	192	250	325
7 Rolling Plains-Central	135	300	354	480
8 Trans-Pecos	NA	75	131	236
9 Edwards Plateau-West	140	310	400	593
10 Edwards Plateau-South	137	586	798	1,211
11 Rio Grande Plains	86	528	597	693
12 North Central Plains	225	375	548	841
13 Crosstimbers	213	548	700	1,089
14 Hill Country-North	264	695	850	1,200
15 Hill Country-West	44	555	714	1,000
16 Highland Lakes	107	1,250	1,800	2,701
17 Hill Country-South	NA	2,064	3,426	3,950
18 San Antonio	163	675	1,045	1,633
19 Coastal Prairie-North	220	1,079	1,500	2,100
20 Coastal Prairie-South	150	675	851	1,150
21 Coastal Prairie-Middle	144	698	893	1,398
22 Texoma	189	796	1,100	1,900
23 Fort Worth Prairie	128	1,628	2,500	3,803
24 Dallas Prairie	195	1,000	1,621	2,626
25 Blacklands-North	359	651	960	1,428
26 Blacklands-South	232	1,044	1,613	2,761
27 Brazos	247	900	1,236	2,037
28 Houston	232	1,408	2,497	3,211
29 Northeast	217	559	825	1,226
30 Piney Woods-North	144	761	1,157	1,707
31 Piney Woods-South	66	1,000	1,294	1,847
32 Lower Rio Grande Valley	49	1,049	1,750	2,639
33 El Paso	NA	2,686	2,936	6,000
State	4,880	\$540	\$786	\$1,585

*Twenty-five percent of the sales had prices equal to or less than this price.

**Seventy-five percent of the sales had prices equal to or less than this price.

NA Fewer than 30 sales reported

Source: Real Estate Center at Texas A&M University

**Table 5. Confidence Intervals (95 percent) for Median Price
Per Acre of Texas Rural Land, 1999**

Land Market Area	Number of Sales	Price per Acre (\$)		
		Lower Quartile	Median	Upper Quartile
1 Panhandle-North	94	\$306	\$350	\$430
2 Panhandle-Central	162	307	341	361
3 South Plains	179	416	475	504
4 Permian-West	131	400	475	500
5 Canadian Breaks	38	210	236	333
6 Rolling Plains-North	133	225	250	260
7 Rolling Plains-Central	135	350	354	400
8 Trans-Pecos	NA	78	131	145
9 Edwards Plateau-West	140	376	400	449
10 Edwards Plateau-South	137	687	798	872
11 Rio Grande Plains	86	563	597	638
12 North Central Plains	225	500	548	636
13 Crosstimbers	213	676	700	750
14 Hill Country-North	264	800	850	925
15 Hill Country-West	44	600	714	800
16 Highland Lakes	107	1,530	1,800	2,070
17 Hill Country-South	NA	2,127	3,426	3,791
18 San Antonio	163	943	1,045	1,175
19 Coastal Prairie-North	220	1,329	1,500	1,700
20 Coastal Prairie-South	150	790	851	982
21 Coastal Prairie-Middle	144	800	893	975
22 Texoma	189	986	1,100	1,215
23 Fort Worth Prairie	128	2,281	2,500	2,766
24 Dallas Prairie	195	1,398	1,621	1,882
25 Blacklands-North	359	882	960	1,000
26 Blacklands-South	232	1,490	1,613	1,877
27 Brazos	247	1,152	1,236	1,357
28 Houston	232	2,150	2,497	2,550
29 Northeast	217	766	825	901
30 Piney Woods-North	144	1,000	1,157	1,334
31 Piney Woods-South	66	1,166	1,294	1,500
32 Lower Rio Grande Valley	49	1,279	1,750	2,000
33 El Paso	NA	6,000	2,936	6,000
State	4,880	\$863	\$786	\$914

NA Fewer than 30 sales reported

Source: Real Estate Center at Texas A&M University

**Table 6. Limits of the 95 Percent Confidence Intervals
On 1999 Price as a Percentage of 1998 Price**

Land Market Area			
	Lower Limit	Median	Upper Limit
1 Panhandle-North	-14	-2	20
2 Panhandle-Central	0	11	18
3 South Plains	-14	-1	5
4 Permian-West	-6	12	18
5 Canadian Breaks	-7	5	48
6 Rolling Plains-North	-10	0	4
7 Rolling Plains-Central	-5	-4	9
8 Trans-Pecos	-22	31	45
9 Edwards Plateau-West	-3	4	16
10 Edwards Plateau-South	-9	6	15
11 Rio Grande Plains	4	11	18
12 North Central Plains	24	36	58
13 Cross timbers	23	28	37
14 Hill Country-North	14	21	31
15 Hill Country-West	-14	3	15
16 Highland Lakes	-10	6	22
17 Hill Country-South	41	127	151
18 San Antonio	2	12	26
19 Coastal Prairie-North	-16	-5	8
20 Coastal Prairie-South	-5	3	19
21 Coastal Prairie-Middle	-9	1	11
22 Texoma	-9	2	12
23 Fort Worth Prairie	14	25	38
24 Dallas Prairie	0	16	34
25 Blacklands-North	-13	-6	-2
26 Blacklands-South	-1	7	25
27 Brazos	-21	-15	-6
28 Houston	-1	15	17
29 Northeast	1	9	19
30 Piney Woods-North	-3	12	29
31 Piney Woods-South	-20	-11	3
32 Lower Rio Grande Valley	-36	-13	0
33 El Paso	NA	NA	NA
State	8	-2	14

Source: Real Estate Center at Texas A&M University

Table 7. Acreage Distribution of Texas Rural Land Sales, 1999

Land Market Area	Number of Sales	Acres		
		Lower Quartile	Median	Upper Quartile
1 Panhandle–North	94	276	369	721
2 Panhandle–Central	162	160	320	640
3 South Plains	179	160	180	322
4 Permian–West	131	160	177	377
5 Canadian Breaks	38	160	455	649
6 Rolling Plains–North	133	160	274	500
7 Rolling Plains–Central	135	110	160	320
8 Trans-Pecos	NA	1,820	5,947	20,150
9 Edwards Plateau–West	140	138	381	1,190
10 Edwards Plateau–South	137	100	214	687
11 Rio Grande Plains	86	249	700	1,500
12 North Central Plains	225	93	160	320
13 Crosstimbers	213	85	148	247
14 Hill Country–North	264	74	140	302
15 Hill Country–West	44	192	339	870
16 Highland Lakes	107	69	144	223
17 Hill Country–South	NA	51	153	326
18 San Antonio	163	49	91	162
19 Coastal Prairie–North	220	40	70	116
20 Coastal Prairie–South	150	64	146	232
21 Coastal Prairie–Middle	144	49	100	222
22 Texoma	189	53	97	172
23 Fort Worth Prairie	128	23	50	104
24 Dallas Prairie	195	31	53	100
25 Blacklands–North	359	56	100	195
26 Blacklands–South	232	41	76	136
27 Brazos	247	43	70	126
28 Houston	232	27	51	102
29 Northeast	217	49	83	166
30 Piney Woods–North	144	39	58	110
31 Piney Woods–South	66	38	61	87
32 Lower Rio Grande Valley	49	20	29	90
33 El Paso	NA	17	173	501
State	4,880	55	120	267

*Twenty-five percent of the sales had prices equal to or less than this price.

**Seventy-five percent of the sales had prices equal to or less than this price.

NA signifies fewer than 30 sales reported

Source: Real Estate Center at Texas A&M University

**Table 8. Confidence Intervals (95 percent) for Tract Size
For Texas Rural Land, 1999**

Land Market Area	Number of Sales			
		Lower Quartile	Median	Upper Quartile
1 Panhandle-North	94	320	369	632
2 Panhandle-Central	162	286	320	368
3 South Plains	179	160	180	220
4 Permian-West	131	161	177	234
5 Canadian Breaks	38	163	455	640
6 Rolling Plains-North	133	184	274	320
7 Rolling Plains-Central	135	146	160	169
8 Trans-Pecos	NA	1,920	5,947	13,146
9 Edwards Plateau-West	140	298	381	500
10 Edwards Plateau-South	137	162	214	331
11 Rio Grande Plains	86	495	700	915
12 North Central Plains	225	143	160	167
13 Crosstimbers	213	126	148	160
14 Hill Country-North	264	120	140	168
15 Hill Country-West	44	260	339	641
16 Highland Lakes	107	104	144	168
17 Hill Country-South	NA	53	153	268
18 San Antonio	163	74	91	104
19 Coastal Prairie-North	220	61	70	80
20 Coastal Prairie-South	150	108	146	160
21 Coastal Prairie-Middle	144	71	100	130
22 Texoma	189	84	97	107
23 Fort Worth Prairie	128	35	50	62
24 Dallas Prairie	195	47	53	67
25 Blacklands-North	359	92	100	110
26 Blacklands-South	232	62	76	91
27 Brazos	247	56	70	76
28 Houston	232	41	51	59
29 Northeast	217	74	83	100
30 Piney Woods-North	144	51	58	69
31 Piney Woods-South	66	44	61	80
32 Lower Rio Grande Valley	49	20	29	62
33 El Paso	NA	501	173	501
State	4,880	113	120	124

NA signifies fewer than 30 sales reported

Source: Real Estate Center at Texas A&M University

Appendix B

Texas Counties by Land Market Areas

Land Market Area 1

Dallam
Hansford
Hartley
Moore
Ochiltree
Sherman

Land Market Area 2

Armstrong
Briscoe
Carson
Castro
Deaf Smith
Gray
Parmer
Randall
Swisher

Land Market Area 3

Borden
Crosby
Dawson
Floyd
Garza
Hale
Lubbock
Lynn

Land Market Area 4

Andrews
Bailey
Cochran
Ector
Gaines
Hockley
Howard
Lamb
Martin
Midland
Terry
Yoakum

Land Market Area 5

Hemphill
Hutchinson
Lipscomb
Oldham
Potter
Roberts

Land Market Area 6

Childress
Collingsworth
Cottle
Dickens
Donley
Hall
Kent
King
Motley
Stonewall
Wheeler

Land Market Area 7

Fisher
Jones
Mitchell
Nolan
Runnels
Scurry
Taylor

Land Market Area 8

Brewster
Crane
Culberson
Hudspeth
Jeff Davis
Loving
Pecos
Presidio
Reeves
Terrell
Ward
Winkler

Land Market Area 9

Coke
Concho
Crockett
Edwards
Glasscock
Irion
Kinney
Reagan
Schleicher
Sterling
Sutton
Tom Green
Upton
Val Verde

Land Market Area 10

Frio
Maverick
Medina
Uvalde
Zavala

Land Market Area 11

Brooks
Dimmit
Duval
Jim Hogg
Kenedy
La Salle
McMullen
Starr
Webb
Zapata

Land Market Area 12

Archer
Baylor
Clay
Foard
Hardeman
Haskell
Jack
Knox
Shackelford
Stephens
Throckmorton
Wichita
Wilbarger
Young

Land Market Area 13

Brown
Callahan
Coleman
Comanche
Eastland
Erath

Land Market Area 14

Hamilton
McCulloch
Mills
Lampasas
San Saba

Land Market Area 15

Kimble
Menard
Real

Land Market Area 16

Burnet
Gillespie
Llano
Mason

Land Market Area 17

Bandera
Blanco
Kendall
Kerr

Land Market Area 18

Atascosa
Bexar
Comal
Guadalupe
Karnes
Wilson

Land Market Area 19

Colorado
DeWitt
Fayette
Gonzales
Lavaca

Land Market Area 20

Aransas
Bee
Goliad
Jim Wells
Kleberg
Live Oak
Nueces
Refugio
San Patricio

Land Market Area 21

Calhoun
Jackson
Matagorda
Victoria
Wharton

Land Market Area 22

Cooke
Fannin
Grayson
Montague

Land Market Area 23

Hood
Johnson
Palo Pinto
Parker
Somervell
Tarrant
Wise

Land Market Area 24

Collin
Dallas
Denton
Ellis
Hunt
Kaufman
Rains
Rockwall
Van Zandt

Land Market Area 25

Bell
Bosque
Coryell
Falls
Freestone
Hill
Limestone
McLennan
Navarro

Land Market Area 26

Bastrop
Caldwell
Hays
Lee
Milam
Travis
Williamson

Land Market Area 27

Brazos
Burlison
Grimes
Leon
Madison
Robertson
Washington

Land Market Area 28

Austin
Brazoria
Chambers
Fort Bend
Galveston
Hardin
Harris
Jefferson
Liberty
Montgomery
Orange
San Jacinto
Walker
Waller

Land Market Area 29

Bowie
Camp
Cass
Delta
Franklin
Hopkins
Lamar
Marion
Morris
Red River
Titus
Upshur
Wood

Land Market Area 30

Anderson
Cherokee
Gregg
Harrison
Henderson
Houston
Nacogdoches
Panola
Rusk
Shelby
Smith

Land Market Area 31

Angelina
Jasper
Newton
Polk
Sabine
San Augustine
Trinity
Tyler

Land Market Area 32

Cameron
Hidalgo
Willacy

Land Market Area 33

El Paso



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The Real Estate Center was created by the Texas Legislature in 1971 to conduct research on real estate topics to meet the needs of the real estate industry, instructors and the public. The Center is located at Texas A&M University in College Station.

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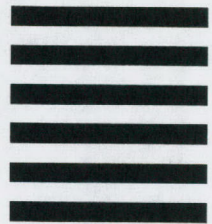
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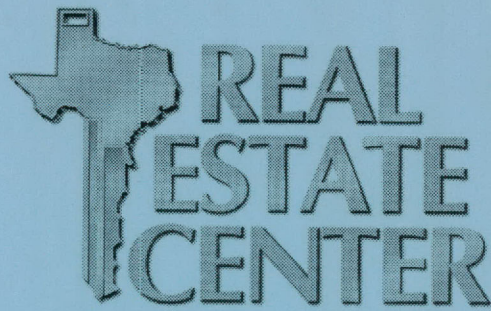
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