

FOR IMMEDIATE RELEASE

Mid-Year Land Auction Results Indicate Lower Iowa Land Prices

DES MOINES, IA – July 14, 2020 – According to statewide auction results tracked by Iowa Appraisal and Research Corporation (Iowa Appraisal), data indicates Iowa land market prices have dipped slightly in the first six months of the year compared to 2019.

Jim Rothermich, MAI, ARA, Iowa Appraisal's farm appraisal expert, reports the statewide weighted average price for tillable farmland is \$108 per CSR2 point for the period January 1 through June 30, 2020, down 2.7% from \$111 in 2019. The statewide weighted average price for tillable farmland from January 1 to June 30, 2020 is \$8,091 per acre. The data suggests the market has softened slightly, but Iowa Appraisal deems the market to be stable.

Dollars per Tillable CSR2 Point (weighted avg.)* January 1 – June 30, 2020 Statewide – Iowa	
Tillable Acres	20,282
Wtd. Avg. CSR2	75.2
Avg. Price/Tillable Acre	\$8,091
Sale Price/CSR2	\$108
# of auctions in study	224

**Calculated over 20,282 acres, 224 auctions focused on vacant and/or minimal improvements tracts of 30 acres and larger with tillable acres at 70% and higher.*

In March the COVID-19 disruption began to negatively affect global demand for commodities, and grain and livestock prices plummeted. Grain and livestock prices are highly correlated with land values, but other factors have kept Iowa land prices stable. According to conversations with farm realtors, the land market has held on during the coronavirus pandemic due to the following:

- 82% of Iowa farmland carries no debt,
- land supplies are tight with few options for buyers,
- interest rates are historically low,
- there is strong interest in 1031 Exchanges, and
- land is viewed as a safe-haven investment when the stock market is volatile, which increases the demand for land.

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Farm realtors state the demand to buy land far exceeds the supply for sale. They are also expecting an active fall selling season with ready, willing, and able buyers.

About Iowa Appraisal and Research Corporation

Iowa Appraisal and Research Corporation provides agricultural and commercial real estate appraisals, appraisal reviews, market and feasibility studies, as well as research and consulting services throughout the Midwest. www.iowaappraisal.com

Business valuation, merger and acquisition consulting, and litigation support services are provided through affiliate BCC Advisers. www.bccadvisers.com

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