

The Dirt on Iowa Land Auction Prices â€™“ December 11-17, 2015

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Greetings! It appears we have worked through the big push for land auctions this fall. Last week there were 1,702 gross acres offered at auction. Of those acres, 1,582 acres were tillable. I would describe last week's auction prices as stable. A few of the highlights from last week: 151 acres in Linn County sold for \$11,500/acre, 32 acres in Cedar County sold for \$11,200/acre and 158 acres in Cherokee County sold for \$9,900/acre. There were several farms that were true "no sales" and are still for sale.

The Iowa land value survey from Iowa State University was released during a news conference in Ames on December 15, 2015. The survey is a November-to-November report and measures 2014 to 2015. The values are generally considered the 2015 values of Iowa farmland, yet they will be the numbers generally relied upon by buyers, sellers and real estate professionals throughout 2016 when estimating the value of farmland.

The numbers will surprise many people that have speculated a big decline was in order with this year's report. It did not happen. Some predictions were a 10 percent (+/-) decline for 2015. That said, I think it is important to note that the results of the survey are not based on "actual" sales of farmland. Instead, it is a survey of land brokers, ag lenders, appraisers and others. I don't believe that makes it any less accurate, but should be noted at least.

The surprise for many this year was not that Iowa farmland values declined, but that they only declined 3.9 percent as a statewide average. Today, the statewide average makes it way down \$310 to \$7,633 per acre. The second surprise is that several counties actually gained value in farmland this year. They include Lyon, Osceola, Dickinson, O'Brien, Allamakee, Clayton and Dubuque. Counties gaining value were all in the

northern portion of Iowa, and mostly in the top two tiers of counties.

In 2013, Iowa farmland values hit a peak of \$8,716 per acre, which was only a small increase over 2012. Giving the beginning of losses in commodity prices started in the summer of 2013, land prices have fallen since. Farmland prices always have a direct correlation to the land's ability to produce income. That said, today's farmland prices are still double what they were 10 years ago.

[Peoples Company](#) maintains a database of all auctions that occur in Iowa each month. Based on factual auction data, it appears when harvested started yields were better than expected that land prices began to stabilize if not increase. This is a database of actual sales, whereas the Iowa State survey is a survey of various people in the farmland sales industry, et cetera.

Since it is a survey, it may not quite be as accurate as a database of actual sales. However, it does provide information on the trends that may not be reported in auction sales, et cetera.

Check back next week for new dirt on Iowa Land auction prices. Please check out our [November auction results](#). Please make sure and hit the "like" button [on Facebook](#).

Talk to you soon!

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