

# Iowa Farmland Values: Hamilton and Hardin County

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Continuing with the Iowa Farmland Values blog series, we will use the 2020 Farmland Value Survey to highlight average farmland characteristics and production costs in Hamilton and Hardin County. If you are interested in acquiring similar information, contact your local extension office or land grant institution within your state.

## HAMILTON COUNTY, IA

### 2019 AVERAGE FARMLAND VALUE

\$9,198 + 2.3% SINCE 2019

Average County CSR2

79.1

CSR2 Price Per Point Average

\$116.28



### CAP RATE

\$224 / \$9,198 → 2.44%

The average cap rate typically ranges from 2-6%, but is often around 3-4%. **FARMLAND** is a low cashflow business, but very high in appreciation. Overall, it's on par with the returns of the S&P 500, with far less volatility.

### AVERAGE CASH RENT PER ACRE

\$224



Average Corn Yield (2015-2019)

198

Rent Per Bushel of Corn Yield

\$1.13



Average Soybean Yield (2015-2019)

55

Rent Per Bushel of Soybean Yield

\$4.07

1 2019 ISU Land Value Survey conducted by the Center for Agricultural and Rural Development (CARD)

2 Iowa State University Extension and Outreach File C2-10 in Ames, Iowa

## Successful Sales in Hamilton County:

Sale Date	Land Type	Total Sale Price	Gross Acres	\$/Per Acre	CSR2	FSA Tillable Acres	\$/CSR2
1/13/2021	Tillable	\$1,099,428	115.58	\$9,512	83.7	110.34	\$119
12/28/2020	Tillable	\$1,085,000	75.40	\$14,389	79.1	73.31	\$182
12/7/2020	Tillable	\$700,000	80.00	\$8,750	81.4	78.55	\$110
11/1/2020	Tillable	\$344,000	40.00	\$8,600	88.1	39.30	\$99
10/23/2020	Tillable	\$693,270	77.00	\$9,000	85.1	77.03	\$106

Of the 369,600 total acres in Hamilton County, the average Corn Suitability Rating 2 (CSR2) for the 315,307 acres of farmland within the county is 79.1 with an average 2020 farmland value of \$9,198 per acre, which is a 2.3% increase from \$8,992 since 2019. To determine the CSR2 price per point average, divide the average farmland value (\$9,198) by the Hamilton County CSR2 average (79.1), which equals \$116.28 per CSR2 point.

The average cash rent per tillable acre across Hamilton County is \$224 (\$196-\$249). The 2015-2019 average corn and soybean yield was 198 and 55 bushels per acre, respectively. The average rent per bushel of crop yield is calculated by cash rent divided by the average crop yield expected, which is \$1.13 for corn and \$4.07 for soybeans. Since beginning this blog series during the middle of September 2020, commodity markets have continued to rise with current cash corn and soybean prices over \$5.00 and \$13.30 per bushel, respectively. One may still expect to spend approximately 35-45% of the per bushel revenue on cash rents.

The capitalization rate, or also commonly referred to as cap rate, is the rate of return on a real estate property based on the income that the property is expected to generate for the landowner. The cap rate can help evaluate and compare the risk of one property or market to another, where it depends on demand, available inventory within the area, and specific type of property. The cap rate for Hamilton County farmland is around 2.44%, or an expected return on investment of just shy of two and a half percent.

## HARDIN COUNTY, IA

### 2019 AVERAGE FARMLAND VALUE

\$8,531 +3.4% SINCE 2019

Average County CSR2

79.5

CSR2 Price Per Point Average

\$107.61



Eldora

### AVERAGE CASH RENT PER ACRE

\$229



Average Corn Yield (2015-2019)

208

Rent Per Bushel of Corn Yield

\$1.07



Average Soybean Yield (2015-2019)

58

Rent Per Bushel of Soybean Yield

\$3.95

### CAP RATE

\$229 / \$8,531 → 2.68%

The average cap rate typically ranges from 2-6%, but is often around 3-4%. **FARMLAND** is a low cashflow business, but very high in appreciation. Overall, it's on par with the returns of the S&P 500, with far less volatility.

1 2019 ISU Land Value Survey conducted by the Center for Agricultural and Rural Development (CARD)

2 Iowa State University Extension and Outreach File C2-10 in Ames, Iowa

### Successful Sales in Hardin County:

Sale Date	Land Type	Total Sale Price	Gross Acres	\$/Per Acre	CSR2	FSA Tillable Acres	\$/CSR2
12/30/2020	Tillable	\$474,459	51.50	\$9,212	83.1	49.43	\$116
9/30/2020	Tillable	\$346,950	40.00	\$8,673	84.2	38.55	\$107
9/9/2020	Tillable	\$400,000	80.00	\$5,000	84.7	66.01	\$72
9/9/2020	Tillable	\$900,900	69.10	\$11,700	93.9	69.10	\$139
9/9/2020	Tillable	\$748,800	64.00	\$11,700	92.1	62.85	\$129

Of the **364,400** total acres in Hardin County, the average **Corn Suitability Rating 2** (CSR2) for the **336,611** acres of farmland within the county is 79.5 with an average 2020 farmland value of \$8,531 per acre, which is a 3.4% increase from \$8,254 since 2019. To determine the CSR2 price per point average, divide the average farmland value (\$8,531) by the Hardin County CSR2 average (79.5), which equals \$107.61 per CSR2 point.

The average cash rent per tillable acre across Hardin County is \$229 (\$200-\$257). The 2015-2019 average corn and soybean yield was 208 and 58 bushels per acre, respectively. The average rent per bushel of crop yield is calculated by cash rent divided by the average crop yield expected, which is \$1.10 for corn and \$3.95 for soybeans.

The cap rate for Hardin County farmland is around 2.68%, or an expected return on investment over two and a half percent.

To get in contact with someone about your Hamilton County or Hardin County farm in Iowa, please call Doug Bear (515.745.3192; [Doug.Bear@PeoplesCompany.com](mailto:Doug.Bear@PeoplesCompany.com)) or Matt Adams (515.423.9235; [Matt@PeoplesCompany.com](mailto:Matt@PeoplesCompany.com)).

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