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## JANUARY 2018 IOWA LAND AUCTION RESULTS

*This list includes auctions conducted by various auction firms throughout the State of Iowa not affiliated with Iowa Appraisal and Research Corporation. CSR-2 soil rating is calculated on tillable acres of each tract of land.*

Contact Jim Rothermich if you would like additional information on these transactions.

### The Land Talker says:

Greetings! Welcome 2018. January had considerably fewer acres auctioned than the previous two months. There were 6,133 acres offered at auction. Of those acres, 5,069 were tillable. I looked back to January 2017 and there were 4,868 acres offered at auction. Of those, 3,930 were tillable. More acres come up for auction as compared to last year. There is still not enough acres coming to the market to satisfy demand. I continue to believe this is a “seller’s market” as demand continues to outpace supply for sale. There is a lot of discussion as to why land prices are being stubbornly high and not following the decline in crop prices. There are several reasons but I want to point out that buying and owning land often doesn’t make sense the day you buy it. Owning land is a multigenerational investment. Here is an example of what I mean. A 110 acre Delaware County farm was auctioned in November 2017 for \$9,000/acre. According to the realtor, the family purchased 120 acres in 1950 for \$175/acre, which included a house and farm outbuildings. The family sold off 10 acres which included the house & outbuildings about 10 years ago for an undisclosed amount. For simplicity, let’s say this was a 110 acre farm bought in 1950 for \$175/acre. Thus, over a 67-year period the value of this farm grew from \$175/acre to \$9,000/acre. This indicates 6.06% compounded appreciation per year. Add 3% for annual return and that equates to a little over 9% return per year. This is a conservative return as it does not include the sale of the 10-acre farmstead. This is what land buyers want and they are optimistic about the future of land ownership. As long as demand continues to outpace supply, I contend this is a “sellers’ market” and the sooner you bring your farm to market the better. No question there is downward pressure on land prices. The question is, when will it show up in the market?

Talk to you in a month!  
Jim “the Land Talker”

SALE DATE	COUNTY	LAND TYPE	GROSS ACRES	\$ PER ACRE	CSR2	TILLABLE ACRES
01/04/18	Adams	Tillable	44	\$4,075	58.9	40.64
01/06/18	Cerro Gordo	Tillable	100	\$8,400	85.2	96.58
01/06/18	Cerro Gordo	Tillable	80	\$10,000	76.7	76.7
01/06/18	Louisa	Tillable	99.75	\$8,500	80.3	91.38
01/06/18	Louisa	Tillable	20.44	\$8,400	75	19.31
01/06/18	Louisa	Tillable	192.86	\$4,000	73.2	105.49
01/06/18	Louisa	Tillable	59.44	\$4,600	69.1	33.66
01/09/18	Franklin	Tillable	87.25	\$7,622	86.1	81.14
01/10/18	Butler	Tillable	272	\$8,600	83.2	263.74
01/10/18	Jasper	Tillable	60	\$7,125	60.3	54.23
01/11/18	Mahaska	Tillable	78.97	\$6,550	84.8	72.42
01/11/18	Mahaska	Recreation	24.55	\$1,850	0	0
01/11/18	Mahaska	Tillable	56.55	\$6,300	80.6	46.43
01/11/18	Mahaska	Tillable	113.32	\$6,350	78.4	77.32
01/11/18	Mahaska	Tillable	39.95	\$7,700	86.5	36.92
01/12/18	Henry	Tillable-Development	82.19	\$10,500	73.3	75.69
01/12/18	Adair	Tillable-Pasture-Farmstead	80	\$7,800	65.1	74.48
01/12/18	Adair	Tillable-Pasture	80	\$5,500	59	63.48
01/12/18	Adair	Tillable	85	\$6,600	60.4	59.83
01/12/18	Adair	Tillable	80	\$7,450	58.4	74.98
01/13/18	Monona	Tillable	138.6	\$6,000	70.4	137.38

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- Agricultural Real Estate Appraisal
- Commercial Real Estate Appraisal
- Real Estate Appraisal Review

- Business Valuation
- Litigation Support
- Merger & Acquisition Advisory





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01/13/18	Monona	Tillable	312	\$5,225	57	319.64
01/13/18	Butler	Recreation	130	\$3,750	58.6	40.6
01/15/18	Plymouth	Tillable	156	\$10,000	84.5	145.07
01/16/18	Floyd	Tillable	127	\$7,125	78.8	122.2
01/16/18	Floyd	Tillable	143	\$5,950	64.4	139.9
01/16/18	Kossuth	Tillable	75.2	\$9,671	74.9	72.89
01/18/18	Chickasaw	Tillable	79.89	\$6,600	73.8	74.32
01/18/18	Guthrie	Tillable	35	\$10,050	75.1	31.93
01/19/18	Hamilton	Tillable	160	\$9,650	77.5	155.92
01/19/18	Black Hawk	Tillable	211	\$10,427	84.6	211
01/23/18	Osceola	Tillable	75.77	\$10,927	96.5	75.77
01/23/18	Humboldt	Tillable	131.04	\$7,340	72.4	131.04
01/24/18	Dallas	Tillable	40	\$10,950	87.8	39.17
01/24/18	Dallas	Tillable	133.57	\$8,300	86.8	131.86
01/25/18	Sioux	Tillable	78.19	\$18,360	91.1	78.19
01/25/18	Lyon	Tillable	81.57	\$12,250	92.5	80.02
01/25/18	Lyon	Tillable	82.22	\$9,050	86.5	74.05
01/25/18	Howard	Pasture	65	\$2,940	n/a	0
01/25/18	Howard	Recreation	31.41	\$2,100	n/a	0
01/25/18	Lee	Tillable	118.5	undisclosed	67.2	111.86
01/25/18	Lee	Tillable-Rec	158	undisclosed	56.9	100.72
01/25/18	Van Buren	Tillable-Rec	160	undisclosed	46.6	102.1
01/25/18	Van Buren	Tillable	60	undisclosed	50	41.07
01/25/18	Van Buren	Tillable	83.62	undisclosed	79.2	80
01/26/18	Iowa	Tillable	60	\$10,200	79.9	56.17
01/26/18	Keokuk	Tillable	104	\$9,200	72.6	103
01/26/18	Keokuk	Tillable	50	\$4,750	71.2	35
01/27/18	Crawford	Tillable-Pasture	283.74	\$5,075	56	244.3
01/27/18	Crawford	Pasture-Tillable	119.46	\$3,375	61.8	18.94
01/29/18	Montgomery	Tillable	156.25	\$5,100	70	125.57
01/29/18	Montgomery	Tillable	156.5	\$4,550	71.3	129.41
01/30/18	Henry	Tillable	40	\$9,975	84.1	35.5
01/30/18	Wayne	Tillable	136	\$2,125	52.4	112
01/30/18	Wayne	Tillable	144	\$2,200	55.5	107.46
01/30/18	Van Buren	Tillable	89.82	\$7,000	59.3	80.91
01/30/18	Van Buren	Tillable	9.93	\$3,300	83.8	7.66
01/31/18	O'Brien	Tillable	80.32	\$10,200	94.2	72.45
01/31/18	Greene	Tillable	100	\$9,000	83.8	97.53
<b>Total</b>			<b>6033</b>			<b>5069</b>

