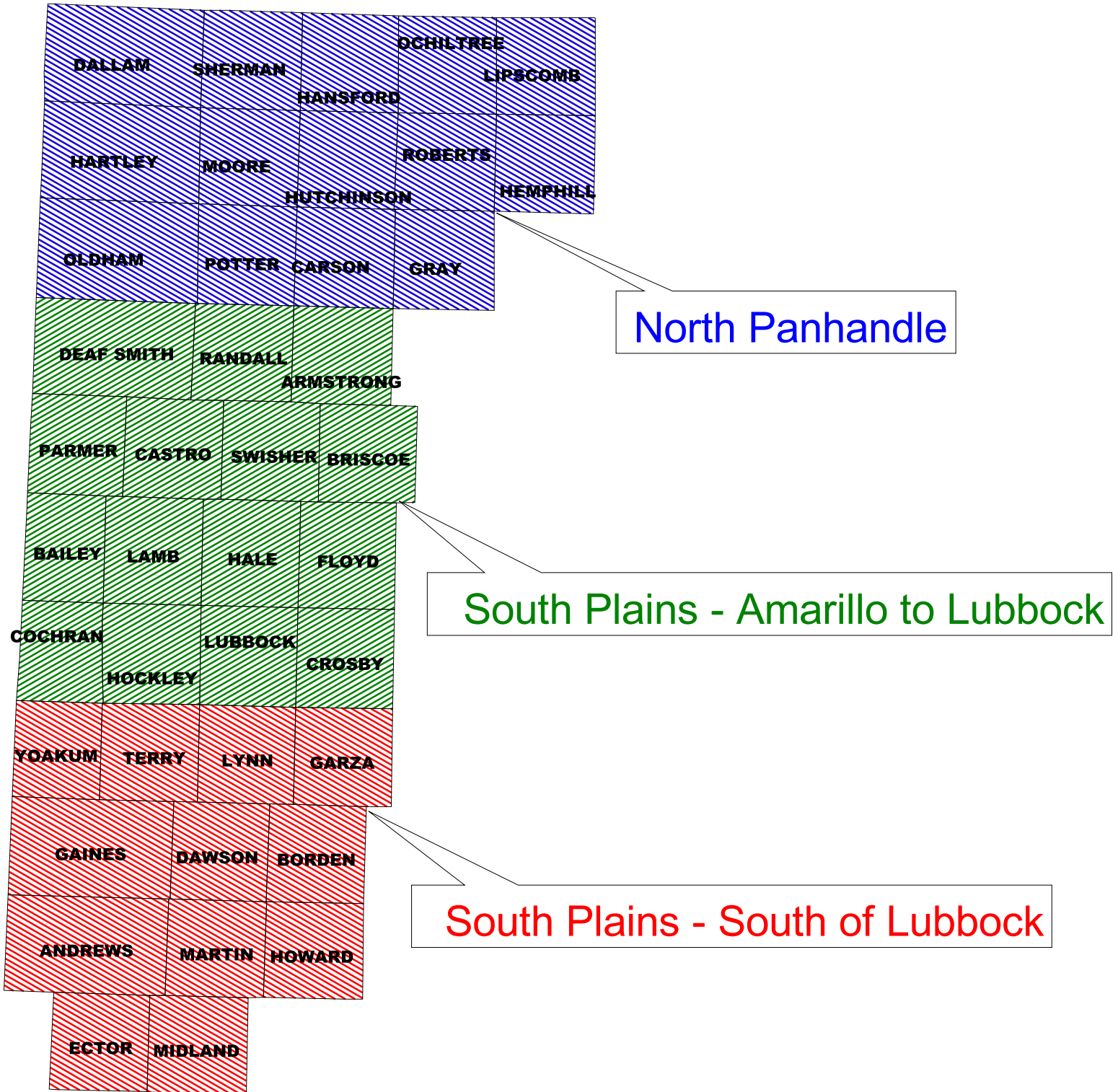


Texas Rural Land Value Trends 2008



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Region #1



REGION ONE – PANHANDLE AND SOUTH PLAINS GENERAL MARKET CONDITIONS FOR 2008

Prepared By
Mickey Nixon, ARA – Region One Team Captain

Region One, the most northerly region in Texas, is bordered on the west by New Mexico and by Oklahoma on the north and east. The upper third of the region is commonly known as the Panhandle, while the South Plains comprises the balance.

- There has been very limited demand for large hunting and recreational properties. One real estate professional reported reductions in asking prices of 8% to 34% for large “trophy” ranches. There has been moderate demand for small and mid-sized ranches; this sector has had stable prices.
- Farm commodity prices fell sharply. Cotton acreage and production were down in 2008 due to a shift from cotton to corn and grain sorghum. Fuel prices are much lower; however, high fertilizer and seed costs affect profitability.
- The inventory of good irrigated land, that is for sale, is still in a decline and land prices have increased. Landlords are hesitant to sell because of the good returns from sharecrop lease or cash rent arrangements. Irrigated land is still in demand. Values for farms with weak, or marginal, irrigation water rose because of the dwindling inventory of prime irrigated land.
- Dairy operators continued to purchase land for expansion. It is noted, however, that this trend is slowing down in early in 2009 as low milk prices have hammered dairy industry profitability. Relocations and dairy construction activities have been put on hold.
- Even with higher production costs, demand for dryland farms increased due to favorable production and pricing. Dry cropland is nearly always leased on a crop share basis.
- Large land owners and operators are concerned about income caps on farm program payment eligibility.

North Panhandle

Carson, Dallam, Gray, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Potter, Roberts and Sherman Counties

Sales activity was fairly strong in early 2008, but slowed a bit at the end of the year. Prices were stable. Increased crop production costs remained a factor. Most acreage was planted to corn and milo; wheat yields were fair to poor and corn yields were average.

Cash leases for irrigated cropland are common in the northwest quadrant of the Panhandle; lease rates increased during 2008. A crop share lease is most prevalent in the eastern sector of the Panhandle.

Cash lease rates for grazing and hunting on native rangeland continued to be stable. Range conditions were fair. Values and lease rates are generally higher in the eastern Panhandle as rainfall and carrying capacity increase.

South Plains from Amarillo to Lubbock

Armstrong, Bailey, Briscoe, Castro, Cochran, Crosby, Deaf Smith, Floyd, Hale, Hockley, Lamb, Lubbock, Parmer, Randall and Swisher Counties

Crop yields on dryland were below average due to extreme heat in the early growing season. It is noted that there was a scattering of hail loss. Irrigated cotton brought in average yields. The land market was active in early 2008 and slowed with the general economy in the later part of the year.

Dairy-related buyers were still active in Bailey, Castro, Deaf Smith and Parmer counties. This trend has slowed down as milk prices have soured. The demand for farms with weaker irrigation water increased. Demand and prices of dryland were stable.

Native rangeland is in scattered areas along draws or a band of sandhills and runs southeast across the region. Generally, these are smaller tracts utilized in conjunction with adjoining cropland. Range conditions were average.

Crop share leases are the most common lease arrangement for both irrigated and dry cropland; rental rates and terms remained fairly stable. The trend of absentee landlords selling to tenants continued, but to a lesser degree due to the higher commodity prices and the turmoil in the financial industry.

Drip irrigation continued to be installed, but on a limited basis due to the high cost of installation.

Prices for land enrolled in the Conservation Reserve Program (CRP) increased; some CRP contracts were extended to 2023. Sales activity remained limited, but demand from investors remained strong.

South Plains to the South of Lubbock

Andrews, Borden, Dawson, Ector, Gaines, Garza, Howard, Lynn, Martin, Midland, Terry and Yoakum Counties

This area is has a diverse land use mixture. The topography has rolling plains, broad valleys and flood plains. Most of the land in Garza, Borden, Andrews, Midland, Ector and Howard counties is native range that is utilized for cattle grazing. Much of the native range was leased for hunting.

Most cultivated farming utilizes dryland cultural practices due to inadequate groundwater. Irrigation practices are predominantly sprinkler due to sandy soils.

Strong demand and a limited inventory of dryland farms followed a bumper cotton crop in 2007 and it is noted that crop yields in 2008 were average to below. Farming is localized geographically and is limited by soil types that are conducive to cultivation. Where there is adequate groundwater, crops include cotton, small grains and peanuts. The limited number of farmland buyers is typically composed of local farmers. Values for the better-irrigated farm properties increased as did the market for the marginal water farms. Some CRP farms were placed back in production, if there was underground water available. Several of these farms are producing organic crops, mainly peanuts.

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Region 1 - Panhandle and South Plains

Land Use or Class	Value Ranges	Activity/Trend	Rental Range	Activity/Trend
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North Panhandle

Dallam, Sherman, Hansford, Ochiltree, Lipscomb, Hartley, Moore, Hutchinson, Roberts, Hemphill, Oldham, Potter, Carson and Gray Counties

Irrigated Cropland Good Water	\$2,000	to	\$2,500	Active/Increase	\$125	to	\$175	Stable/Stable
Irrigated Cropland Fair Water	\$1,500	to	\$1,900	Active/Stable	\$80	to	\$135	Stable/Stable
Dry Cropland East	\$400	to	\$600	Limited/Stable	\$25	to	\$45	Stable/Stable
Dry Cropland West	\$325	to	\$450	Limited/Stable	\$25	to	\$45	Stable/Stable
Rangeland	\$400	to	\$1,250	Moderate/Stable	\$7	to	\$10	Stable/Stable
Conservation Reserve Program	\$400	to	\$750	Moderate/Increase	\$30	to	\$44	Stable/Stable

Value for irrigated cropland typically includes center pivot sprinklers

Minerals are typically either not included or not a factor in the land classes listed above

South Plains - Amarillo to Lubbock

Deaf Smith, Randall, Armstrong, Parmer, Castro, Swisher, Briscoe, Bailey, Lamb, Hale, Floyd, Cochran, Hockley, Lubbock and Crosby Counties

Irrigated Cropland Good Water	\$1,500	to	\$2,500	Active/Increase	\$125	to	\$175	Stable/Stable
Irrigated Cropland Fair Water	\$800	to	\$1,400	Active/Increase	\$80	to	\$140	Stable/Stable
Drip Irrigation	\$1,500	to	\$2,300	Moderate/Stable	\$125	to	\$200	Stable/Stable
Dry Cropland Wheat	\$300	to	\$400	Limited/Stable	\$25	to	\$45	Stable/Stable
Dry Cropland Cotton	\$400	to	\$500	Limited/Stable	\$25	to	\$45	Stable/Stable
Rangeland	\$350	to	\$800	Moderate/Stable	\$7	to	\$10	Stable/Stable
Conservation Reserve Program	\$350	to	\$600	Moderate/Increase	\$30	to	\$45	Stable/Stable

Value for irrigated cropland typically includes center pivot sprinklers

Minerals are typically either not included or not a factor in the land classes listed above

South Plains - South of Lubbock

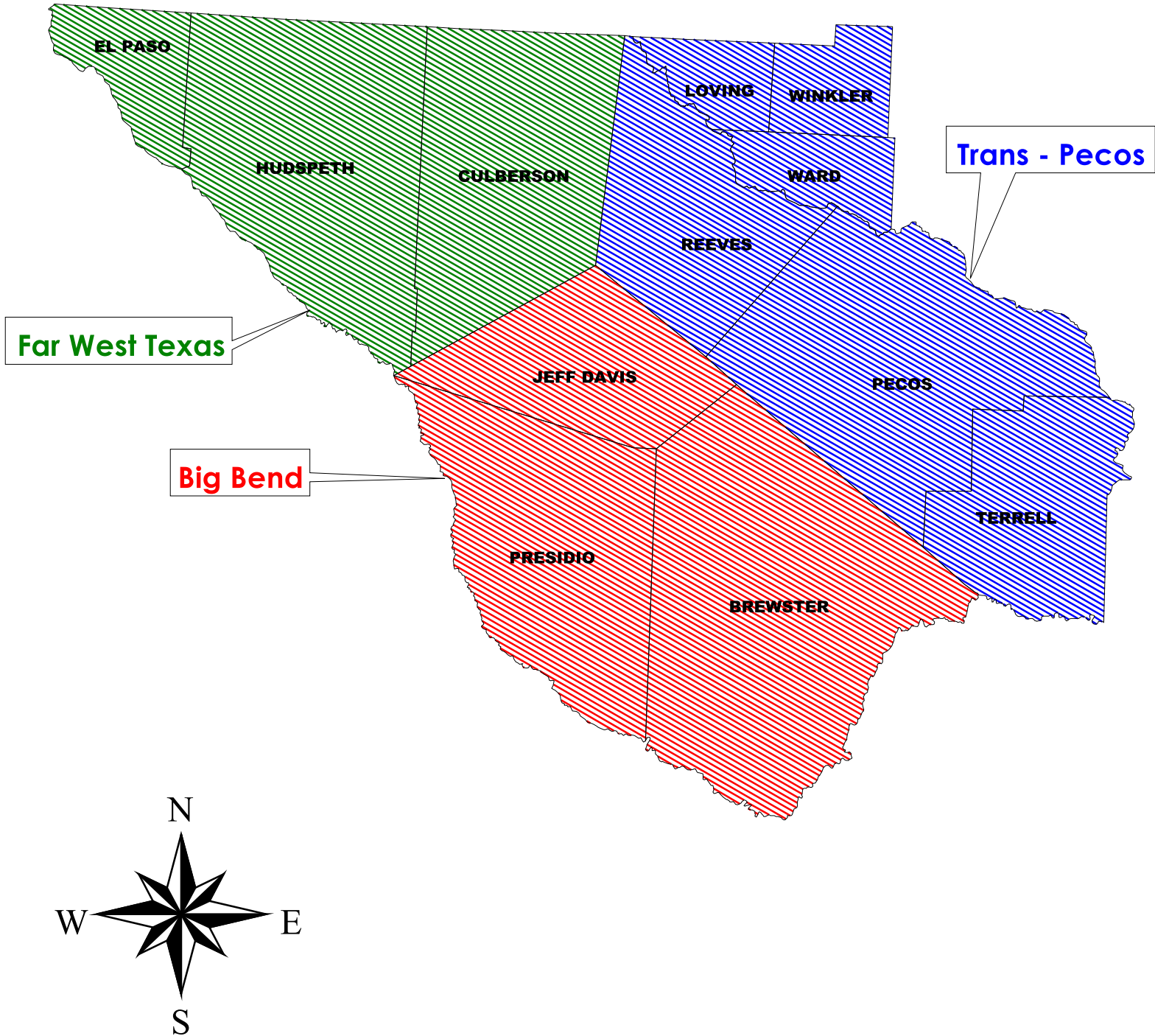
Yoakum, Terry, Lynn, Garza, Gaines, Dawson, Borden, Andrews, Martin, Howard, Ector and Midland Counties

Irrigated Cropland Better Water (Peanuts)	\$1,500	to	\$2,600	Active/Stable	\$135	to	\$185	Stable/Stable
Irrigated Cropland Fair Water	\$800	to	\$1,200	Active/Stable	\$75	to	\$125	Stable/Stable
Dry Cropland Cotton	\$450	to	\$750	Active/Increase	\$25	to	\$45	Stable/Stable
Rangeland	\$225	to	\$900	Active/Increase	\$3	to	\$7	Stable/Stable
Conservation Reserve Program	\$400	to	\$500	Moderate/Increase	\$30	to	\$40	Stable/Stable

Value for irrigated cropland typically includes center pivot sprinklers

Minerals are typically either not included or not a factor in the land classes listed above

Region #2



REGION TWO – FAR WEST TEXAS, TRANS-PECOS AND BIG BEND GENERAL MARKET CONDITIONS FOR 2008

Prepared By
Karl Armstead, ARA – Region Two Team Captain

Region Two encompasses West Texas and is bound on the north by the State of New Mexico and on the south by the Republic of Mexico. Guadalupe Peak, at 8,749 feet, is the highest point in Texas and is in Culberson County. In terms of land mass, the region includes the four largest Texas counties – Brewster, Hudseph, Presidio and Culberson. Loving County, the least populated county in Texas, is also in Region Two.

Highlights of the overall West Texas market precede brief discussions related to each sub-region.

- The region is composed of a diverse land use mix. The topography features mountainous expanses with broad valleys and flood plains.
- Generally, land is native range and is utilized for cattle grazing. It is noted that grazing sheep and goats is inhibited by populations of coyotes, mountain lions and eagles.
- Native rangeland has typically been held by established ranching families. However, over the last twenty or so years, low income levels from cattle operations plus pressure from individuals (and entities) with increasing disposable income from non-agricultural sources, have caused property ownerships in several cattle ranches to change. Another development has been the creation of “ranchettes”. It is expected that there will continue to be market pressure being exerted.
- Irrigation is predominantly by flooding due to the high clay content of the soils and the abundant water volumes. Center pivot sprinkler systems have become more common as a result of increasing water pumping costs.
- Supply and demand are generally stable and are dominated by both investors and recreationalists, with the cultivated land market generally dominated by producers.
- It is noted that drought, which is common, is a limiting factor throughout the region.

Far West Texas Culberson, El Paso and Hudseph Counties

The area covers approximately 8,765 square miles. A significant area, located in the valley bottoms and flood plains, is cultivated under irrigation practices. Many areas possess abundant supplies of groundwater, the quality of which varies greatly. The valley, that is associated with the Rio Grande, has irrigation districts and furnish water based on adjudicated water rights.

In the El Paso Upper Valley, the market is generally driven by the investor, with strong urban pressures being present. In the El Paso Lower Valley, there is moderate urban pressure and the

investor is again the primary market force. In the areas around Van Horn and Dell City, the market continued to increase and was typically producer-oriented. Water volumes in these areas continued to be an attractive factor, that was stimulated by water rights speculation for municipal uses.

Big Bend

Brewster, Jeff Davis and Presidio Counties

The area covers some 12,284 square miles and topographically is characterized as mountainous with broad upland areas and canyon bottoms. The geology of the Big Bend is unique; annually, the area regularly attracts more than 350,000 visitors. Some lands, in the valley along the Rio Grande, are cultivated and are irrigated utilizing adjudicated water rights from the river. Typical cash crops include alfalfa, onions, carrots and melons. The farmland market continued to be limited, with the major adverse factors being increasing operating costs, decreasing commodity prices and travel distances to market centers.

In the area associated with the Davis Mountains, demand for properties remained strong, it is noted that only a few properties were available. The market is dominated by the investment-driven recreational rancher and/or environmentalist. In the Highland area, the market is driven primarily by investment operators. Around the Desert Mountains, the market driven both by purchase for investment purposes as well as for use as recreational ranches.

Trans-Pecos

Loving, Pecos, Reeves, Terrell, Ward and Winkler Counties

The area covers approximately 15,191 square miles and is characterized as having rolling plains, broad valleys and flood plains. Prior to the 1970's, significant amounts of land in the Pecos River Valley were cultivated and irrigated. The area possesses abundant supplies of poor quality, groundwater along with alkaline soils. Agricultural orientation is a factor considered by most landowners as, generally speaking, the area lacks scenic splendor, geologic uniqueness and varied recreational opportunities.

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Region 2 - Far West Texas, Trans-Pecos and Big Bend

Land Use or Class	Value Ranges	Activity/Trend	Rental Range	Activity/Trend
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Far West Texas Culberson, El Paso and Hudspeth Counties

Rangeland	\$220	to	\$320	Increase/Increase	\$0.65	to	\$0.85	Stable/Stable
Dell City Irrigated Cropland	\$600	to	\$800	Stable/Increase	\$85	to	\$120	Stable/Stable
El Paso Upper Valley Irrigated	\$9,000	to	\$12,000	Stable/Stable	\$100	to	\$125	Stable/Increase
El Paso Lower Valley Irrigated	\$3,000	to	\$5,200	Stable/Stable	\$65	to	\$85	Stable/Stable
Van Horn Irrigated Cropland	\$300	to	\$500	Stable/Stable	\$25	to	\$50	Stable/Stable

Big Bend Jeff Davis, Presidio and Brewster Counties

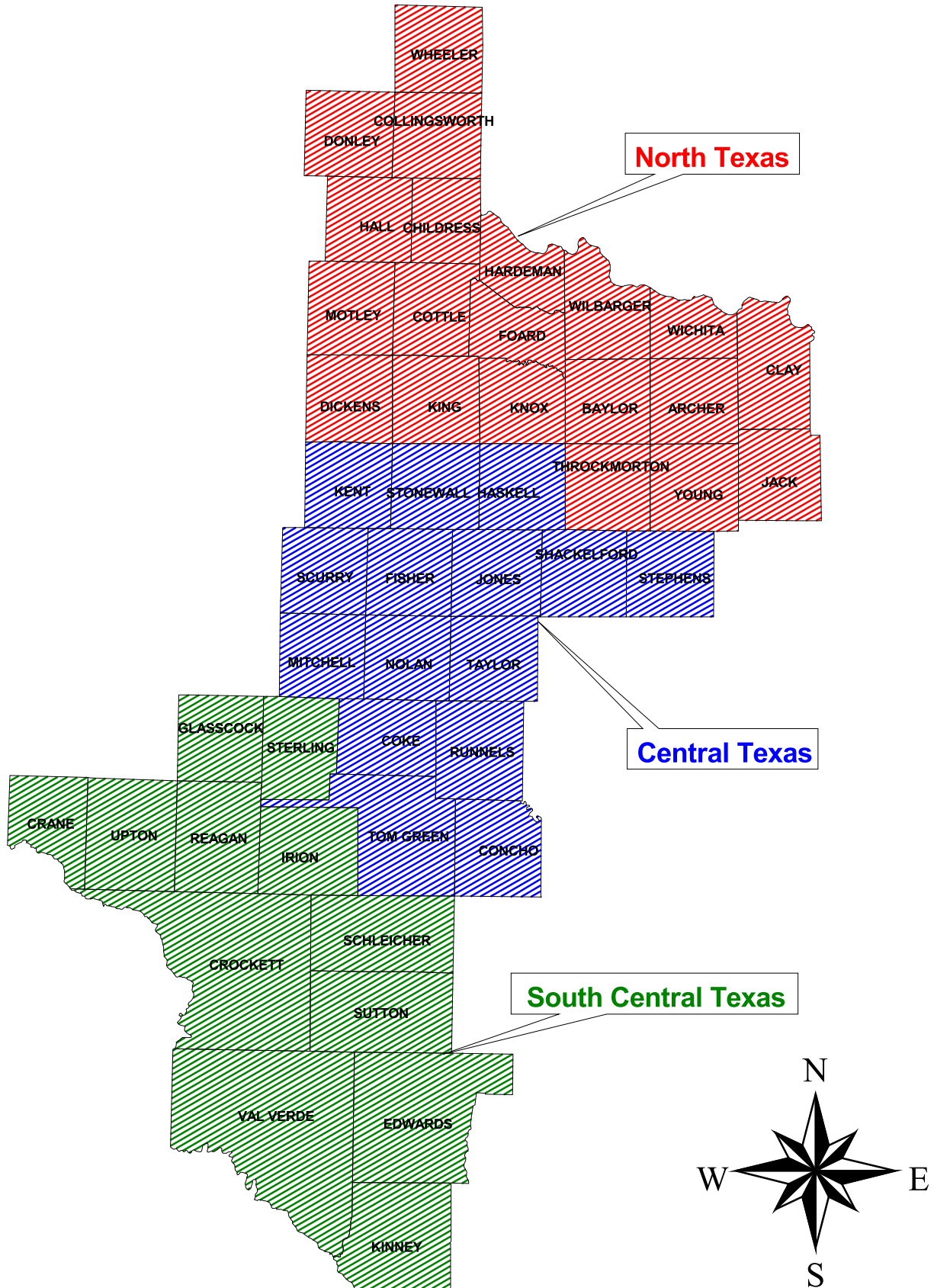
Davis Mountains Rangeland	\$400	to	\$480	Increase/Increase	\$3.25	to	\$5.00	Stable/Stable
Highlands Rangeland	\$450	to	\$880	Increase/Increase	\$2.50	to	\$2.75	Stable/Stable
Desert Mountains Rangeland	\$300	to	\$600	Increase/Increase	\$1.25	to	\$1.50	Stable/Stable

Trans-Pecos Reeves, Loving, Winkler, Ward, Pecos and Terrell

Rangeland*	\$225	to	\$2,045	Increase/Increase	\$0.50	to	\$1.00	Decrease/Decrease
Irrigated Cropland	\$1,080	to	\$1,375	Increase/Increase	\$10.00	to	\$25.00	Decrease/Decrease

* High value includes all minerals

Region #3



REGION THREE - NORTH, CENTRAL AND SOUTH CENTRAL TEXAS GENERAL MARKET CONDITIONS DURING 2008

Prepared By
Victor Probandt, ARA – Region Three Team Captain

Region Three encompasses a large area and stretches from the Texas-Oklahoma border, on the north, to the Rio Grande and Republic of Mexico, on the south. With the exception of Region Five, all of the other reporting regions abut at least a portion of Region Three. General highlights of the overall regional market precede brief discussions related to the area's three sub-regions.

- With regard to rangeland properties, some areas of the regional market were active during the first half of 2008, but there was little activity in the second half.
- With pastureland, several areas showed increases; however, the increase was primarily on the upper ends in the North and South Central Texas areas.
- “Surface only” sales continued to occur and minerals continued to exhibit high values. As such, sellers retain the minerals that they own.
- The reservation of wind rights has also continued. This was primarily in the Central Texas area, but was also noted to a degree in North Texas.
- Another market-area trend is an increased number of leases being based on a per head per month ratio rather than a price per acre basis. This arrangement has been done primarily by recreational property owners, who only want livestock during certain periods of the year and not during hunting season. This trend appears to be a more favorable method of leasing for both the lessor and the lessee as it allows greater flexibility for both parties.

North Texas

Archer, Baylor, Childress, Clay, Collingsworth, Cottle, Dickens, Donley,
Foard, Hall, Hardeman, Jack, King, Knox, Motley, Throckmorton,
Wheeler, Wichita, Wilbarger and Young Counties

Prices paid for ranch properties saw some increase in both Jack and Young counties, as these counties are in closer proximity to the Dallas/Ft. Worth metroplex. Overall, the other counties in North Texas were stable. Dryland and cropland increased slightly in early 2008. Again, this increase was in the first half of 2008 and was the result of high commodity prices.

Central Texas

Coke, Concho, Fisher, Haskell, Jones, Kent, Mitchell, Nolan, Runnels, Scurry,
Shackelford, Stephens, Stonewall, Taylor and Tom Green Counties

The market for pastureland increased and was active in the first half of 2008, but fell in the second half. The lower end of the land values remained the same, while the upper range increased slightly.

This increase was primarily in Shackelford and Stephens counties. It is noted that demand dropped significantly in the second half of 2008. Farmland prices were stable for 2008; the number of sales of cropland went down in both the third and fourth quarters of 2008.

South Central Texas

Crane, Crockett, Edwards, Glasscock, Irion, Kinney, Reagan, Schleicher,
Sterling, Sutton, Upton and Val Verde Counties

In this area, rangeland prices increased slightly, while farmland remained stable. As with the other areas, the increase in rangeland prices occurred in first half of 2008, with activity dropping significantly in the second half. Most of these properties sell surface only.

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Region 3 - North, Central and South Central Texas

Land Use or Class	Value Ranges	Activity/Trend	Rental Range	Activity/Trend
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North Texas

Wheeler, Donley, Collingsworth, Hall, Childress, Motley, Cottle, Hardeman, Foard, Wilbarger, Wichita, Clay, Dickens, King, Knox, Baylor, Archer, Throckmorton, Young and Jack Counties

Irrigated Cropland	\$700	to	\$1,200	Stable/Increase	\$40	\$50	Stable/Stable
Class II & III Dry Crop	\$500	to	\$1,000	Stable/Increase	\$35	\$50	Stable/Stable
Class IV & V Dry Crop	\$400	to	\$600	Stable	\$15	\$30	Stable/Stable
Rangeland >2,000 Acres	\$550	to	\$1,500	Stable/Increase	\$8	\$12	Stable/Stable
Rangeland <2,000 Acres	\$650	to	\$1,750	Stable/Increase	\$8	\$12	Stable/Stable
Hunting Lease Rangeland					\$3	\$12	Stable/Stable

Rangeland lease rates per animal unit year long range from \$150 to \$200

Central Texas

Kent, Stonewall, Haskell, Scurry, Fisher, Jones, Schackelford, Stephens, Mitchell, Nolan, Taylor, Coke, Runnels, Tom Green and Concho Counties

Irrigated Cropland	\$1,500	to	\$2,300	Stable/Stable	\$50	\$100	Stable/Stable
Class II & III Dry Crop	\$600	to	\$1,500	Stable/Stable	\$35	\$50	Stable/Stable
Class IV & V Dry Crop	\$450	to	\$700	Stable/Stable	\$25	\$40	Stable/Stable
Rangeland >2,000 Acres	\$650	to	\$2,000	Stable/Increase	\$5	\$13	Stable/Stable
Rangeland <2,000 Acres	\$750	to	\$2,200	Stable/Increase	\$5	\$13	Stable/Stable
Hunting Lease Rangeland					\$5	\$15	Stable/Stable

Rangeland lease rates per animal unit year long range from \$150 to \$200

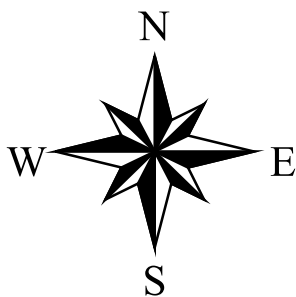
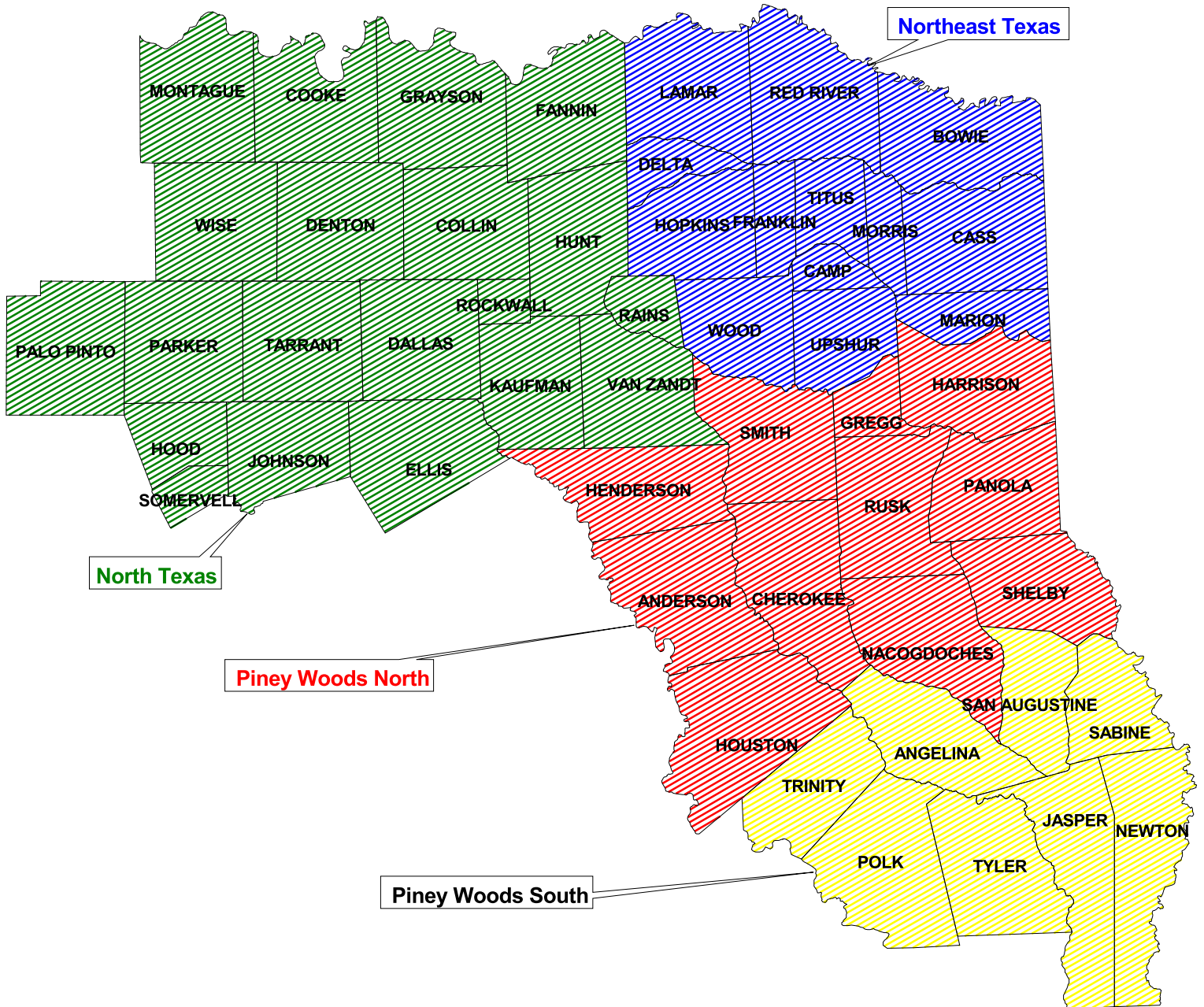
South Central Texas

Glasscock, Sterling, Crane, Upton, Reagan, Irion, Crockett, Schleicher, Sutton, Val Verde, Edwards and Kinney Counties

Irrigated Cropland	\$600	to	\$800	Stable/Stable	\$50	\$75	Stable/Stable
Dry Cropland	\$350	to	\$600	Stable/Stable	\$25	\$55	Stable/Stable
Rangeland > 2,000 Acres	\$250	to	\$1,400	Stable/Increase	\$4	\$10	Stable/Stable
Rangeland < 2,000 Acres	\$350	to	\$2,000	Stable/Increase	\$4	\$10	Stable/Stable
Hunting Lease (Rangeland)					\$2	\$15	Stable/Stable

Rangeland lease rates per animal unit year long range from \$150 to \$200

Region #4



REGION FOUR – NORTH TEXAS, NORTHEAST TEXAS AND PINEY WOODS GENERAL MARKET CONDITIONS FOR 2008

Prepared By
Charles S. “Scott” Seely, ARA – Region Four Team Captain

On the north and east sides, Region Four is bordered by the states of Oklahoma, Arkansas and Louisiana. The Dallas-Fort Worth metroplex is located in the west quadrant of the region; the Houston metropolitan area is located some eighty miles south of the region’s southern boundary.

Due to the diverse nature of the area, Region Four has been divided into four sub-regions. Highlights of the overall regional market precede a brief discussion of each sub-region.

- In most counties, prices have stabilized. Real estate brokers are reporting that properties are experiencing extended days on the market. Many report that a seller’s expectation of price exceeds the buyer’s willingness to pay. Demand is slower, but properly priced, high quality tracts continue to sell.
- Rental demand for pasture and recreational leases exceeds the supply.
- In many counties, the continuing subdivision of wooded and pasture tracts, into rural residential or recreational tracts, has almost eliminated sales larger than 300 acres.
- Wooded tracts, with good recreational qualities, will consistently command prices on par with good pasture.
- In the North and Northeast Texas areas, most buyers are from the Dallas-Fort Worth metroplex.
- In the Piney Woods, the influence of the International Paper, Louisiana Pacific and Temple-Inland sell-off has moved to long term or final users. Some of the “final users” have now re-sold their tracts at higher prices. In some areas, there have been slight increases, but the majority of the counties show stable prices.

North Texas

Cooke, Ellis, Fannin, Grayson, Hunt, Johnson, Kaufman,
Montague, Parker, Rains, Somervell and Van Zandt Counties

In that there is almost a total lack of rural lands in Dallas, Tarrant, Collin and Denton counties, these counties have not been considered in the development of the 2008 regional value trends. The transitional counties of Hood, Johnson, Parker, Rockwall and Wise are in a separate category. These fringe counties are becoming an extension of the Dallas-Fort Worth metroplex.

In the North Texas region, sales activity declined and the few sales show stability. The Barnett shale natural gas formation continues to influence the land market, to the northwest and southwest of Fort Worth, but to a lesser degree due to less drilling activity.

Northeast Texas

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

The Dallas metroplex remains the primary source of buyers for most properties, but the speculative segment of the demand is gone. The influx of buyers from Florida has stopped. Buyers, who were from New Mexico and the Texas Panhandle and were interested in the larger farms and ranches, slowed drastically following the decline in cattle and commodity prices. However, the few sales of larger tracts still showed extremely strong prices and most were sold by brokers working outside the area multiple listing services.

Interest in cropland is generally from adjacent farmers. Pasture tracts will still command a higher price, but the number of buyers has decreased dramatically. The timber component of the land market has taken a huge decline with the loss of demand for lumber from the general recession.

With very few exceptions, the number of sales has fallen back to the 2004 level. On the other hand, the asking prices are still generally over-priced. Thus far, there is no weakness in actual values, i.e., the general market has been fairly stable since mid 2007. It will be interesting to see if some of the larger farms and ranches, that sold for very strong prices and are mainly production oriented, can make their debt service at the current cattle and crop prices.

Piney Woods North

Anderson, Cherokee, Gregg, Harrison, Henderson, Houston, Nacogdoches,
Panola, Rusk, Shelby and Smith Counties

The Piney Woods North land market slowed during mid to late 2008, with prices becoming stable. It is noted that brokers report a lack of listings of good properties and that sellers have high price expectations.

There is not enough cropland in this region to have a separate classification.

Demand for pasture tracts is primarily from Dallas-area investors, coupled with some local market participants. The areas closer to the Dallas-Fort Worth metroplex experience the higher prices and also higher demand.

Hunting and recreation dominate this rural land market. Purchasers seek tracts of timberland with good interior roads, good surface water and woodland conducive to hunting. This strong demand, coupled with the decreasing number of acres available for lease, has caused hunting lease rates to generally increase.

Piney Woods South

Angelina, Jasper, Newton, Polk, Sabine, San Augustine, Trinity and Tyler Counties

The Piney Woods South market generally slowed; however, but some areas did see slight increases in price. Most properties showed increased sale times and stable prices. Sellers continue to ask higher prices. Brokers report a lack of quality, reasonably priced listings.

The land placed on the market by International Paper and Louisiana-Pacific has been absorbed. As in other areas, the original investors, who purchased from the companies, have sold to long term holders.

The demand for properties in the Piney Woods South is primarily from Houston-area buyers.

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Region 4 - North and Northeast Texas and Piney Woods North and South

Land Use or Class	Value Ranges	Activity/Trend	Rental Range	Activity/Trend
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North Texas Transitional Land

Wise, Parker, Rockwall, Hood and Johnson Counties

These counties are located in the transitional areas around Ft. Worth and Dallas. The properties sell for development purposes and also for homesite and recreational uses. Prices are have increased substantially in the past few years and are currently in the \$15,000 to \$25,000 per acre range for 100 to 400 acre tracts.

North Texas

Montague, Cooke, Grayson, Fannin, Hunt, Palo Pinto, Somervell, Ellis, Kaufman, Van Zandt and Rains Counties

Dry Cropland >200 Acres	\$1,500	to	\$4,500	Slower/Stable	\$30	to	\$50	Stable/Stable
Improved Pasture >200 Acres	\$1,500	to	\$4,500	Slower/Stable	\$15	to	\$30	Stable/Stable
Native Pasture >200 Acres	\$1,500	to	\$4,500	Slower/Stable	\$15	to	\$25	Stable/Stable
Hardwood Timber >200 Acres	\$1,200	to	\$2,500	Slower/Stable	\$6	to	\$12	Stable/Stable

These hardwood tracts reflect only fair timber quality and income is from hunting leases

Dallas, Tarrant, Collin and Denton Counties - Not included in development of value trends due to there being almost a total lack of rural lands within the counties

Northeast Texas

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

Class II Dry Crop >400 Acres	\$1,200	to	\$1,600	Slower/Stable	\$45	to	\$75	Stable/Stable
Class III Dry Crop >300 Acres	\$900	to	\$1,100	Slower/Stable	\$25	to	\$40	Stable/Stable
Improved Pasture >300 Acres	\$1,400	to	\$2,000	Slower/Stable	\$15	to	\$25	Stable/Stable
Native Pasture >300 Acres	\$1,000	to	\$1,500	Slower/Stable	\$10	to	\$15	Stable/Stable
Hardwood Timber >300 Acres	\$1,000	to	\$1,500	Slower/Stable	\$2	to	\$8	Stable/Stable

These hardwood tracts reflect only fair timber quality and income is from hunting leases

Piney Woods North

Henderson, Smith, Gregg, Harrison, Henderson, Cherokee, Rusk, Panola, Houston Nacogdoches, and Shelby Counties

Improved Pasture >300 Acres	\$1,500	to	\$4,000	Slower/Stable	\$15	to	\$30	Stable/Stable
Native Pasture >300 Acres	\$1,500	to	\$3,500	Slower/Stable	\$10	to	\$20	Stable/Stable
Upland Pine Timber >300 Acres	\$1,100	to	\$2,200	Slower/Stable	\$5	to	\$15	Stable/Stable
Bottomland Hardwood Timber >300 Acres	\$800	to	\$1,200	Slower/Stable	\$8	to	\$12	Stable/Stable

These pine timberland tracts reflect cut-over base land prices - merchantable timber is not considered

These hardwood tracts reflect only fair timber quality and income is from hunting leases

Piney Woods South

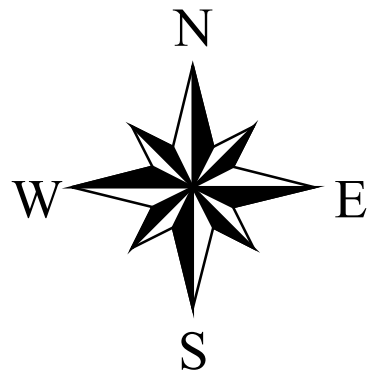
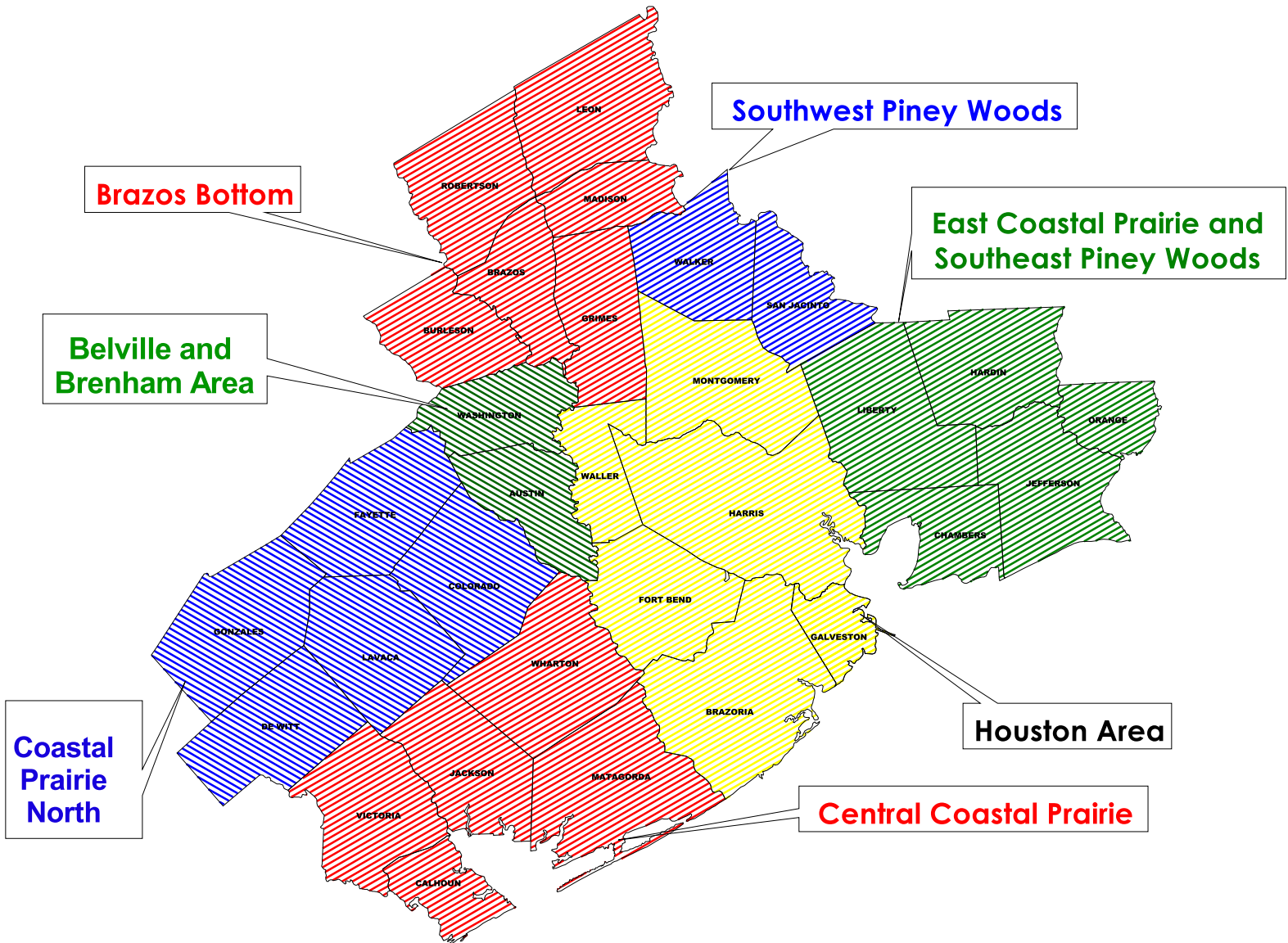
Trinity, Angelina, San Augustine, Sabine, Polk, Tyler, Jasper and Newton Counties

Improved Pasture >300 Acres	\$1,300	to	\$2,500	Slower/Stable	\$15	to	\$30	Stable/Stable
Native Pasture >300 Acres	\$1,300	to	\$2,000	Slower/Stable	\$10	to	\$20	Stable/Stable
Upland Pine Timber > 300 Acres	\$1,100	to	\$2,000	Slower/Increase	\$5	to	\$15	Stable/Stable
Bottomland Hardwood Timber >300 Acres	\$800	to	\$1,100	Slower/Stable	\$8	to	\$15	Stable/Stable

These pine timberland tracts reflect cut-over base land prices - merchantable timber is not considered

These hardwood tracts reflect only fair timber quality and income is from hunting leases

Region #5



**REGION FIVE – SOUTHERN PINEY WOODS,
COASTAL PRAIRIES AND BRAZOS BOTTOM
GENERAL MARKET CONDITIONS FOR 2008**

Prepared By
Wayne T. Young, ARA – Region Five Team Captain

Region Five is one of two regions in the State of Texas that fronts the Gulf of Mexico. Houston, the largest city in Texas, is located in Harris County and continues to dominate the region. It is noted that as Houston expands, areas north and west of the city, primarily the Woodlands and Katy areas, have become significant in their own right, with regard to impact on land value trends.

- The City of Houston, as well as the nearby densely populated areas, impacts all properties within Region Five to a significant degree. The most probable use of land, in counties adjacent to Harris County, has become end-user rural residential, large scale residential development or as holdings for residential development. The land uses, or classes, have overlapped into one class that is best described as “land in Houston’s growth path”.

Due to the extremes found in land prices in both Harris and Galveston counties, these two counties have not been included in the regional value/trend grid. While Harris and Galveston counties have not been included in the grid, it is worth noting that sales of large tracts used for residential development, in these counties and adjacent counties, have slowed significantly when compared to other types of properties and other areas.

- As the demand for recreational property in out-lying areas has increased, the differences associated with land types and uses, i.e., quality of pasture, etc., are having less impact on price. In most cases, native and improved pasture prices are tending to overlap significantly.

While the individual factors are difficult to isolate, in aggregate they do have an impact on price. More and more recreational properties can best be divided into poor, average and good. Factors that impact a property’s appeal change from area to area. The challenge, from an appraisal standpoint, is to know what combination creates the greatest value in a given area. In general, those tracts with varied topography, water features, trees and good access establish the upper end, while those tracts that are flat, open and with poor access establish the lower end. While not conclusive in the 2008 data, it appears that those tracts, at the lower end of the quality spectrum, have slowed more than those tracts at the upper end of the range.

- Due to limited availability, there still seems to be demand for large tracts of land. In harmony with this statement, the bulk of the demand seems to be for “good” quality tracts.
- The demand for large tracts has lessened the impact size has on per unit values. Historically, a tract sells for less per acre as the size increases. This consideration has decreased substantially and, in some markets, size ranges are essentially non-existent. Not only is size impacting price less than in the past, in some cases, it seems a premium is being paid for larger tracts.
- The following trend has remained unchanged for the last several years. Individuals in and around Houston have purchased farms and ranches in out-lying counties for investment,

recreation and use as weekend retreats. A major motivation for the purchase has been hunting, i.e., whitetail deer, bobwhite quail and water fowl. It is noted, however, that “quality of life” issues appear to have replaced hunting as the primary motivation for purchasing properties in the more scenic counties in the region, i.e., Austin, Washington, Fayette, Lavaca, Gonzales and northern Colorado.

- The liquidation of large East Texas timber holdings has generated an increase in activity in the area. While it appears the liquidation has slowed, the new land “in play” will continue to impact area price trends.
- Lease rates have remained essentially constant over the last several years and appear to be disconnected from price. It is noted that some cropland leases did increase as a result of higher commodity prices.
- As stated, most of Region Five is dominated by buyers from not only Houston, but the Woodlands and Katy. Essentially, land that is purchased is a combination of rural residential/recreational and/or investment property. In general, most area brokers indicate that activity slowed in 2008 and some said activity slowed significantly. Prices were not down, but a number of area real estate professionals claim “the phones aren’t ringing”.

Year-end 2008 asking prices did not reflect much, if any, price reduction. This in part explains some of the slow down in activity. Until sellers realize the market has slowed and allow asking prices and price expectations to reflect that, activity will most likely remain sluggish.

Eastern Coastal Prairie and Southeast Piney Woods Chambers, Hardin, Jefferson, Liberty and Orange Counties

In 2006, “Rural Residential/Agricultural” was added to the categories on the trend grid. This classification accounts for most tracts typically considered as a “hobby” farm. This property has been gaining in popularity as the timber tracts and large farms break up. Drainage is often a critical factor in that much of the area is low lying.

Because regional cropland sales continued to be very limited, the category is not on the trend grid. Most tracts, that were historically rice farms, are converted to pasture. There are a few transactions each year, but not enough to establish a trend. When idle cropland sells, it is not utilized as cropland after purchase. All prices categories remained essentially flat.

While prices in general have remained flat, tracts in the west part of this region near Houston and parcels in the east part of the region near Beaumont continued to increase in price. In most cases, one could argue the price change is more due to a change in land use toward denser residential than prices within a land category increasing.

As reported in previous reports, over the last few years, many large timber holdings have been liquidated in East Texas. The breaking up of these large tracts has had a lasting impact on land in the area. As the tract sizes decrease with further sales, this part of Texas will continue to gain in popularity. This is in part due to proximity of population centers. As Houstonians look west and north for land, they are running into people from San Antonio, Austin and the Dallas metroplex. Growth will continue in this direction as there is still a considerable supply of “new land”.

Southwest Piney Woods
San Jacinto and Walker Counties

The price difference between improved pasture and native range has shrunk, though very good improved pasture still commands a premium. "Rural Residential/Agriculture" lands and both improved and native pasture continue to increase in price, though there was a significant slow down in late 2008. Very few large pasture tracts are found in these two counties. As such, it is difficult to establish a pasture price trend and, for practical purposes, most pasture tracts "fit" in the Rural Residential/Agriculture classification. Buyers from the Woodlands continue to have significant influence in this market.

Young timber, i.e., under five years, has little, if any, contributory value. Some buyers show equal motivation for future appreciation and/or hunting as compared to timber prospects. Most tracts range from 150 to 600 acres. There is continued sentiment that timber is a "safe haven" for money.

The activity that Montgomery County has enjoyed, from Houston, pushes into Walker County. The growth of the Woodlands allows more individuals to live further north and still commute to work. Walker County continues to have a greater benefit from its proximity to Houston than that enjoyed by San Jacinto County.

Brazos Bottom

Brazos, Burleson, Grimes, Leon, Madison and Robertson Counties

Both the dryland and irrigated cropland markets are situated predominantly along the Brazos River or in the Brazos Bottom. Historically, there has been very little activity in the Bottom, with land seldom changing hands. The cultivated market has been reasonably stable with prices, represented by the few arm's-length transactions, being fairly consistent. Rents, for the most part, are at the same general levels. A few rental agreements, based on recent high commodity prices, were above the norm. The improved pasture and native range markets slowed considerably in the south part of the region. Leon and Madison counties remained active through 2008.

Unimproved wooded tracts, regardless of size, continued to sell, but at a slower pace than in previous years. Brazos and Grimes counties again account for most of the higher priced land. As noted in previous reports, Burleson County, the north end of Grimes County, Madison County and the east sector of Robertson County are gaining in popularity as land for sale becomes harder to find.

Houston Area

Brazoria, Fort Bend, Galveston, Harris, Montgomery and Waller Counties

There is essentially no cropland in the immediate vicinity of the Houston metropolitan area. Rural lands in this area tend to be grouped more by land that has been somewhat maintained and native land. The more aesthetically appealing tracts that have been either maintained or somewhat "fixed up" continue to command a premium. All other types tend to fall into a different land class that is at a slightly lower price. Land prices are reported to be moving upward at a strong rate, for all types of rural land.

As previously stated, both Harris and Galveston counties have been removed from the regional trend grid as there is essentially no open land not impacted by development. Land in this area is essentially one land class. Price is more a factor of location than type. Aesthetic appeal determines whether a tract sells high or low.

Fort Bend County continues to be the focus of much of the new commercial development along the U.S. Highway 59 corridor in the vicinity of Richmond and Rosenberg. The nearby communities of Needville, Beasley and Fulshear are seeing increased demand for acreage homesites, although the market for tracts being developed for single family residential subdivisions has slowed considerably. As the population continues to expand, the demand for rural properties is expected to increase.

Interest in rural properties within Brazoria County, especially the areas outside of the Damon, Rosharon, Angleton and Alvin markets, seem to have dwindled in 2008. The southern portion of Brazoria County is typically low-lying, with dense brush, and is perceived as being somewhat remote. This portion of the region has received the least demand with relatively few sales over the previous year.

Central Coastal Prairie

Calhoun, Jackson, Matagorda, Victoria and Wharton Counties

In 2008, the Central Coastal Prairie region was characterized by an overall reduction in the number of sales of rural properties. However, the reduction in number of sales did not result in an “across the board” drop in value trends for the region. Quality properties, offering strong aesthetics with good tree cover and/or live water sources, remained in high demand. The supply of marginal properties, offering little in the way of mature tree cover or aesthetic appeal, began “to build” on brokers listing sheets. Some areas, with high volumes of the “marginal” properties, have almost become stagnant, with potential buyers looking over many more options before making a purchasing decision or concentrating their search to areas with more abundant tree cover and recreational appeal. Tracts, which offer good quality recreational whitetail deer potential, are limited and command some of the highest premiums in the market.

Continuing the trend from previous years, overall planted rice acres continue to decline. An increase in the buyers of tracts with irrigation potential was noted, with primary interests being the development of waterfowl hunting and recreational landscaping.

As is with the previous year, rural residential tracts continue to be in high demand. Larger tracts purchased, in 2005 through 2007, have been subdivided and sold off into ranchette-style properties. Rural residential properties continue to be in limited supply.

Following a trend from previous years, it is noted that Houston is having a relatively significant influence on north and east Wharton County, most notably in the Hungerford area. While Houston’s presence is felt, it is not as dramatic as it is in the adjoining Fort Bend, Waller and Austin counties. The improved and native range category is combined. Many brokers from surrounding areas, where property available for sale is limited, have moved into this area.

North Coastal Prairie

Colorado, DeWitt, Fayette, Gonzales and Lavaca Counties

There is limited cropland in the counties above, with most concentrated in Colorado County. The few sales, that have occurred, suggest there is still some increased interest in cultivated tracts and prices have gradually increased throughout the year.

Improved pasture and native range sales were less active than in recent years, but were still changing hands. For the most part, prices increased moderately, but with a noticeable slow down toward the

end of 2008. Recreational tracts, in the 50-acre category, continued to increase, although more slowly than last year. North Colorado County saw a continued increase in demand, with buyers spilling over from Austin County due to a lack of properties. The upper end of the prices shown for native range, improved range and recreational land comes from the north part of Colorado County.

The southwest part of Fayette County saw a fairly significant increase in activity of large tracts and with strong prices being reported.

Bellville and Brenham Area
Austin and Washington Counties

There is very little cropland in these two counties. No price difference is apparent between native and improved tracts; the two categories have been combined for several years. The demand for improved pasture and native rangeland mitigated somewhat in 2008. It seems asking prices continued to increase, but that the increase in actual sales prices slowed considerably. With that said, prime recreational tracts continue to command a premium.

Driving forces creating value are trees, hills and views. After pairing area sales, a desirable recreational tract can sell for twice as much as an adjoining property due to aesthetics. The Region Five grid has a scenic category that combines some or all of the characteristics. The area around Sealy is predominantly flat, with less tree cover; this area sells for significantly less than the lands to the north. Marginal tracts, around Sealy, began to show some weakness toward the end of 2008.

The recreational appeal of the rolling hills, to the Houston buyer, has resulted in a very strong demand on the part of purchasers for “weekend” ranchettes in the 100 to 200-acre size. Prices for this type property have risen dramatically over the last several years. While the price appreciation has slowed, the demand for these tracts continues to be strong.

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Region 5 - Southern Piney Woods, Coastal Prairies and Brazos Bottom

Land Use or Class	Value Ranges	Activity/Trend	Rental Range	Activity/Trend
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Eastern Coastal Prairie and Southeastern Piney Woods Liberty, Hardin, Chambers, Jefferson and Orange Counties

Rural Residential/Ag 50-150	\$1,200	to	\$5,000	Slow/Stable	\$10	to	\$15	Stable/Stable
Improved and Native Pasture	\$1,000	to	\$2,500	Slow/Stable	\$8	to	\$15	Stable/Stable
Bottom Timber	\$650	to	\$1,000	Slow/Stable	\$5			Stable/Stable
Upland Timber	\$1,000	to	\$1,750	Slow/Stable	\$5			Stable/Stable
Marsh	\$350	to	\$400	Slow/Stable	\$3			Stable/Stable

Southwestern Piney Woods Walker and San Jacinto Counties

Rural Residential/Ag 50-100	\$2,600		\$8,000	Stable/Up				
Improved and Native Pasture	\$2,500	to	\$3,500	Stable/Up	\$10	to	\$15	Stable/Stable
Bottom Timber	\$1,200	to	\$1,500	Slow/Stable	\$6	to	\$10	Stable/Stable
Upland Timber	\$1,500	to	\$3,000	Slow/Stable	\$6	to	\$10	Stable/Stable

Brazos Bottom Brazos, Robertson, Burleson, Leon, Madison and Grimes Counties

Irrigated Cropland	\$1,800	to	\$2,200	Slow/Stable	\$60	to	\$100	Stable/Stable
Dry Cropland	\$1,600	to	\$1,800	Slow/Stable	\$25	to	\$50	Stable/Stable
Improved and Native Pasture	\$2,800	to	\$5,000	Slow/Stable	\$15	to	\$20	Stable/Stable
Rural Residential/Ag 50-100	\$2,700	to	\$10,000	slow/up				

Houston Area Waller, Montgomery, Fort Bend and Brazoria Counties

Improved and Native Pasture	\$3,000	to	\$7,500	Slow/Stable	\$10	to	\$15	Stable/Stable
Rural Residential/Ag 50-100	\$7,000	to	\$15,000	Slow/Stable				

Harris and Galveston Counties - Removed from grid as there is essentially no open land not impacted by development

Central Coastal Prairie Victoria, Jackson, Wharton, Calhoun and Matagorda Counties

Irrigated Cropland	\$1,400	to	\$2,200	slow/up	\$60	to	\$110	Stable/Stable
Dry Cropland	\$1,200	to	\$2,000	slow/up	\$35	to	\$65	Stable/Stable
Improved and Native Pasture	\$1,300	to	\$4,500	slow/stable	\$10	to	\$20	Stable/Stable
Rural Residential/Ag 50-100	\$1,800	to	\$5,500	slow/up				

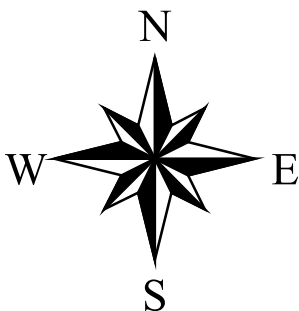
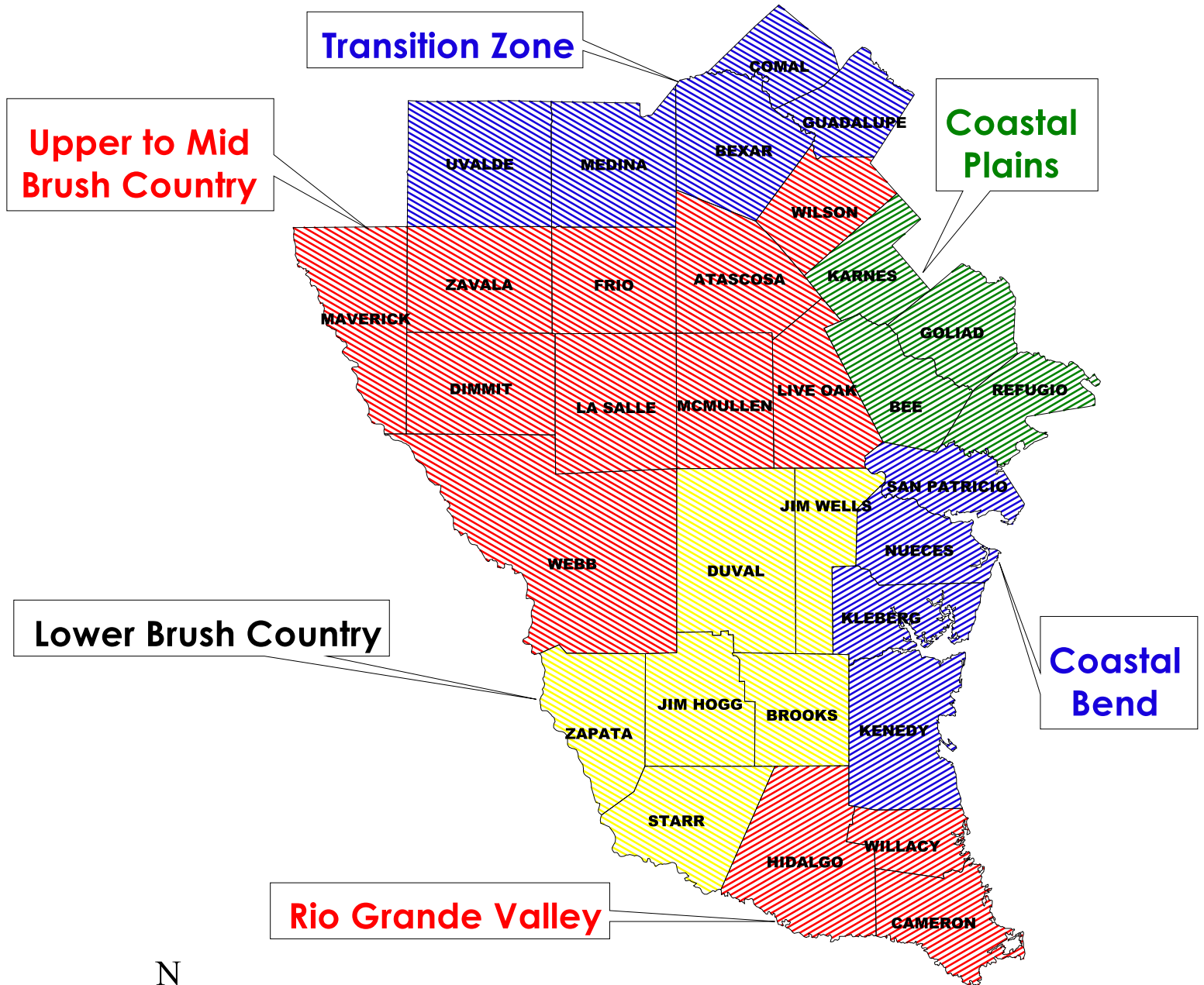
Coastal Prairie - North Gonzales, Fayette, DeWitt, Lavaca and Colorado Counties

Irrigated Cropland	\$1,400	to	\$1,600	Slow/Stable	\$45		\$70	Stable/Stable
Dry Cropland	\$1,400	to	\$1,800	Slow/up	\$30		\$60	Stable/Stable
Improved and Native Pasture	\$2,150	to	\$4,400	Slow/Stable	\$12		\$20	Stable/Stable
Rural Residential/Ag 50-100	\$4,000	to	\$10,000	Slow/up				

Bellville and Brenham Areas Washington and Austin Counties

Scenic Recreational Land	\$8,000	to	\$15,000	Slow/Stable				
Rural Residential/Ag 50-100	\$4,500	to	\$10,000	Slow/Stable				
Improved and Native Pasture	\$4,000	to	\$6,500	Slow/Stable				
Sealy Area	\$4,000	to	\$6,500	Slow/Stable				

Region #6



**REGION SIX – HILL COUNTRY, SOUTH TEXAS, COASTAL PLAINS,
COASTAL BEND AND RIO GRANDE VALLEY
GENERAL MARKET CONDITIONS FOR 2008**

Prepared By
Merrill E. Swanson, ARA – Region Six Team Captain

Region Six is comprised of the southern portion of Texas including the southern fringe of the Edwards Plateau, portions of the Coastal Plains and Coastal Bend, the South Texas Brush Country and the Rio Grande Valley. Counties in this region are those between Comal and Cameron, on a north/south basis, and between Refugio and Maverick, on an east/west basis. The region is bound by the Gulf of Mexico on the east and the Republic of Mexico on the west.

Over the past decade, the South Texas region was one of the most dynamic land markets in Texas. The region appears to have stabilized in late 2007 and early 2008.

- Market Activity – Like the second half of 2007, the 2008 market was “spotty” with a few scattered “hot” areas. 2008 broker activity was reported to be moderate. Most sales volume and demand were down from the 2005-2007 levels. However, a limited number of sizeable transactions took place.

The meltdown of the capital markets, tightening of credit, November presidential election and pending national recession have a number of buyers “on hold”, waiting to see what was in store. The national economic crisis took a number of potential ranch buyers out of the market as these individuals still in security-based investments and must wait for their investments to recover before they can sell and move into an alternative investments of land. A number of land sale negotiations did not lead to a consummated sale, even after significant professional fees and time had been incurred. In fact, a number of ranch sales, in contract with the title company, are not closing.

- Land Values/Land Pricing – Throughout most areas in South Texas, farm and ranch asking prices, which were posted on electronic advertising mediums, have typically been reduced on a regular basis beginning in the third quarter of 2008. Many of these ranch offerings were aggressively priced and may be re-priced in closer alignment with the perceived level of market value. Ranches, which were marketed at aggressive pricing, have suffered extensive marketing periods.

It appears that there is a different perception of value between buyers and sellers. Most buyers are resistant to current levels of asking prices and are typically insistent on a significant price discount, while most sellers are not willing to reduce pricing to the requested level.

Several sales and land offerings are under pressure to sell; however, this is not the majority of available land for sale. Land values appear to be holding steady, for the most part, and generally are in alignment with 2007 levels.

- Sellers – Long-term land owners have witnessed the highest level of rural land pricing that they have ever experienced; as a result, some decided to sell. A number of long-term owners may have large fragmented families. Many of the absentee co-owners may have limited

interest in the land. If the properties are bringing an economic return through oil and gas royalty or crop production income, an absentee land co-owner may be more patient and willing to hold on to the land. If there was only limited income, many absentee land owners looked favorably on high land values and decided to sell.

Sellers were concerned over political risk and uncertainty related to the presidential election, and a possible change in capital gains rates and estate tax rates. A number of land owners, who were contemplating a sale, were motivated to take equity out of their farms and ranches prior to a potential increase in capital gains taxes as well as a potential increase in estate taxes. A number of sellers paid the capital gains tax rather than a tax free exchange because they believe the rate will rise.

With the economy slowing, it is understood that there are certain ranch owners under pressure to sell. Some of these investors are developers, owners of contracting businesses, and others whose business has slowed. As a result, various assets, including ranches, are put up for sale to supplement the required capital infusion for their businesses.

1031 Tax Deferred Exchanges continued to be fairly popular; however, as noted, certain land sellers paid the capital gains tax. High land prices continued to put pressure on “land rich-cash poor” owners for estate tax purposes. There continued to be estates that had to sell land to pay estate taxes.

- Buyers – Investors and end users remain the two buyer categories and continued to be the main sources of demand. Buyers include successful businesspeople in the various sectors enjoying economic prominence, including oil and gas, real estate and other fields. A number of buyers may have sold a ranch and are currently looking for a replacement property. Certain “ag” landowners in transition areas sold high-priced land and then re-invested in replacement land in lower-priced areas. The impact of high petroleum prices often funded ranch purchases by those in the oil and gas business.

Most buyers were very cautious and moved slowly and deliberately to close transactions, with some buyers taking “a wait and see” attitude in light of national economic events. Buyers appeared to be more price sensitive and looked in areas of better perceived value. Certain buyers are back in the market looking at land and offering cash and a quick close, but expecting a deep discount related to price.

High commodity prices shed favorable light on demand for farmland. Buyers of farmland continued to be farmers. There was renewed interest by agricultural REIT's.

- Demand for Ranches – Recreational demand continues to lead the way in the most coveted hunting areas and spread into more traditional agricultural/ranching areas having native game and/or other recreational opportunities. Demand for standard ranches was moderate, with demand for “finished/turn-key” ranches being good as long as the price was not overly aggressive.

Hunting ranches, with improvements and established game management present, continued to command premiums; many investors wanted “ready to go” properties. As such, top end ranches with all of the amenities sold while other more standard ranches are still for sale. Standard ranches acquired for land infrastructure enhancement and later resale are requiring longer marketing times and in a number of cases are still for sale.

Active ranch brokers reported a handful of active qualified buyers. There appears to have been an increase in the number of farms and ranches advertised on the various online and printed advertising mediums. Marketing periods for most land increased over 2007. The market has changed from a “seller’s market” to a “buyer’s market”.

- Demand for Farmland – Farmland buyers were active and more so than in the past several years with the farm economy being generally better than in many years due to recent high commodity prices. High commodity prices encourage farmland producers and investors. Some investors bought good farmland for a steady return, along with farm program benefits and appreciation potential. Demand for farmland was stable to increasing, with land typically purchased by farmers.

2007 was a good year for most farmers due to high commodity prices, with certain farmers buying equipment and nearby land in 2008. However, the farm economy is somewhat mixed with high fuel and input costs. If producers made a crop, they were most likely able to sell at a good level of price; however, producer profits were tempered with high input costs. There continues to be concern over political risk relative to the future direction of the USDA commodity program, which has farmland investors and operators alike expressing some reservations about investment decisions.

South Texas properties, with Conservation Reserve Program (CRP) payments, were in demand. Bio-diesel and ethanol prospects have increased corn pricing, along with corresponding farmland pricing and rents in the Midwest United States. As a result, there has and will be an increased level of interest in the best farmland areas of South Texas.

Water rights speculation has inflated irrigated farmland prices in the farming areas near San Antonio. A very defined water rights market is present in the Edwards Aquifer area, with transferrable rights selling separately from the land and the base water rights. Markets for water from the Carrizo Wilcox and Gulf Coast aquifers are also developing, as evidenced by recent transactions in both resource areas.

- Demand for Subdivision Development Land – This market segment stabilized in 2007. Most national home builders have slowed new development in most areas of Texas. Credit tightening and sub-prime lending problems have impacted the residential real estate markets.
- Financing – Available credit to land buyers has tightened, with lenders being more cautious. Interest rates rose. A number of existing ranch owners, who have debt, refinanced loans. It is understood that the required equity portion of a financed transaction has risen for most ag lenders. With the market slowing, owner-financed transactions may be on the increase.
- Minerals – Most South Texas properties were offered with limited minerals or as surface estate only. With oil prices increasing to approximately \$140 per barrel, oil and gas drilling continued to be very active through the third quarter of 2008. Leasing and seismic activity were also active during the same time. When crude oil and natural gas prices began their decline in late 2008, oil and gas drilling and leasing slowed. It is understood that certain large mineral lease blocks were released and drilling programs were delayed or “put on the shelf”. Drilling rigs are reportedly being stacked at the lower level of petroleum prices. With a stabilized market, certain buyers are demanding partial minerals from sellers to acquire land. Certain sellers are having to meet buyer demands related to minerals to consummate a transaction.

Transition Zone between the Texas Hill Country and the Upper Brush Country Atascosa, Bexar, Comal, Guadalupe, Medina, Wilson and Uvalde Counties

Historically, the primary investment motive for large tracts, in counties adjoining Bexar County and the City of San Antonio, is for residential subdivision development. Uvalde County is less influenced by residential subdivision pressure due to its location being over one hour west of San Antonio.

Growth in West Bexar County has stabilized. National residential development companies have extensive unsold lot inventories. East Medina County also experienced development pressure and growth.

The proposed Texas A&M campus, on the south side of San Antonio, will have a positive effect on south Bexar County and the northern sectors of Atascosa and Wilson counties, which are positively influenced by the resurgence of interest in the south and west sectors of Bexar County.

The Toyota Tundra truck plant is in operation in South Bexar County. Land near Toyota increased in value.

Demand for recreational land was fairly good. Live water features are a driving force for recreational properties located along the edge of the Texas Hill Country. Weekend recreational ranches are common in the Transition Zone due to the short driving distance to San Antonio.

Demand for farmland in Bexar, Comal and Guadalupe counties was stable, but not nearly as great as for recreational or investment lands. Open farmland, in the San Antonio area, may be “prime” for high density residential development as long as public utilities are nearby. Many open tracts of farm and pasture lands are purchased for development. Overall, western Medina County and Uvalde County generally have less intense land uses and good recreational appeal.

Water rights speculation has positively impacted farmland pricing in Bexar, Medina and Uvalde counties. Irrigated farms with good Edwards water rights are in demand. Irrigated farms with Carrizo irrigation water are more in demand today than they were last year, with an increasing number of the transactions including a reservation of a portion of the water rights that are in the Carrizo Aquifer.

The market for Edwards water rights, in Bexar, Atascosa, Medina and Uvalde counties, was extremely active in 2007. In 2008, the Edwards Aquifer Authority reported fifty sales and twenty-five leases of Edwards Aquifer pumping rights. Sales totaled just over 7,700 acre feet at prices mostly from \$5,000 to \$5,500 per acre foot. Leasing activity totaled almost 2,300 acre feet, with approximately 665 acre feet going to irrigation, just under a 1,000 acre feet going to municipal use at prices up to \$137 per acre foot, and just over 600 acre feet going to industrial use at prices up to \$500 per acre foot.

In addition to the Edwards activity, significant amounts of Carrizo/Wilcox aquifer water has been sold and leased to San Antonio and other municipal users during 2008.

San Antonio Water System (SAWS) agreements with landowners in Gonzales County to lease just over 3,900 acre feet of water from the Carrizo/Wilcox at \$62.50 per acre foot, which will be paid the first year that SAWS produces water. It is noted that there are escalation clauses. These leases are for a twenty-year primary term and include a right of first refusal to the purchase the land under which the water is located.

Upper South Texas (Upper to Mid Brush Country)

Dimmit, Frio, La Salle, Live Oak, Maverick,
McMullen, Webb and Zavala Counties

Recreational hunting is the primary source of demand for land – this area has an excellent reputation for good trophy deer and upland bird hunting. Active land trading has generally leveled out. Overall, demand and achievable sale pricing for ranches stabilized.

For a number of years now, land stewardship practices have been more focused on the balance of livestock and wildlife. However, in some instances, new ranch owners are abandoning traditional grazing of livestock and concentrating strictly on wildlife.

2008 was a severe drought year following the heavy rainfall year of 2007. Some ranches caught some late summer rains, while others received almost none. Demand for “turn-key” game-managed ranches continued to be strong for a select few.

A number of ranches are high fenced and game managed. Deer breeding programs, along with trap and transport programs, are popular. Many ranches have MLD permits (Managed Lands Deer Permits) which allow for extended hunting seasons and give land owners time to achieve wildlife management goals. The deer operations are used to enhance trophy buck genetics. Hunting lease prices remained strong, i.e., especially for ranches with good game management. As a result of increasing hunting lease rates, along with the “hassle factor” of being a tenant on a highly regulated property, a number of upper-end hunting lessees decided to buy their own ranches.

Subdivision development in the area has leveled out. Farmland pricing has stabilized.

Lower South Texas (Lower Brush Country)

Brooks, Duval, Jim Hogg, Jim Wells, Starr and Zapata Counties

Lower South Texas has a similar level of demand for land compared to Upper South Texas. This is one of the most popular hunting areas in South Texas. Land prices have stabilized. Ranch investors are willing to drive further to these good hunting areas, with hopes of finding lower land pricing and large blocks of native land.

Farmland pricing is considered to have remained stable. Starr County farms, in the more remote areas, offer certain recreational appeal, if they adjoin low fenced brush properties.

Coastal Plains

Aransas, Bee, Goliad, Karnes and Refugio Counties

This area has a long history of being popular with Houston and Corpus Christi investors, with recreational lands being the most active category. Many Houston investors look closely at this area because of a shorter drive, when compared to the balance of South Texas. The blend of live oaks and South Texas brush found in this area is very appealing to a large market segment.

Bee and Goliad are the most active counties in this market. It is, however, noted that Karnes County typically relates more to San Antonio investors. It appears that land pricing has generally become consistent for the live oak covered portions of the area, from Bee and San Patricio counties up to Jackson and Lavaca counties (just north/northeast of Victoria).

Coastal Bend

Kenedy, Kleberg, Nueces and San Patricio Counties

The primary demand is for recreational properties with deer and bird hunting amenities. Land rarely sells in the lower portion of this area due blocks of large ownerships. San Patricio County land pricing generally parallels land pricing in the adjoining Bee County and nearby Goliad County.

2008 was a fair crop year for area dryland farmers due to dry weather conditions. Demand for farmland continued to be stable to increasing, with the higher commodity prices. Investors typically are producers or agricultural investment groups. The best land rarely becomes available because most of the farmland ownership is by long-term tenure. Demand for large blocks of farmland is good, but there is a limited supply of “top shelf” quality farmland, especially in large tracts. With low stock market returns, farmland is viewed as a long-term investment alternative that has a return and some appreciation potential.

Rio Grande Valley

Cameron, Hidalgo and Willacy Counties

The rural portions of this three-county area are largely production agriculture driven, with the demand for the best classes of cropland demonstrating increased demand. The farmland is generally purchased by producers or large corporate land trusts; demand for the best irrigated land is typically equal to demand for the best dry cropland.

Various Rio Grande Valley realtors continue to report active interest in larger dryland tracts, in the Harlingen/Raymondville area, with both prices and rents moving up. The better quality drycrop land is often closely held and only a few transactions of any size have occurred. The unusually good market conditions for Valley citrus products are as a result of relatively recent Florida and California disasters; this situation has spurred new plantings, along with renovation of older plantings. Expectations for continued good citrus market conditions, through 2009, are likely to encourage additional investments in Valley citrus properties.

The market for Rio Grande water rights continues to be active; several recent sales of “river farms” have occurred in which the water right were reserved by the seller and leased back to the purchaser for an initial term of five years, without options to extend the leases. The holders of these rights report that they anticipate significant appreciation in the value of the rights due to development pressures. When land is taken out of agricultural production and developed, the developer must give the municipality a specified amount of water rights. In many cases, the developer must buy water rights on the open market to fulfill this need. Rio Grande water leasing, in 2008, was active with over 16,000 acre feet reported at prices ranging from \$50 to \$100 per acre foot for irrigation water and \$200 to \$600 per acre foot for municipal and/or industrial uses. Water rights sales generally ranged around \$2,500 per acre for Class A rights and with Class B rights in the \$1,500 range.

In the recent past, a significant trend is for agricultural lands close to Edinburg, McAllen, Mission, etc., to be converted into residential developments. However, much subdivision is on hold due to “sub-prime” lending problems in the Rio Grande Valley. Demand for subdivision land is generally flat. Subdivision development is less prevalent in Willacy County.

Recreational ranches still have excellent demand. There are few available ranches for sale in the Valley due to the large, long-held ownerships in the northern reaches of the area. Many of the Rio Grande Valley land investors are local buyers.

The construction of the “Border Fence” is underway in the McAllen area and is beginning in the Brownsville area. This development is a source of significant controversy since the fence is located north of the IBWC Levee and is limiting access to significant portions of the river farms below the levee. The impact of this development is not yet evident on land values, along the river, but will likely become clear as the fence is completed.

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**Region 6 - Hill Country, South Texas, Coastal Plains
Coastal Bend and Rio Grande Valley**

Land Use or Class	Value Ranges	Activity/Trend	Rental Range	Activity/Trend
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**Transition Zone
Atascosa, Bexar, Comal, Guadalupe, Medina, Uvalde and Wilson Counties**

Class I Irrigated Crop*	\$2,100 to \$3,000	Stable/Stable	\$75 to \$150	Stable/Stable
Class II Dry Crop	\$1,350 to \$2,500	Stable/Stable	\$20 to \$60	Stable/Stable
Permanent Pasture	\$1,750 to \$2,750	Stable/Stable	150/AU	Stable/Stable
Rangeland <2,000 Acres	\$1,400 to \$6,500	Stable/Stable	150/AU	Stable/Stable
Rangeland >2,000 Acres	\$1,350 to \$3,500	Stable/Stable	150/AU	Stable/Stable
Development Land**	\$3,500 to \$35,000	Down/Down	150/AU	Stable/Stable
Transferable Edwards*** Aquifer Water Rights	\$5,000 to \$5,500	Active/Up	\$99 to \$140	Active/Up
Hunting Lease			\$8 to \$20	Stable/Stable

Value ranges are generally reflective of partial mineral transactions.
 *Speculation on water rights in Bexar, Medina and Uvalde counties.
 Live water features or subdivision development potential increases the achievable pricing throughout region.
 **A number of Bexar County area farms are being acquired for subdivision development.
 *** 5 year leases \$99 to *105/Acre Fee; 10 year leases \$115 escalating to \$140 Acre Feet in the last 5 year term.

**Upper South Texas - Upper to Mid Brush Country
Dimmit, Frio, La Salle, Live Oak, Maverick, McMullen, Webb & Zavala Counties**

Class I Irrigated Crop	\$2,000 to \$2,500	Active/Stable	\$75 to \$150	Active/Stable
Class II Irrigated Crop	\$1,650 to \$1,900	Active/Stable	\$70 to \$135	Active/Stable
Class II & III Dry Crop	\$1,300 to \$1,500	Active/Stable	\$15 to \$30	Active/Stable
Permanent Pasture/Improved Pasture	\$1,400 to \$2,200	Stable/Stable	\$150/AU	Stable/Stable
Rangeland <2,000 Acres	\$1,300 to \$2,850	Stable/Stable	\$150/AU	Stable/Stable
Rangeland >2,000 Acres	\$1,200 to \$2,500	Stable/Stable	\$150/AU	Stable/Stable
Hunting Lease (Rangeland)			\$10 to \$20	Stable/Stable

Value ranges are generally reflective of partial mineral or surface only transactions; few tracts sell with significant minerals in this market.

**Lower South Texas - Lower Brush Country
Brooks, Duval, Jim Hogg, Jim Wells, Starr & Zapata Counties**

Dry Cropland	\$900 to \$1,800	Stable/Stable	\$20 to \$30	Stable/Stable
Rangeland <2,000 Acres	\$1,300 to \$2,700	Stable/Stable	\$150/AU	Stable/Stable
Rangeland >2,000 Acres	\$1,200 to \$2,400	Stable/Stable	\$150/AU	Stable/Stable
Hunting Lease (Rangeland)			\$8 to \$20	Stable/Stable

Value ranges are generally reflective of surface only transactions; few tracts sell with significant minerals in this market.

**Coastal Plains
Aransas, Bee, Karnes, Goliad & Refugio Counties**

Class II & III Dry Crop	\$1,000 to \$1,500	Stable/Stable	\$25 to \$45	Stable/Stable
Permanent Pasture & Improved Pasture	\$1,150 to \$2,000	Stable/Stable	\$150/AU	Stable/Stable
Rangeland <2,000 Acres	\$1,700 to \$2,750	Stable/Stable	\$150/AU	Stable/Stable
Rangeland >2,000 Acres	\$1,500 to \$2,300	Active/Up	\$150/AU	Stable/Stable
Hunting Lease (Rangeland)			\$8 to \$15	Stable/Stable

Value ranges are generally reflective of partial mineral or surface only transactions; few tracts sell with significant minerals in this market.

**Coastal Bend
Kenedy, Kleberg, Nueces & San Patricio Counties**

Class I Dry Crop	\$1,650 to \$2,250	Stable/Stable	\$60 to \$100	Stable/Stable
Class II Dry Crop	\$1,200 to \$1,800	Stable/Stable	\$25 to \$50	Stable/Stable
Rangeland	\$1,700 to \$2,700	Stable/Stable	\$150/AU	Stable/Stable
Hunting Lease (Rangeland)			\$10 to \$20	Stable/Stable

Value ranges are generally reflective of surface only transactions; few tracts sell with significant minerals in this market.

**Rio Grande Valley
Willacy, Cameron and Hidalgo Counties**

Class I Irrigated Crop	\$3,500 to \$4,100	Stable/Up	\$90 to \$135	Stable/Up
Class II Irrigated Crop	\$2,200 to \$3,400	Stable/Up	\$50 to \$75	Stable/Up
Class I Dry Crop	\$1,600 to \$2,300	Stable/Up	\$65 to \$90	Stable/Up
Class II Dry Crop	\$1,200 to \$1,500	Stable/Up	\$35 to \$65	Stable/Up
Permanent Pasture	\$1,500 to \$2,250	Stable/Up	\$150/AU	Stable/Up
Rangeland	\$1,750 to \$3,850	Stable/Up	\$150/AU	Stable/Up
Hunting Lease (Rangeland)			\$10 to \$20	Stable/Stable

Value ranges are generally reflective of surface only transactions; few tracts sell with significant minerals in this market.

**REGION SEVEN - GRAND PRAIRIE, CENTRAL BASIN, BLACKLANDS,
POST OAK BELTS, EDWARDS PLATEAU AND HILL COUNTRY
GENERAL MARKET CONDITIONS FOR 2008**

Prepared By
Wendell Wood, ARA – Region Seven Team Captain

Region Seven forms the central core of the State of Texas. The geographic center Texas is in this region, at a point some fifteen miles northeast of Brady, the county seat of McCulloch County. Highlights for the overall market precede a brief discussion related to each of the sub-regions.

- Sales volume for the year was notably down for 2008 as compared to 2007, with volumes in the second half of the year being especially low.
- In 2008, for most land classes, sales prices were generally stable throughout the region, cultivated acreage showed firmer prices.
- Recreational use of land, primarily hunting, continued to be a primary influence in the mind of buyers. Investment is also a significant motivating factor and is often in conjunction with recreational use.
- Buyers from throughout Texas continued to be present in the region's land market. The number of 1031 tax deferred exchange purchases slowed due to lower sale volumes in the urban markets.
- The aesthetic characteristics of the land, i.e., views and live water, continue to be an important factor in the formation of land values. Productivity characteristics come into play for cultivated lands, with buyers often being established area producers.
- Buyer motivation to purchase and retain rural land seems to be reinforced by diversification of investments. Market participants noted some buyers are motivated by concerns over the potential for long-term inflation.
- During the last half of 2008, the sharp drops experienced in the equity markets limited buyers' available funds for rural land purchases. A number of transactions reportedly failed due to lower stock market prices and concerns over the national economy.

Southern Grand Prairie

Callahan, Eastland, Erath, Coleman, Brown and Comanche Counties

In 2008, the Southern Grand Prairie had a less active market. Sales activity remained moderate in the western areas, with sales prices being stable. Similar trends were noted in the eastern portion of the region. Drought conditions plagued the area for much of the year; this factor reduced the overall aesthetic appeal of the area. Value trends remained stable to slightly higher in each land class. Buyers are predominately motivated by recreational activities along with investment.

In general, land values tend to increase as one moves from west to east, with the higher values being associated with properties in counties in closer proximity to the Dallas-Fort Worth metroplex. Erath County enjoys the benefits of its location with respect to Fort Worth, but also has support provided from buyers within the Stephenville area who are seeking recreational homesites.

Central Basin

McCulloch, San Saba, Mills, Hamilton, Lampasas and Llano Counties

Land sales activity was down for the year as compared to 2007, with the second half being notably weaker. Investment and recreational uses continued to be the primary motivating factors behind most land purchases; recreational uses include hunting and general enjoyment of the outdoors. Land values tend to increase as one moves from the west to the east.

The Central Basin includes Llano County in which recreational buyers have historically sought properties for deer hunting. The Highland Lakes influence sales prices with lake proximity impacting buyer's purchase decisions. The higher values in Llano County continue to support land values in the northern portions of the Central Basin. Hamilton County, on the northeast side of the sub-region, has shown stable trends over the past year, with Dallas-Fort Worth metroplex buyers continuing to be present. Sellers were reported to have been more negotiable on price than in the preceding year.

Central Blacklands, Grand Prairie and Post Oaks within a 50-Mile Radius of Waco

Bosque, Hill, Navarro, Coryell, McLennan,
Limestone, Freestone, Bell and Falls Counties

This area is generally influenced by the major population centers of Dallas, Fort Worth and Austin, with secondary influence coming from residents of Waco, Temple and Killeen. The northern portion of the region represents the area with the strongest demand and is generated by its location relative to Dallas-Fort Worth buyers seeking recreational land and retirement properties. The southeast areas tend to provide the lower range of values due to their more remote locations with respect to the major metro centers.

During 2008, sales activity was weaker. In general, land values tend to be higher along and near the IH-35 corridor and the neighborhood's population centers.

The Central Blacklands and the Grand Prairie areas are noted as containing significant cultivated acreage. Cropland is noted as having been the primary land class showing strength in 2008 as high commodity prices provided additional acquisition funds. Following historic trends, the amount of cultivated acreage placed on the market remained low. The last half of 2008 showed signs of diminishing buyer activity with a corresponding decline in sales volumes.

The impact of mineral interests continued to be a factor in localized areas. Area respondents indicate that sellers are hesitant to convey any minerals as part of the sale, while buyers are reluctant to buy properties where control of the surface estate is limited.

East Edwards Plateau, Central Blackland and South Post Oaks – Austin Area

Burnet, Blanco, Hays, Travis, Williamson,
Milam, Caldwell, Bastrop and Lee Counties

This sub-region includes the Austin MSA and, as a result, significant urban influence is present in Travis, Williamson and Hays counties with the adjacent counties being influenced by trends in the development market of Austin and adjacent cities.

Location, with respect to Austin and the primary cities in the region, is a primary factor impacting land values. Generally, as one moves away from Austin, land values decline, with land values to the west being stronger than land values to the east. This tendency continued to be evident in 2008. The Austin MSA has not been immune to the general economic trends impacting the nation; this factor has resulted in lower sales volumes for most land classes. Mid and late 2008 showed weakness, especially in the market for urban fringe properties and for development tracts. Asking prices remain steady, at levels above 2007 prices, with the limited sales activity indicating stable sales prices as compared to 2007. Much of the rural acreage has recreational qualities, which support demand. The demand for properties, with above average aesthetic qualities, continued to be the strongest part of the market, although activity remained low. Properties with less desirable attributes were reportedly receiving minimal buyer interest.

The Blackland farming area experienced stable to modestly higher land price trends during the first half of 2008, which continued the 2007 trend. Few sales were noted in the second half of the year. The cultivated land class indicated stable to higher demand, although the number of farms sold remained stable in the first half of 2008 and slowed in the second half. Weakness in commodity prices, in the second half of the year, combined with economic uncertainties served to slow the demand for cultivated acreage.

East Hill Country

Gillespie, Kerr, Kendall, Real and Bandera Counties

During 2008, the East Hill Country continued to be the highest priced area within Region Seven and price levels continued to appreciate. The demand for recreational properties, retirement properties and weekend/vacation homes continued to support land price trends; stable to moderately higher prices were noted during the first half of the year, with stable trends noted in the second half. Properties with live water features are in the greatest demand and command the highest prices. Buyers from the metropolitan areas represent the bulk of land buyers, with many of these buyers seeking to retire to the area. Buyers continue to seek properties with strong aesthetic qualities and prefer locations within a short drive of the primary cities. Sales volumes are noted as being significantly lower than those observed in both 2006 and 2007. The average property size continues to decline; this is reinforced by homesite demands.

West Hill Country

Menard, Mason and Kimble Counties

Sales activity was sharply lower in 2008 than was observed in 2007, with marketing times increasing throughout the land classes. Properties with strong water features continued to be in strong demand.

In general, price trends throughout the western Hill Country were stable. Some sellers were reported to have been taking properties off of the market in the last half of 2008, with reasons including concerns over the potential for inflation. Size trends are reported to have been stable with less buyer demand for properties for subdivision. Area buyers are typical of the buyers throughout the Hill Country in that they seek properties with strong aesthetic and recreational features. Investors, seeking land for recreational uses and long-term stores of wealth, were evident in the area.

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**Region 7 - Grand Prairie, Central Basin, Blacklands,
Post Oak Belts, Edwards Plateau and Hill Country - 2008**

Land Use or Class	Value Range	Activity/Trend	Rental Range	Activity/Trend
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**Southern Grand Prairie
Callahan, Eastland, Erath, Coleman, Brown and Comanche Counties**

Dry Cropland	\$800	to	\$1,600	Moderate/Increase	\$10	\$25	Moderate/Stable
Improved Pasture	\$1,000	to	\$2,500	Moderate/Stable	\$10	\$20	Moderate/Stable
Native Pasture - Open	\$1,200	to	\$2,500	Moderate/Stable	\$4	\$10	Moderate/Stable
Native Pasture - Wooded	\$1,500	to	\$2,750	Moderate/Stable	\$4	\$12	Moderate/Stable
Live Water - Recreational	\$2,000	to	\$4,000	Moderate/Stable	\$5	\$15	Moderate/Stable
Pecan Groves - Improved	\$1,500	to	\$3,000	Moderate/Stable			
Hunting Leases					\$10	\$20	Moderate/Stable

**Central Basin
McCulloch, San Saba, Mills, Hamilton, Lampasas and Llano Counties**

Dry Cropland	\$900	to	\$1,800	Moderate/Increase	\$7	\$22	Moderate/Stable
Improved Pasture	\$850	to	\$1,800	Moderate/Stable	\$7	\$20	Moderate/Stable
Native Pasture - Open	\$1,400	to	\$2,200	Moderate/Stable	\$3	\$7	Moderate/Stable
Native Pasture - Wooded	\$1,600	to	\$4,000	Moderate/Stable	\$3	\$7	Moderate/Stable
Pecan Groves - Improved	\$2,000	to	\$3,000	Moderate/Stable			Owner or shares
Live Water - Recreation	\$2,200	to	\$7,000	Moderate/Stable	\$10	\$20	Owner dominated
Transitional <50 Acres	\$3,000	to	\$10,000	Moderate/Stable			
Hunting Leases - Rangeland					\$10	\$25	Active/Stable

**Central Blacklands, Grand Prairie and North Central Post Oaks (±50 Mile Radius of Waco)
Bosque, Hill, Navarro, Coryell, McLennan, Limestone, Freestone, Bell and Falls Counties**

Dry Cropland - Good	\$1,500	to	\$2,750	Moderate/Stable	\$30	\$60	High Demand
Dry Cropland - Marginal	\$1,200	to	\$2,300	Moderate/Stable	\$20	\$40	Moderate Demand
Improved Pasture	\$1,500	to	\$2,700	Moderate/Stable	\$15	\$25	Moderate Demand
Native Pasture - Open	\$1,200	to	\$2,300	Moderate/Stable	\$8	\$15	Moderate Demand
Native Pasture - Wooded	\$1,500	to	\$5,000	Moderate/Stable	\$8	\$15	Moderate Demand
River Properties	\$2,500	to	\$7,500	Moderate/Stable	\$15	\$30	Moderate Demand

**Eastern Edwards Plateau, Central Blacklands, and Southern Post Oaks (Austin Area)
Burnet, Blanco, Hays, Travis, Williamson, Milam, Caldwell, Bastrop and Lee Counties**

Dry Cropland - Good	\$2,000	to	\$3,200	Moderate/Stable	\$30	\$60	High Demand
Dry Cropland - Marginal	\$1,900	to	\$2,700	Moderate/Stable	\$15	\$40	Moderate/Stable
Improved Pasture	\$2,500	to	\$3,500	Moderate/Stable	\$15	\$25	Moderate/Stable
Native Pasture - Wooded	\$2,200	to	\$8,000	Moderate/Stable	\$10	\$20	Moderate/Stable
Single Family - Utilities	\$20,000	to	\$40,000	Moderate/Stable			
Urban Fringe - No Utilities	\$6,000	to	\$25,000	Moderate/Stable			
Ranchette <50 Acres	\$3,200	to	\$10,000	Moderate/Stable			

**Eastern Hill Country
Gillespie, Kerr, Kendall, Real and Bandera Counties**

Recreational w/ Live Water	\$4,000	to	\$15,000	Moderate/Stable			
Recreational w/o Live Water	\$2,250	to	\$7,000	Moderate/Stable			
Rangeland	\$2,000	to	\$5,000	Stable/Stable	\$4	\$10	Moderate/Stable
Hunting Leases-Rangeland					\$10	\$25	Active/Stable

**Western Hill Country
Menard, Mason and Kimble Counties**

Native Rangeland >500 <1,500 Acres	\$1,600	to	\$3,500	Moderate/Stable	\$2	\$5	Moderate/Stable
Native Rangeland >1,500 Acres	\$1,500	to	\$2,000	Moderate/Stable	\$2	\$5	Moderate/Stable
Native Rangeland - Live Water >1,000 Acres.	\$2,500	to	\$10,000	Moderate/Stable	\$2	\$6	Moderate/Stable
Native Rangeland-Live Water +/- 500 Acres	\$5,000	to	\$10,000	Moderate/Stable	\$2	\$6	Moderate/Stable
Hunting Leases					\$10	\$20	Active/Stable