AcreValue Market Report

Ohio Land Trends

Q4 2021

A summary of annual trends in Ohio farmland in 2020 and 2021.

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AcreValue

Ag-Analytics

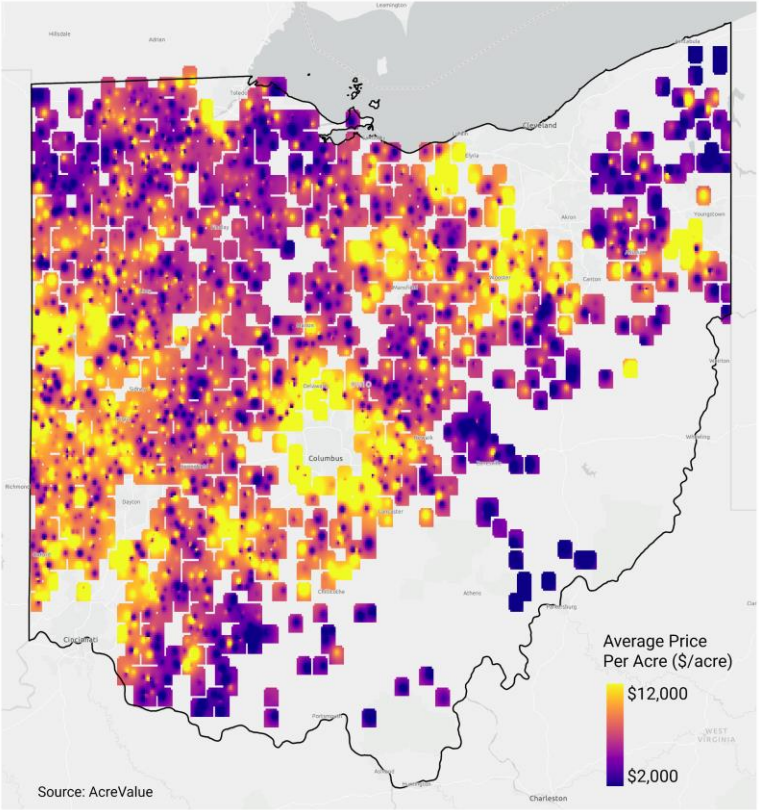
Introduction

At AcreValue and Ag-Analytics®, we are fascinated with American farmland. With each passing day, we see farms selling for ever higher prices - we just had to dive in and uncover state-wide trends in Ohio. To build your own custom reports, access and browse a comprehensive dataset of comparable sales records on AcreValue Premium! Check back often as we release reports for other states and issue updates.

Report Highlights

Farmland in the Northeast region of Ohio experienced strong increases in average sale prices, jumping just over 11% from $5,870/acre in 2020 to $6,517/acre YTD. Meanwhile, statewide prices were up over 5%.

Statewide, 12% of 2021 transactions exceeded $12,000/acre, and 7.29% of sales exceeded $14,000/acre in 2021. Among all property sizes, sales transactions in the 10 to 20-acre range saw the highest year-over-year increase in average sale price.



Heatmap of Average Sale Price Per Acre of Completed Arms-Length Transactions in Ohio. Source: AcreValue

Read the full report for more information on sale trends throughout the state.

Making the Report

This report is generated from a large sample of curated farmland and timberland sales in Ohio for 2020 and 2021 YTD to provide a highly accurate perspective on recent market activity. The report focuses on cropland and timberland transactions across a spectrum of tillable acres.

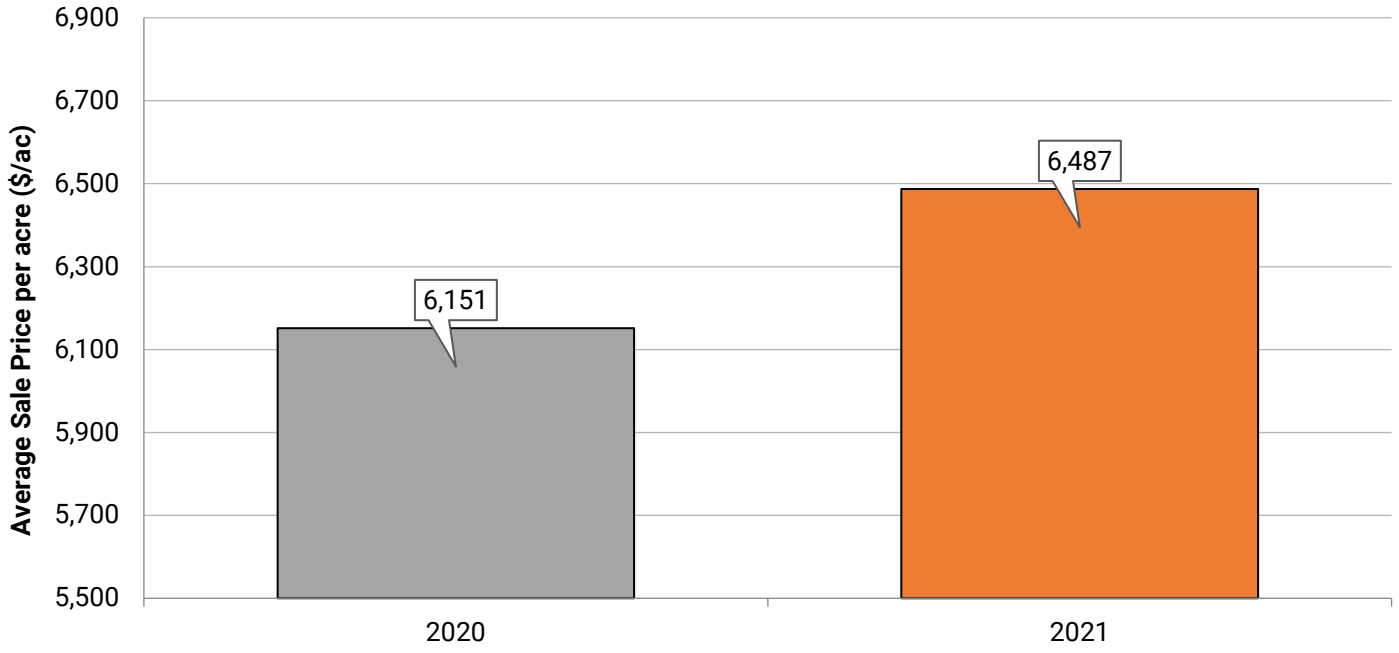
We tap virtually every county database and courthouse to gather the most comprehensive dataset of farmland sales records in the market. These records are then compiled and benchmarked to ensure quality and relevance. Finally, we filter and remove outliers & non-arm's length sales, and then collate with spatial databases for soil, elevation profiles and production to provide a clear view of relevant market activity. See the Appendix for technical information on data filtering criteria.

While other studies typically rely on state level summaries from USDA and self-reported survey data across different cultivation practices, this **AcreValue Market Report** focuses exclusively on production agriculture and timberland properties based on *actual* sales transactions.

Average Sale Prices in OH

Between 2020 and 2021 to date, overall Ohio farmland values increased by just over 5.5%. The average nominal transaction size in this report was $422,349.

Figure 1: Average Sale Price of Completed Arms-Length Transactions in Ohio, 2020 and YTD 2021

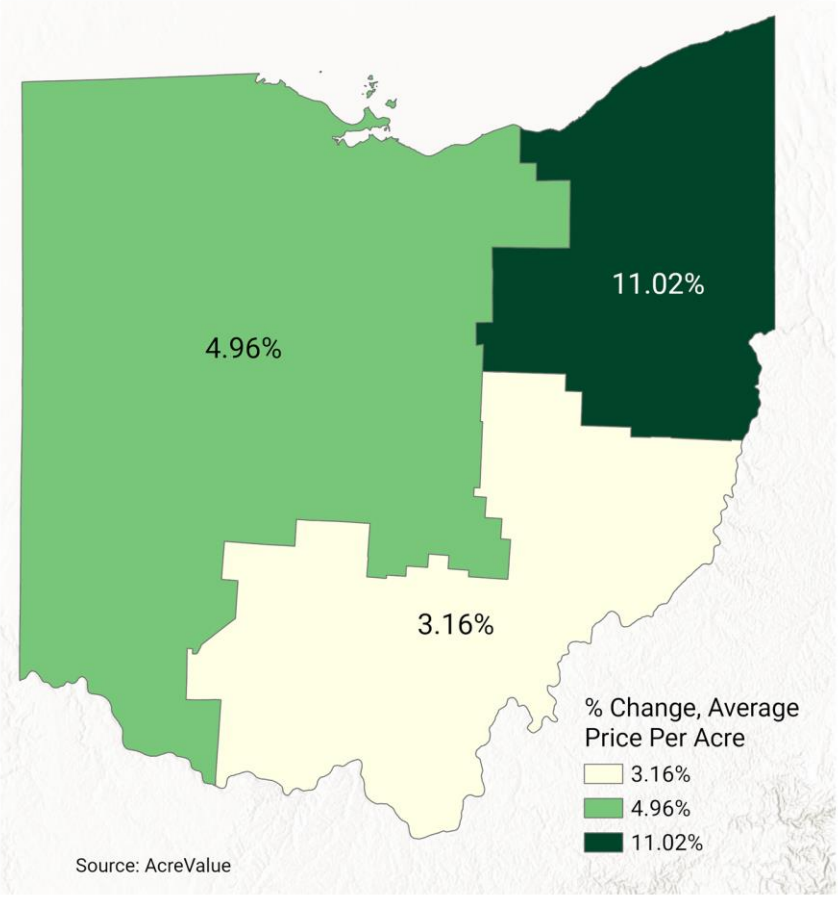


Note: Average Sale Price of Completed Arms-Length Transactions in Ohio, All Regions, 2020 and YTD 2021 (January – December 11, 2021). Generated using 1,331 sales in 2020 and 1,125 sales in YTD 2021. Source: AcreValue

For comparison, the USDA NASS Land Values 2021 Summary reported slightly higher sales averages for Ohio in 2020 and 2021, and an overall increase of 5.3% in average statewide sale price, which is on par with our statewide results.

Next, we divide and analyze Ohio farmland sales into three regions: West, Northeast, and Southeast. The Northeast region experienced the highest year-over-year increase in average land price, jumping from $5,870 to $6,517/acre, or about 11%. The West region posted the second-highest increase in average land prices, at just under 5%.

Figure 2: Change in Average Sale Price of Completed Arms-Length Transactions in Ohio, All Regions, 2020 and 2021 YTD



Note: Change in Average Sale Price of Completed Arms-Length Transactions in Ohio, All Regions, 2020 and YTD 2021 (January – December 11, 2021). Generated using 1,331 sales in 2020 and 1,125 sales in YTD 2021. Source: AcreValue

Table 1: Average Sale Price by Region ($/acre)

Region	2020	2021	% Change
West	6,333	6,647	4.96%
Northeast	5,870	6,517	11.02%
Southeast	5,125	5,287	3.16%
Statewide	6,151	6,487	5.46%

Note: Average Sale Price of Completed Arms-Length Transactions in Ohio, All Regions, 2020 and YTD 2021 (January – December 11, 2021). Generated using 1,331 sales in 2020 and 1,125 sales in YTD 2021. Source: AcreValue

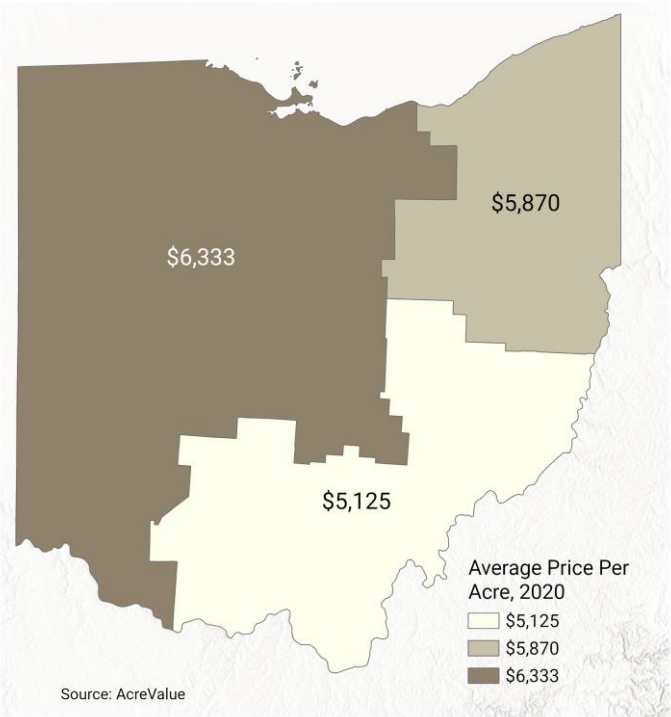
Table 2: Number of Representative Sales by Region

Region	2020	2021
West	1,059	916
Northeast	149	112
Southeast	123	97
Statewide	1,331	1,125

Note: Sample Size of Representative Arms-Length Transactions in Ohio, All Regions, 2020 and YTD 2021 (January – December 11, 2021). Generated using 1,331 sales in 2020 and 1,125 sales in YTD 2021. Source: AcreValue

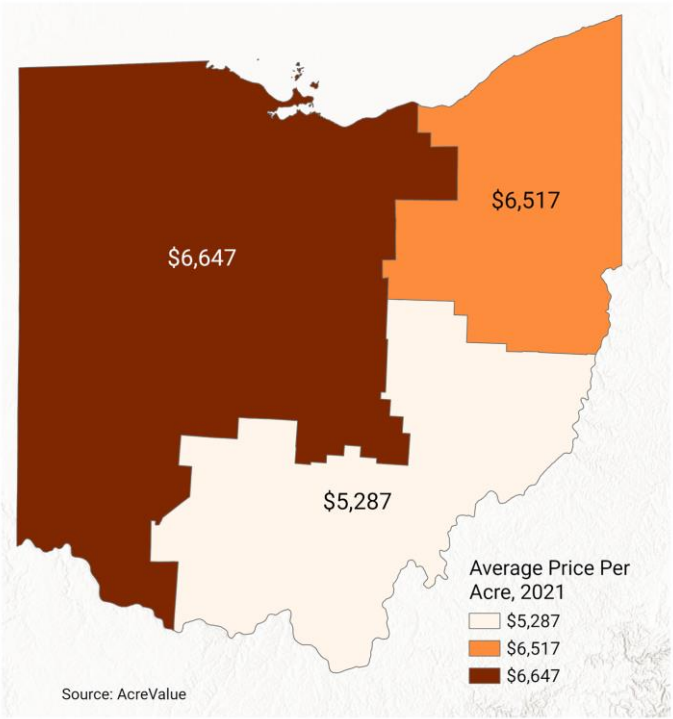
In 2020, the average price of farmland across the state was $6,151/acre. The West and Northeast regions had the highest average sale price, at $6,333/acre and $5,870/acre, respectively. The Southeast region experienced the lowest average sale price in the state at $5,125/acre.

Figure 3: Average Sale Price of Completed Arms-Length Transactions in Ohio, 2020 (n=1,331)



Note: Average Sale Price of Completed Arms-Length Transactions in Ohio, All Regions, 2020. Generated using 1,331 sales in 2020. Source: AcreValue.

Figure 4: Average Sale Price of Completed Arms-Length Transactions in Ohio, YTD 2021 (n=1,125)



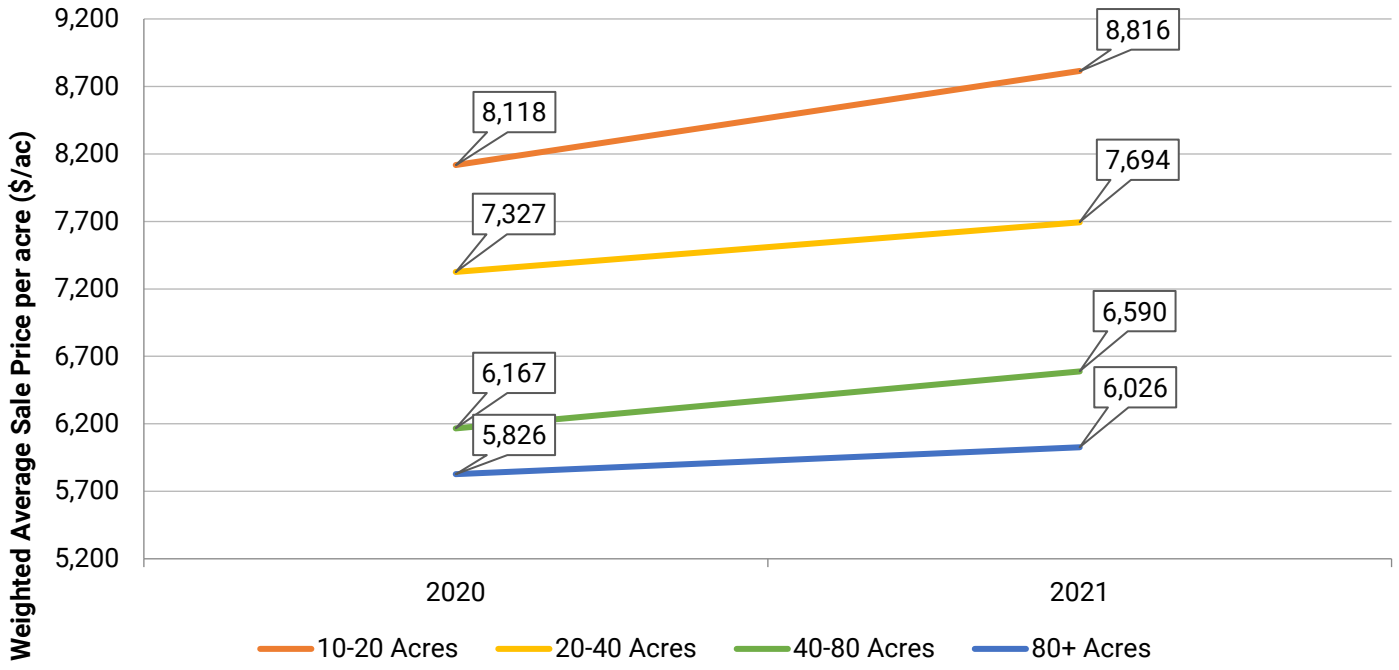
Note: Average Sale Price of Completed Arms-Length Transactions in Ohio, All Regions, YTD 2021 (January – December 11, 2021). Generated using 1,125 sales in YTD 2021. Source: AcreValue

In 2021, the average price of farmland across the state was $6,487/acre. The West and Northeast regions had the highest average sale prices, at $6,647/acre and $6,517/acre, respectively. The Southeast region experienced the lowest average sale price in the state at $5,287/acre.

Average Sale Price by Tract Size, 2020 to YTD 2021

Next, we break down sales by tract size. Parcels in 10 to 20-acre range experienced the greatest percentage increase, 8.6%, and also had the highest average sales price in 2021, averaging $8,816/acre. Parcels with 80 or more acres experienced the most modest increase in average sales price, 3.42%.

Figure 5: Average Sales Price of Completed Arms-Length Transactions in Ohio by Tract Size, 2020 and YTD 2021 (n=2,456)

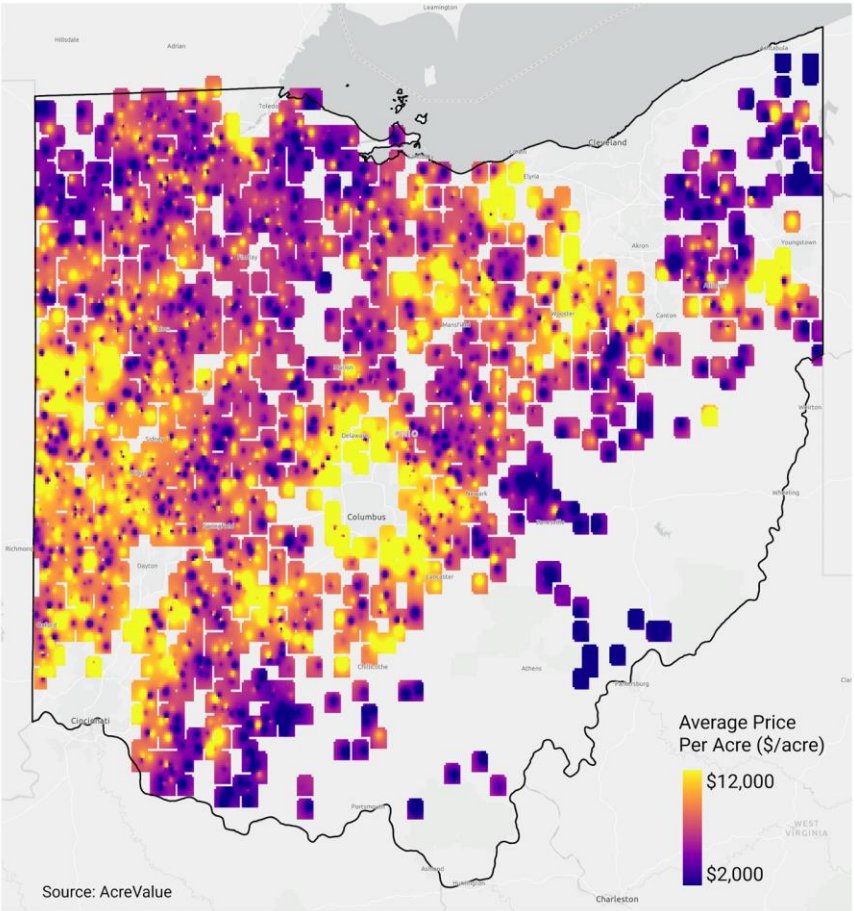


Note: Average Sales Price of Completed Arms-Length Transactions in Ohio by Tract Size, All Regions, 2020 and YTD 2021 (January – December 11, 2021). Generated using 1,331 sales in 2020 and 1,125 sales in YTD 2021. Source: AcreValue

This inverse relationship between tract size and average sales price is fairly commonly observed in land markets and has a variety of potential causes. While it is difficult to draw a causal link with respect to the size of increases observed in 2021, we did observe that average tract sizes tended to be lower near urban areas. To better understand the spatial variation in average sales price, the next figure shows a heatmap of average sales prices in 2020 and 2021 throughout the state.

Average prices are represented by color, increasing from purple to yellow. Unsurprisingly, prices are noticeably higher near and around the larger cities in Ohio, such as Columbus in the central region, Cincinnati and Dayton in the southwest, and Akron and Canton in the northeast. This is also partially a reflection of the fact that the bulk of the highly productive farmland is located in the western region of the state.

Figure 6: Heatmap of Average Sale Price Per Acre of Completed Arms-Length Transactions in Ohio, 2020 and YTD 2021 (n=2,456)

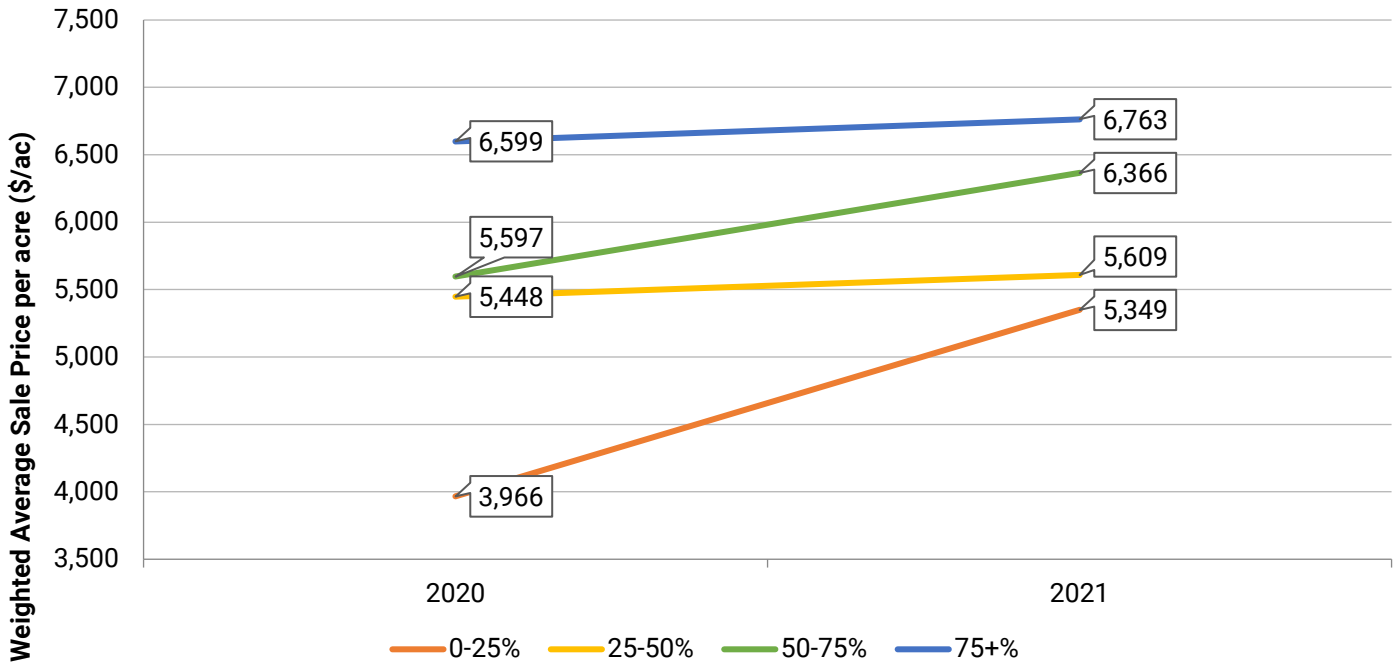


Note: Heatmap of Average Sale Price Per Acre of Completed Arms-Length Transactions in Ohio, All Regions, 2020 and YTD 2021 (January – December 11, 2021). Generated using 1,331 sales in 2020 and 1,125 sales in YTD 2021. Source: AcreValue

Average Sale Price by Tillable Acreage, 2020 to YTD 2021

Next, we examine changes in land values for different classes of sales by percent of tillable acreage. Land with a low proportion of tillable acreage (0%-25%) exhibited the greatest increases in 2021, the bulk of which were timberland sales. Tracts in the 50%-75% tillable acreage range also displayed strong increases in 2021.

Figure 7: Average Sale Price of Completed Arms-Length Transactions in Ohio by Tillable Acreage, 2020 and YTD 2021 (n=2,456)



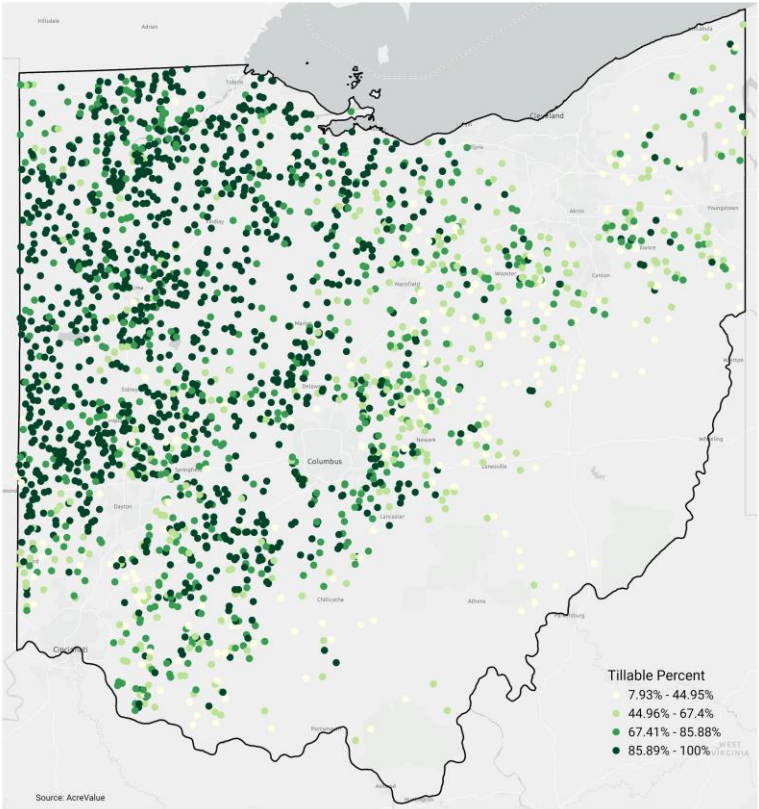
Note: Average Sale Price of Completed Arms-Length Transactions in Ohio by Tillable Acreage, All Regions, 2020 and YTD 2021 (January – December 11, 2021). Generated using 1,331 sales in 2020 and 1,125 sales in YTD 2021. Source: AcreValue

Properties with 25-50% tillable acres and 75%+ tillable acres also experienced an increase in average price per acre from 2020 to 2021, albeit a slight one – just under 3% for both categories. Average sale prices in both 2020 and 2021 are highest overall for sales of properties with 75% or more tillable acreage.

One explanation for the increase in sale price of properties with 0-25% tillable acres could be the strong foothold of the lumber market during the observation period. As noted, the

bulk of the sales of 0-25% tillable acre properties were timberland transactions. Figure 8 below plots sales by percent of tillable acres. As Figure 8 illustrates, many of those transactions were concentrated in Ohio's Northeast and Southeast regions, areas known for higher degrees of timber production.

Figure 8: Location and Percent of Tillable Acres of Completed Arms-Length Transactions in Ohio, 2020 and YTD 2021 (n=2,456)



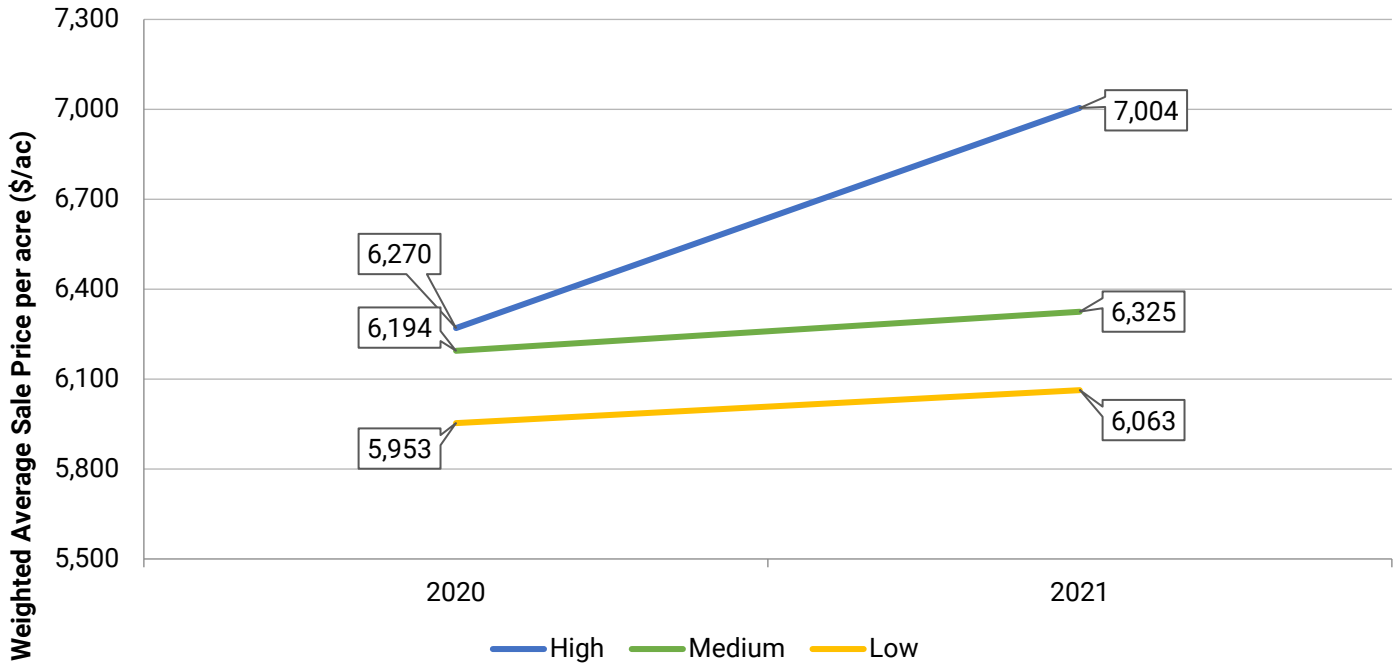
Note: Location and Percent of Tillable Acres of Completed Arms-Length Transactions in Ohio, All Regions, 2020 and YTD 2021 (January – December 11, 2021). Generated using 1,331 sales in 2020 and 1,125 sales in YTD 2021. Source: AcreValue

This is consistent with recent findings across the industry in other regions for timber. Missouri, for example, has experienced a nearly 20% increase in timberland prices, according to the Missouri Farm Land Values Opinion Survey. Publicly traded timberland real estate investment trusts (REITS) have also shown strong returns, with Rayonier shares up nearly 35% YTD, and Weyerhaeuser and Potlatchdeltic Corp share prices both up approximately 21% YTD.

Average Sale Price by Soil Productivity, 2020 to YTD 2021

Grouping transactions by soil productivity shows that transactions with High-Productivity soils had the greatest increase in average price, jumping over 11% between 2020 and 2021. Both Medium- and Low-Productivity soils saw smaller increases in average sales price, at 2.11% and 1.85% respectively. We would note that while tillable percentage is correlated with soil quality, it is not synonymous.

Figure 9: Average Sale Price of Completed Arms-Length Transactions in Ohio by Soil Productivity Class, 2020 and YTD 2021 (n=2,456)



Note: Average Sale Price of Completed Arms-Length Transactions in Ohio by Soil Productivity Class, All Regions, 2020 and YTD 2021 (January – December 11, 2021). Generated using 1,331 sales in 2020 and 1,125 sales in YTD 2021. Source: AcreValue

Properties are organized into soil classes based on their NCCPI rating. To determine the soil classes, sales records were divided evenly into high, medium, and low quality based on their soil productivity rating. For more information, see Table 3.

Table 3: Soil Productivity Classes by NCCPI

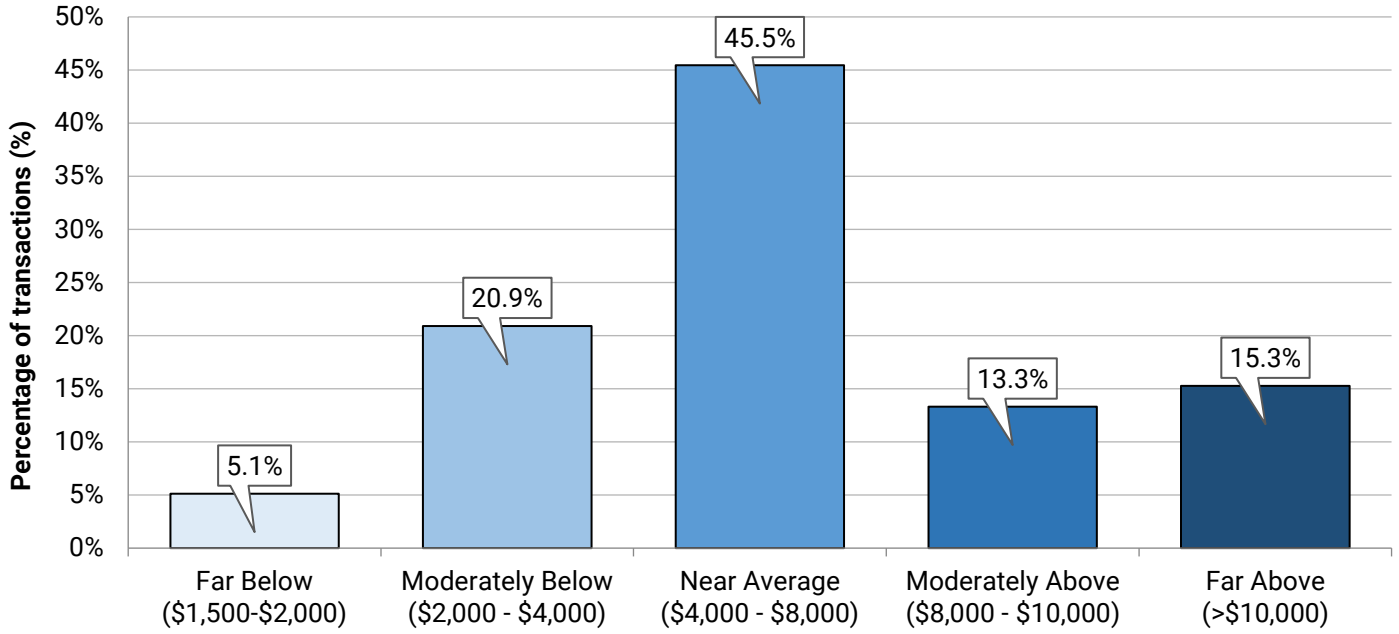
Classification	NCCPI Index Range
High	65 – 100
Medium	57 – 65
Low	19 – 57

Sale Price Range Breakdowns

Sale Price Variation in 2020

Next, we examine the range of sale prices across the sample transactions in 2020. Figure 10 shows the percent of sales transactions across different sale price ranges in 2020. Approximately 45% of 2020 sales transactions were near or within $2,000 of the average ($6,151/acre). Approximately 28% of sales transactions were above $8,000/acre. 13.3% were between $8,000/acre - $10,000/acre, and 15.3% of transactions were far above average ($10,000/acre or higher). On the very high end, about 5% of transactions exceeded $14,000/acre, and 2.8% of transactions exceeded $16,000/acre. In contrast, 26% of all transactions were below $4,000/acre, with 20.9% of transactions moderately below average, and 5.1% of transactions far below average.

Figure 10: Percent of Completed Arms-Length Cropland Transactions in Ohio, Grouped by Different Sales Ranges ($/acre), 2020 (n=1,331)

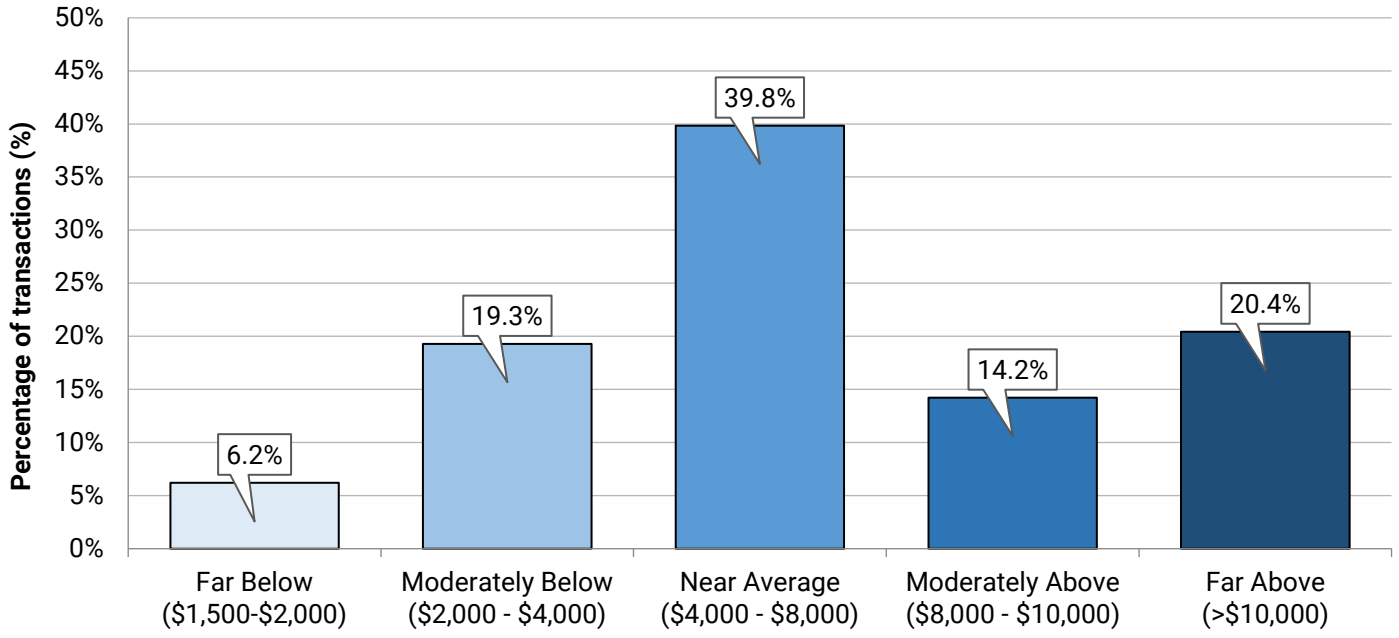


Note: Percent of Completed Arms-Length Cropland Transactions in Ohio, Grouped by Different Sales Ranges ($/acre), 2020. All Regions. Generated using 1,331 sales in 2020. Source: AcreValue

Sale Price Variation in YTD 2021

For statewide sales in 2021 (through December 2021), the average sale price was $6,487/acre. Figure 11 shows the percent of sales transactions across different sale price ranges in 2021. Approximately 40% of these sales transactions were near or within $2,000 of the average. Just under 35% of sales transactions were above $8,000/acre. 14.2% of transactions were between $8,000/acre - 10,000/acre (moderately above average), and 20.4% of transactions exceeded $10,000/acre. On the very high end, about 7.3% of transactions were above $14,000/acre, and 4.2% of transactions exceeded $16,000/acre. In contrast, 25.5% of transactions were less than $4,000/acre.

Figure 11: Percent of Completed Arms-Length Cropland Transactions in Ohio, Grouped by Different Sales Ranges ($/acre), YTD 2021 (n=1,125)



Note: Percent of Completed Arms-Length Cropland Transactions in Ohio, Grouped by Different Sales Ranges ($/acre), YTD 2021 (January – November 11, 2021). All Regions. Generated using 1,125 sales in YTD 2021. Source: AcreValue

Appendix

Our Data

This AcreValue Market Trend Report for Ohio was compiled and summarized from arm's length agricultural and timberland sales in Ohio, excluding intra-family sales, foreclosures, and refinances. This includes land sales for crop and timber land, keeping the focus on active farmland and timber values in Ohio while effectively removing non-representative parcels such as single-family residences.

To remove outliers, we then filter out sales less than 10 acres and more than 1,000 acres, and sales transactions below $1,500/acre and more than $20,000/acre. Sales transactions were also removed when they could not be matched to a verified agricultural parcel. We believe this to be a reasonable sampling of the target market for analysis but make no claim as to whether all sales are captured, and would also note that there are additional factors that affect land prices than those considered here. Note that this is an interim report which includes reported YTD information available to us at the time of writing.

This report is provided for information purposes only and should not be relied upon as a source of appraisal or valuation of any particular property. Where applicable, the map data provided in this report have been roughly aggregated into regions, which include 2-3 Ohio Crop Reporting Districts (CRDs) for each region. The motivation behind this aggregation is to help ensure sufficient sample sizes in facilitating both intra- and inter-regional statistics and comparisons and is similar to regions defined in Ohio for similar studies.