

WHY OWN LAND

- WAY OF LIFE - JOURNEY
- GENERATE INCOME – BIG BUSINESS
- RETIREMENT - INVESTMENT
- LEGACY – INHERITANCE



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SELLERS

- 21,000 LANDOWNERS – 31 COUNTIES
- EASTERN COLORADO, PANHANDLE & SW NEBRASKA, WESTERN KANSAS
- OVER 50%+ ARE ABSENTEE
- 2ND TO 3RD GENERATIONAL CHANGE
- WEALTH TRANSFER - 5 TO 10 YEARS – AGING POPULATION
- 4 – D's – DEATH, DEBT, DIVORCE, DISSOLUTION
- CHALLENGING ISSUES: GREED, EMOTION, & ENTITLEMENT



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BUYERS

- 10,000+ AUCTION ATTENDEES
- 70% OPERATORS WITHIN 30 – 40 MILES
- 15% ABSENTEE OWNERS WITHIN 30 – 40 MILES
- 15% NEW TO AREA
- POCKETS WHERE INVESTORS ARE BUYING



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REASONS FOR LAND MARKET INCREASE

- HIGH COMMODITY PRICES
 1. UNPRECEDENTED FARM INCOME
 2. HIGH DEMAND FOR LAND
- LOW INTEREST RATES
 1. CREATED LIMITED SUPPLY OF LAND FOR SALE
 2. WHAT DOES SELLER DO WITH THE MONEY?
 3. BUYERS AFFORDS MORE – LOWER PAYMENTS



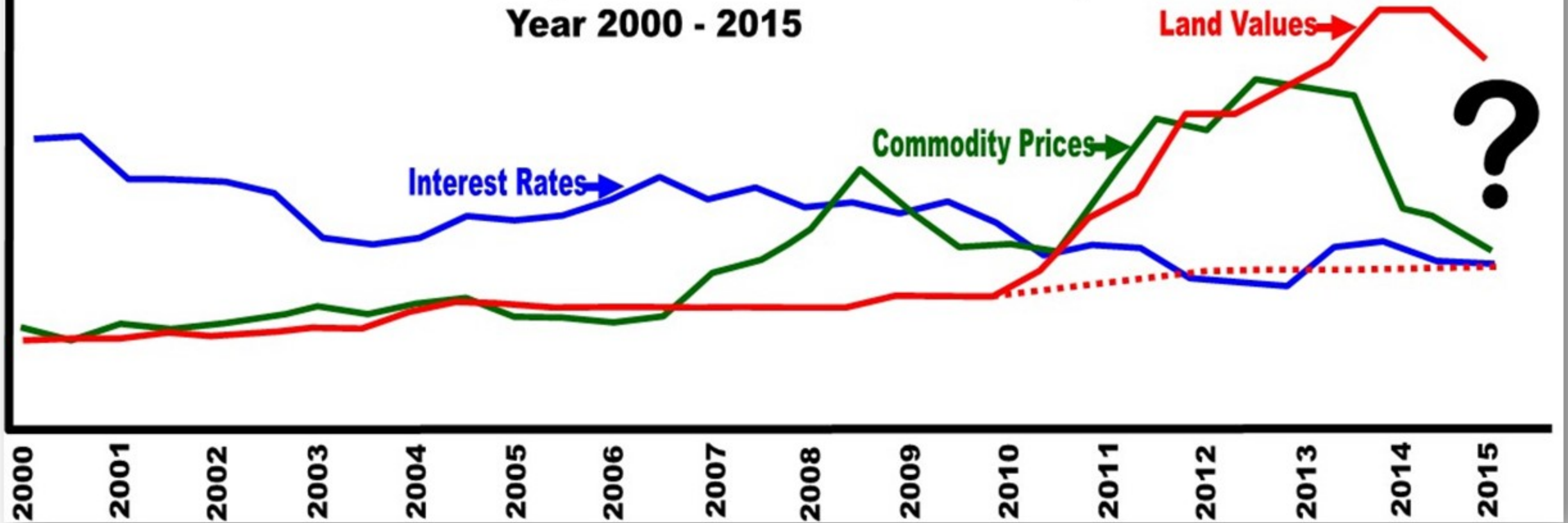
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Land Value - Commodity Price - Interest Rate Comparison

Year 2000 - 2015



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2016 - WHERE DO WE GO FROM HERE

- DEFLATIONARY LAND MARKET
 1. LOWER COMMODITY PRICES
 2. OPERATING BREAKEVEN OR LOSS
 3. BUYING THEN VALUE CONTINUES TO DECLINE
- 10% - 15% DECLINE - QUALITY PROPERTIES
- UP TO 25% DECLINE - MARGINAL PROPERTIES



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2016 - WHERE DO WE GO FROM HERE

- FACTORS EFFECTING VALUE

1. QUALITY – Soils, Water, Topography, etc.

2. REPUTATION

3. CONDITION - i.e. weeds, fertility, (what is it going to cost to be productive)

4. LOCATION

5. WHO IS SURROUNDING PROPERTY OWNERS

6. INTEREST RATES?????



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