



Barnes Realty Farmland News

You only get to sell it once...let us do it right!

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SETTING THE TREND FOR HOW REAL ESTATE IS SOLD IN THE MIDWEST

ISSUE SEVEN

Rick Barnes, Broker

Cash rents 2018:



Everyone is complaining about profits for next year, but I'm not seeing

a lot of pressure to lower cash rents. I think they will stay the same or maybe even go up a little for next year.

So far, none of the farmers I'm dealing with are willing to



let a farm get away. I've negotiated a couple of leases on good Iowa upland already and the numbers are holding. I've done a couple of leases on poorer quality land and both went up \$20.00 per acre on the tillable. There are several farmers out there who are actively looking for more land to farm as usual. If you are having problems finding a tenant please let us help you!

Land Values:

The market is strong for good quality land! Better quality land is seldom available for sale.



When it comes on the market it generally sells quickly and it brings a good price.

I haven't seen any of those \$12,000.00 plus per acre sales in the area lately, but I did see a \$10,000.00 per acre sale on a good farm in Nebraska a few months back and we've had several farms sell in the \$6,000.00 per acre (plus or minus) range in the last 9-10 months. That seems pretty good to me! It tells me that there is still a lot of cash money lying somewhere that would like to be invested in good quality farmland.

You can do the math:

If these farms will rent for \$225.00 - \$275.00 per acre and you pay cash for the farm, your return will be better than stock market



dividends, but not by much. All the major stock market indexes are at

all-time highs, and I don't think anyone wants to put cash into these investments at these price levels.

As a matter of fact, who wants to invest in paper or even worse, lines of code on a computer screen?

Those values can drop **REALLY QUICKLY!**

If you're going to borrow money and the mortgage payment is to be covered by the cash rent income produced off the farm, you're not going to be borrowing a very high percentage of the price of the farm. In spite of this tough fact, I'm still seeing farmers pretty active in purchasing good land when it comes available.

In conclusion:

Agriculture has not been a hugely profitable business



the last few years but everything cycles and it's about time for

prices to begin moving back up in spite of all the gloom and doom you hear. Gloom and doom is good because that means we are getting towards the bottom and things will soon be better! With that in mind, take a look at our list of farms for sale. You might find something that will make you a great investment over the next few years.

HAPPY NEW YEAR!!
Rick Barnes, Broker