

2021 Land Market Survey

REALTORS® Land Institute
National Association of REALTORS®

Released April 2022



A Message from the RLI President



“I am proud to share with the industry at large the REALTORS® Land Institute’s 2021 Land Market Survey.

The data in this report reflect the continued growth of land as an important asset. I hope landowners and land real estate professionals alike find value in these insights as our industry continues to advance in 2022 and beyond.”

Dean Saunders, ALC, CCIM
2022 RLI National President



NAR Chief Economist's Perspective



“Even with rising interest rates, I expect sustained growth in land sales and prices this year, driven particularly by the demand for multifamily and single-family housing needs. The shift from just-in-time to just-in-case inventory management amid supply chain issues will continue to drive the demand for land for new warehouses. Moreover, agricultural grain prices will remain elevated due to the war in Ukraine and thereby boost demand for farmland.”

Dr. Lawrence Yun

Chief Economist and SVP of Research,
National Association of REALTORS®



About the Report



Objective

The REALTORS[®] Land Market Survey is a collaboration of the REALTOR[®] Land Institute (RLI) and the National Association of REALTORS[®] (NAR) that started in 2014. The objective of this survey is to gather information and insights about the state of the land market based on land transactions of land real estate professionals who are members of NAR and RLI. The information is intended to be a valuable resource for market intelligence and policy advocacy.



What is a Land Transaction?

The REALTORS[®] Land Institute defines a land transaction as one in which the value of the land is at least 51% of the value of the transaction.



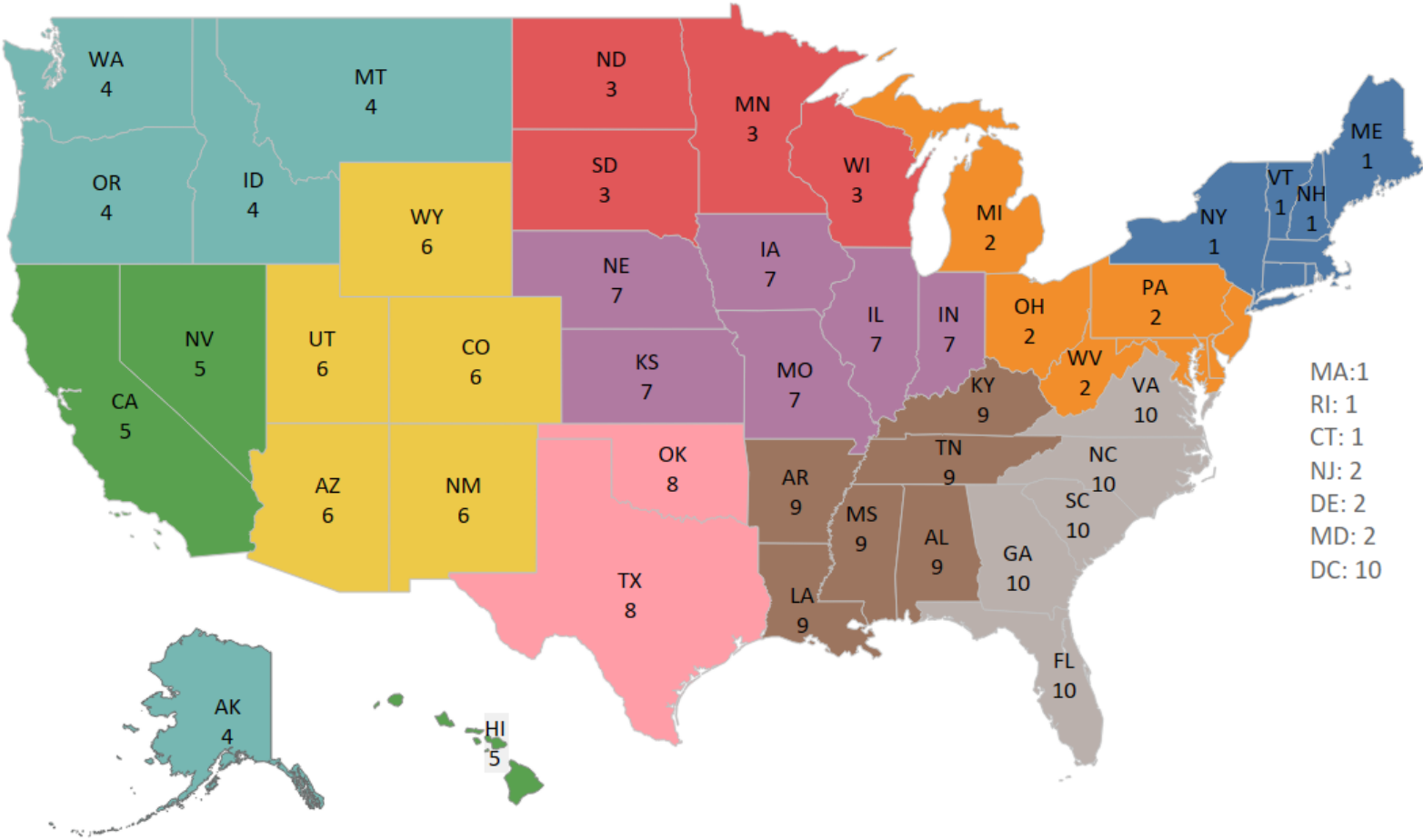
Survey Method

To increase the number of respondents and collect timely information about land transactions during the year, land market questions were integrated into the Commercial Real Estate Quarterly Market Survey (CREQMS) and the monthly REALTORS[®] Confidence Index (RCI) Survey. The CREQMS is sent out quarterly to approximately 80,000 commercial members of NAR which include members of the REALTORS[®] Land Institute. The monthly RCI Survey was sent out to 50,000 randomly selected members of NAR whose primary area of business is residential. There were 31,335 respondents to these two surveys, of which **562** respondents (could be the same respondent across months or quarters) reported a land sale. Thus, estimates such as the year-over-year percent change in sales and prices are the average of the monthly or quarterly figures reported by the respondents.



REALTORS® Land Institute Regions

REALTORS® Land Institute Regions



Summary

Land Sales rose 6% in 2021, surpassing the sales increase of other commercial real estate types

The 2021 surveys about the land transactions of REALTORS® reveal a strong land market in 2021. Land sales rose on average by 6% in 2021, surpassing the sales growth of commercial real estate properties such as single-family rentals (5%), industrial (4%), and apartment buildings (2% for Class A and 3% for Class B/C).

Residential land sales accounted for a higher share of residential real estate sales, at 4%

Residential land for the buyer to build on accounted for a higher share of residential sales, at 4% in 2021.

As of 2021 Q4, the underlying value of the land of real estate owned by households totaled \$15 trillion, up from \$13 trillion in 2020 Q4. According to NAR's estimate, the land value accounts for 40% of household real estate assets based on Federal Reserve Board data on household real estate and the cost of structures (replacement value).

Land prices rose at the second-strongest pace of 6% compared to other commercial real estate types

REALTORS® reported that, on average, land prices rose nearly 7% year-over-year during 2021, the second-highest pace of price growth after single-family rental properties which rose 7.5%. Land sales prices rose at a slightly higher pace than prices of industrial properties (6%) and multifamily apartments (5% for Class A and 6% for Class B/C). In contrast, prices for offices, hotels, or retail malls declined on average during 2021.



Summary *(continued)*

Residential, industrial, and recreational land sales posted the strongest growth of 5% to 7%

By type of land, residential, industrial, and recreational land were the hottest land markets, with REALTORS® reporting an average sales increase of 5% to 7% during the course of 2021. Land prices for office/retail use also rose 6% in 2021 after staying flat on average in 2020. Residential land sales accounted for 59% of all land sales in 2021.

Regions 4, 6, 8 were the hottest markets

Regions 4, 6, and 8 were the markets with the highest increase in land sales in the range of 7% to 8%, with about 1 in 5 REALTORS® reporting a land sale in 2021. However, the biggest land market was Region 10 (25% of land sales), followed by Region 8 (15%), and Region 6 (12%).

By state, the states with the largest share of land sales were Texas (15%) Florida (13%), California (6%), Georgia (5%), and Arizona (5%), garnering 44% of land sales in 2021.

Developed residential land typically sold in 60 days but sold in 30 to 45 days in Regions 1,3,4, and 5.

Regions 1 and 10 had the most expensive residential lands

Not surprisingly, Regions 1 and 10 had the most expensive developed residential lands, at over \$250,000 per acre. The next most expensive residential land markets were Region 6 and 8, at a little over \$100,000 per acre. The least expensive markets were Regions 7 and 9 with residential land prices hovering at \$15,000 per acre.

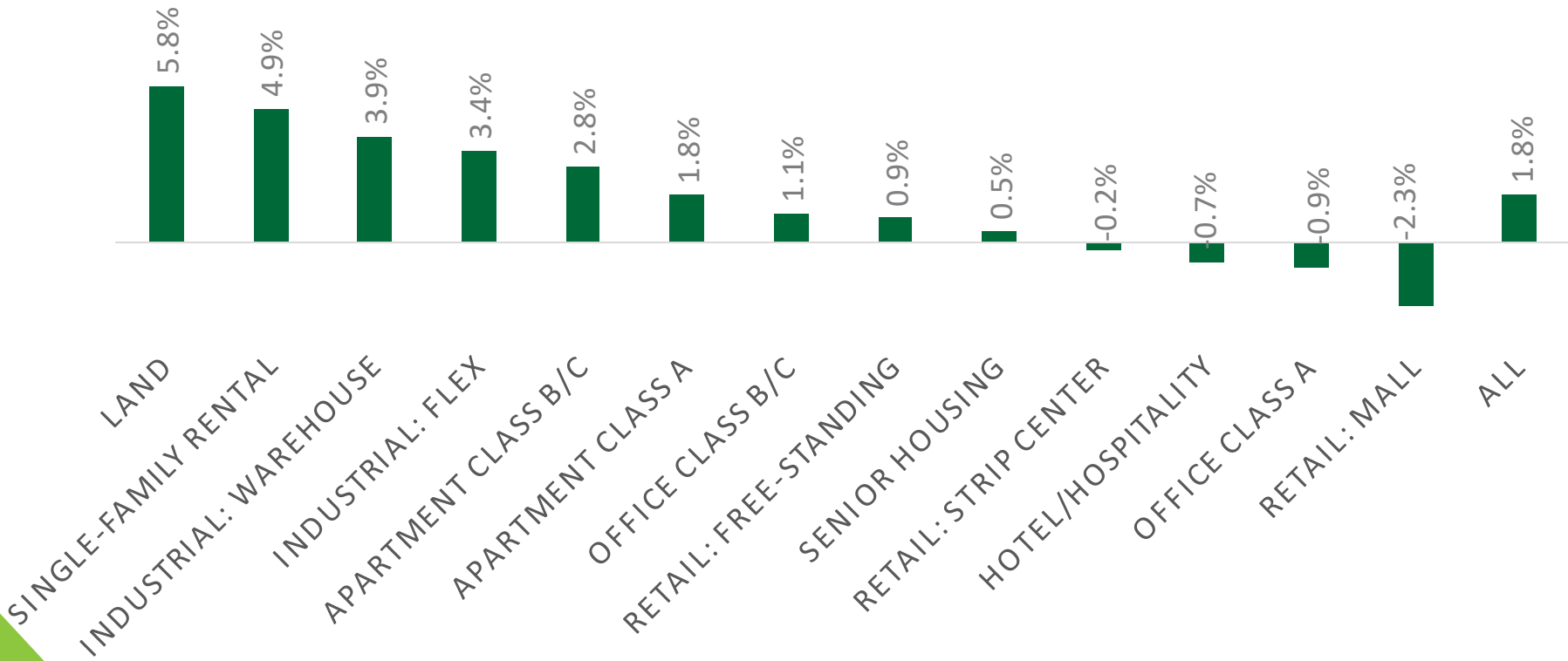


2021 Land Market Survey Results



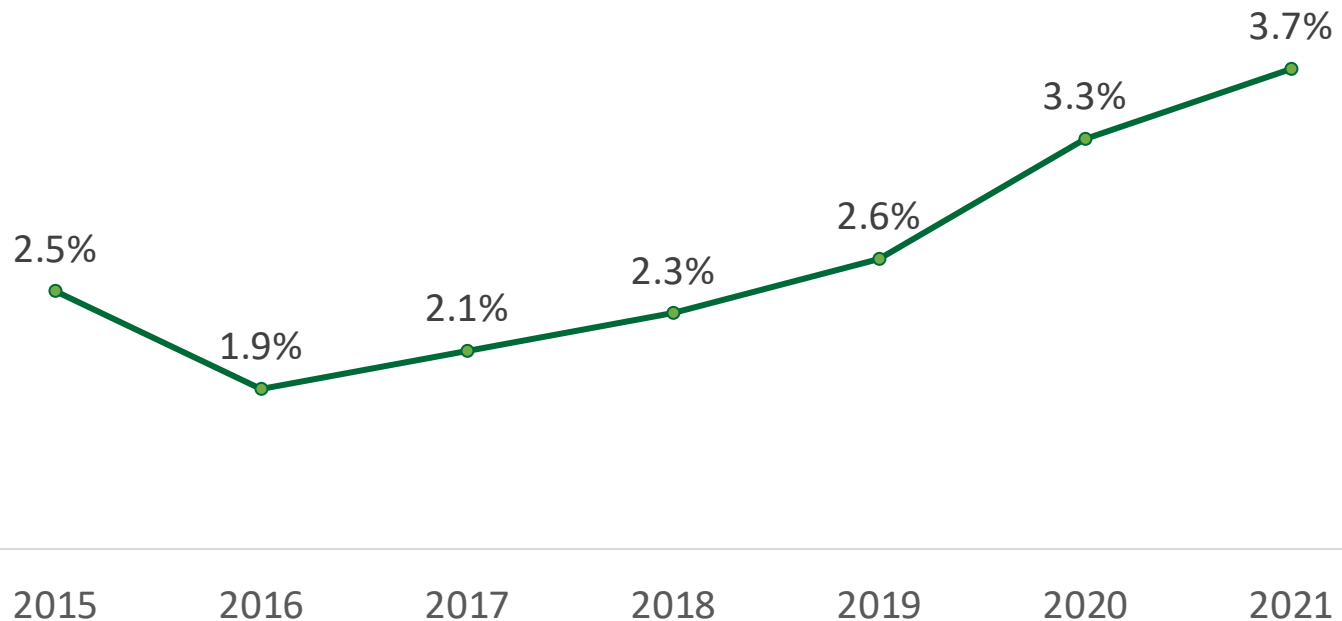
Land Sales Rose 6% and Outpaced Sales of Commercial Properties in 2021

YEAR-OVER-YEAR PERCENT CHANGE IN COMMERCIAL AND LAND SALES OF REALTORS® IN 2021



Residential Land Sales Accounted for 4% of Residential Sales* of REALTORS® in 2021

RESIDENTIAL LAND SALES AS A PERCENT OF RESIDENTIAL SALES* OF REALTORS®



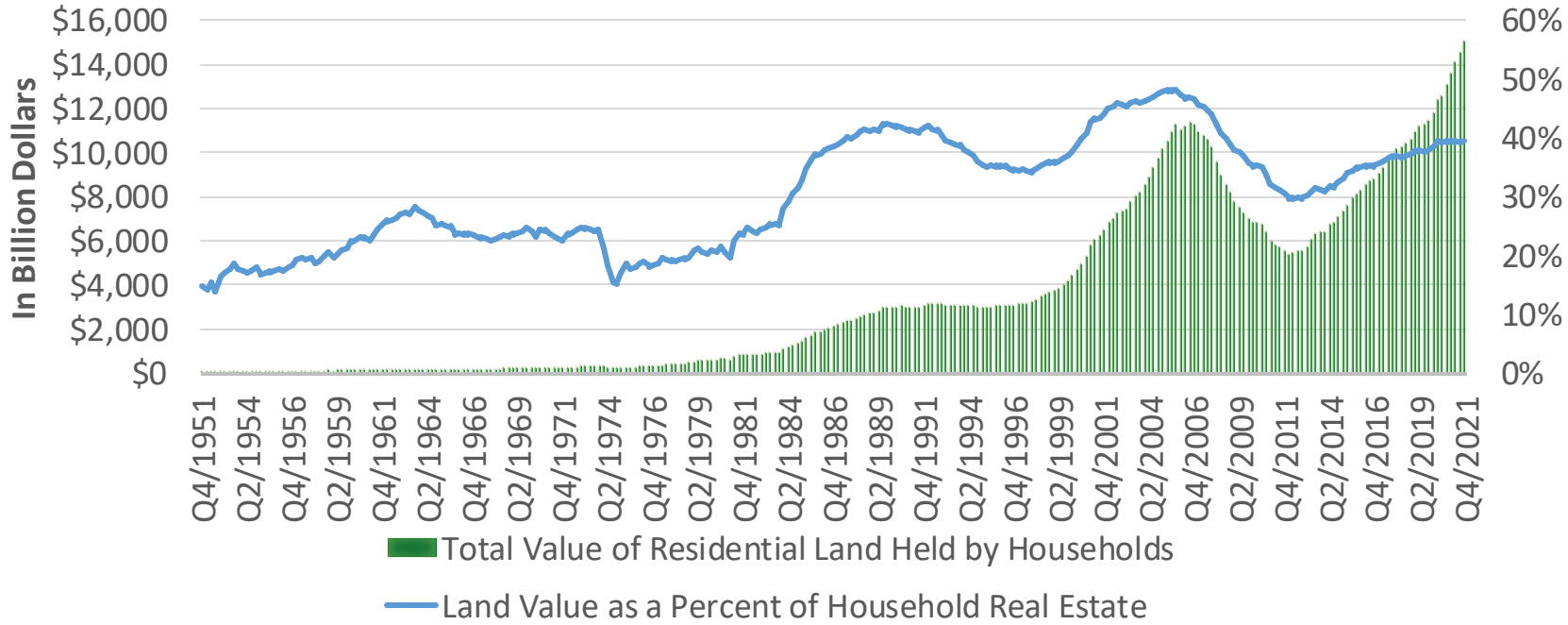
Source: RCI Survey. Single-family homes, condos/coops, mobiles homes, and other residential homes (e.g. multiplexes, cabins, etc.) accounted for nearly 96%



Residential land held by households rose to \$15T in 2021 (\$13T in 2020)

Land is 40% of the total value of household real estate assets

TOTAL VALUE OF LAND HELD BY HOUSEHOLDS (IN BILLION DOLLARS) AND PERCENT SHARE OF LAND VALUE TO HOUSEHOLD REAL ESTATE ASSETS

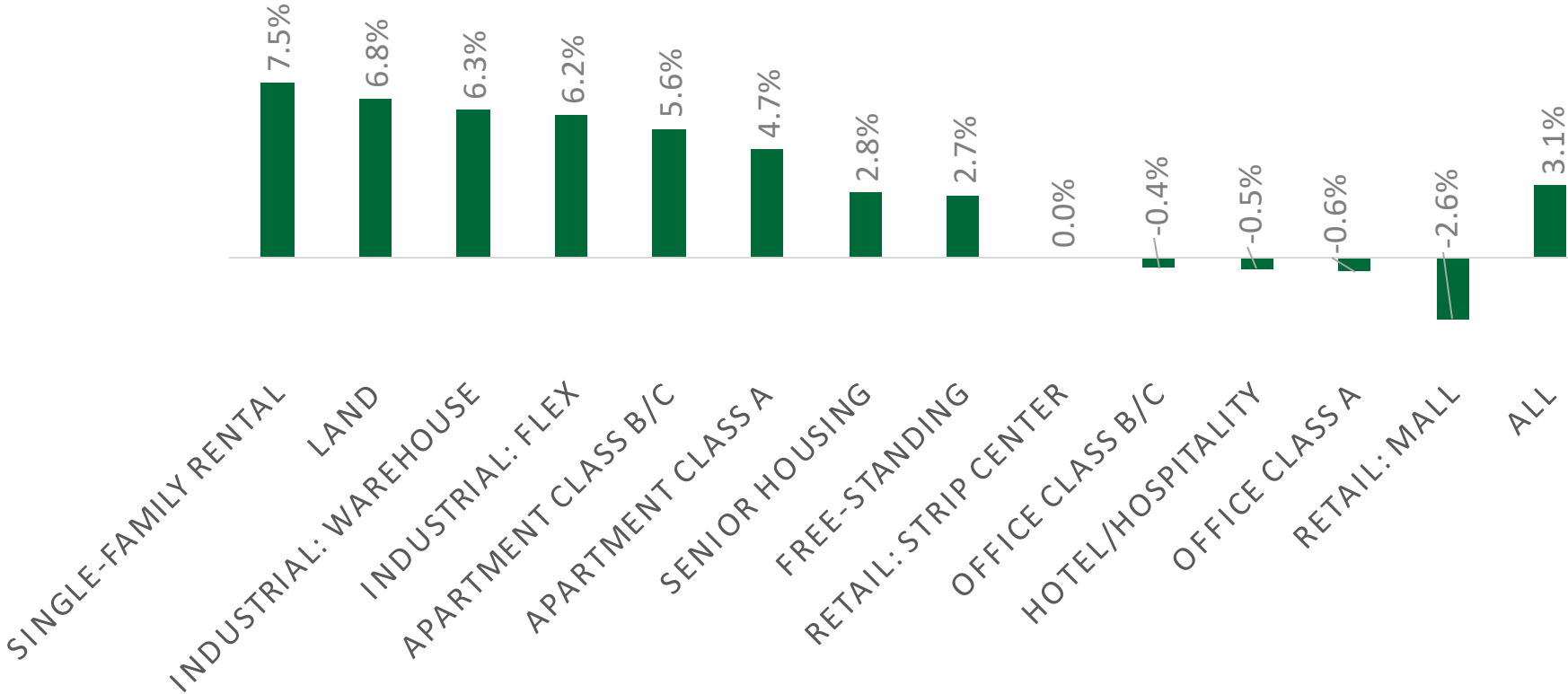


Source of data: NAR estimated from the Federal Reserve Board Financial Accounts (total real estate less replacement cost)



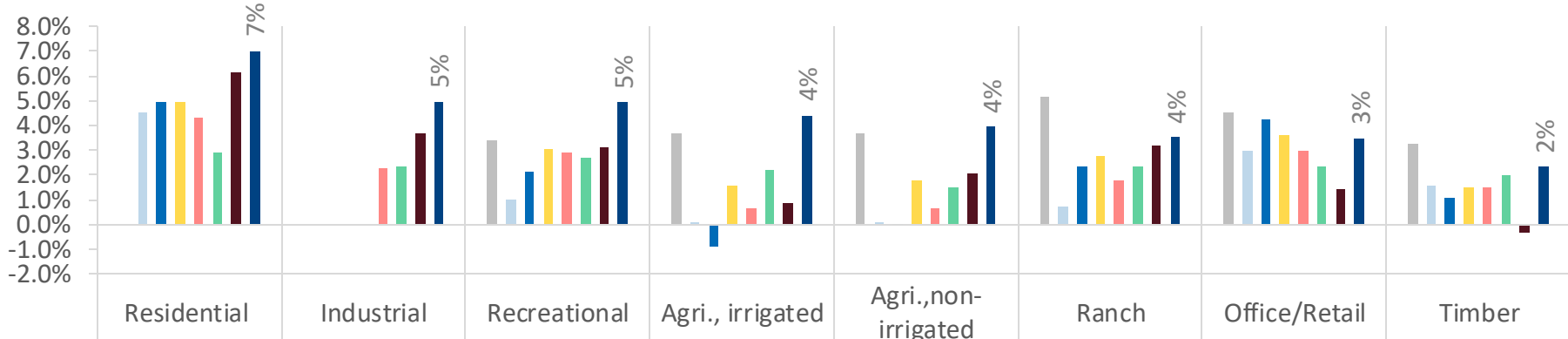
Land Prices Rose 7% in 2021, Faster than Most Commercial Real Estate Prices

YEAR-OVER-YEAR PERCENT CHANGE IN COMMERCIAL AND LAND PRICES IN 2021



Residential, Industrial, and Recreational Land Sales Posted Strongest Growth of 5% to 7%

AVERAGE PERCENT CHANGE IN LAND SALES OF REALTORS®

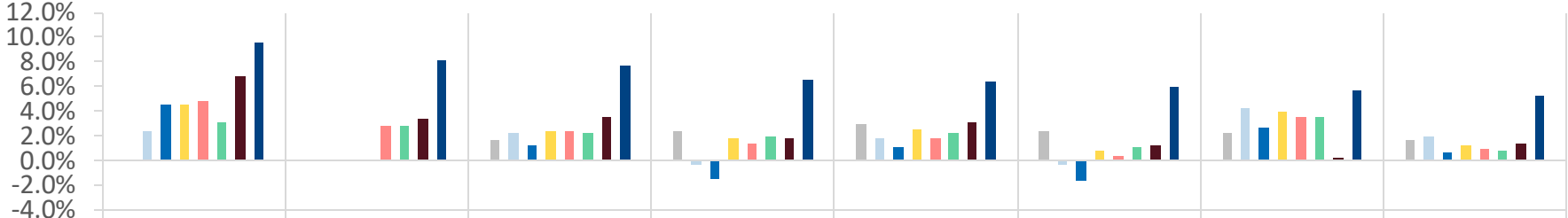


	Residential	Industrial	Recreational	Agri., irrigated	Agri., non-irrigated	Ranch	Office/Retail	Timber
■ 2014			3%	4%	4%	5%	5%	3%
■ 2015	5%		1%	0%	0%	1%	3%	2%
■ 2016	5%		2%	-1%	0%	2%	4%	1%
■ 2017	5%		3%	2%	2%	3%	4%	1%
■ 2018	4%	2%	3%	1%	1%	2%	3%	1%
■ 2019	3%	2%	3%	2%	1%	2%	2%	2%
■ 2020	6%	4%	3%	1%	2%	3%	1%	0%
■ 2021	7%	5%	5%	4%	4%	4%	3%	2%



Office/Retail Land Prices Rose 6% in 2021

AVERAGE PERCENT CHANGE IN LAND PRICES

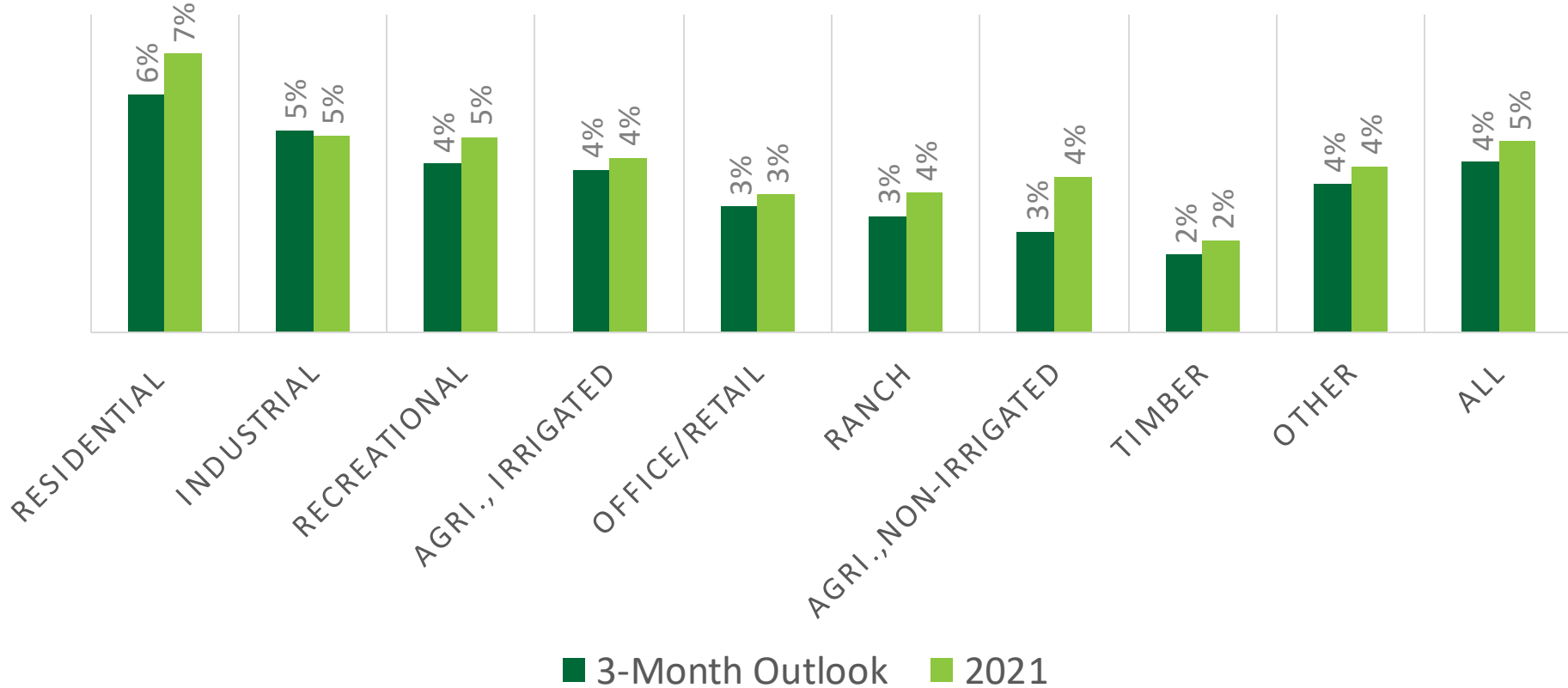


	Residential	Industrial	Recreational	Agri., irrigated	Ranch	Agri., non-irrigated	Office/Retail	Timber
■ 2014			2%	2%	3%	2%	2%	2%
■ 2015	2%		2%	0%	2%	0%	4%	2%
■ 2016	5%		1%	-1%	1%	-2%	3%	1%
■ 2017	5%		2%	2%	3%	1%	4%	1%
■ 2018	5%	3%	2%	1%	2%	0%	4%	1%
■ 2019	3%	3%	2%	2%	2%	1%	4%	1%
■ 2020	7%	3%	4%	2%	3%	1%	0%	1%
■ 2021	10%	8%	8%	7%	6%	6%	6%	5%



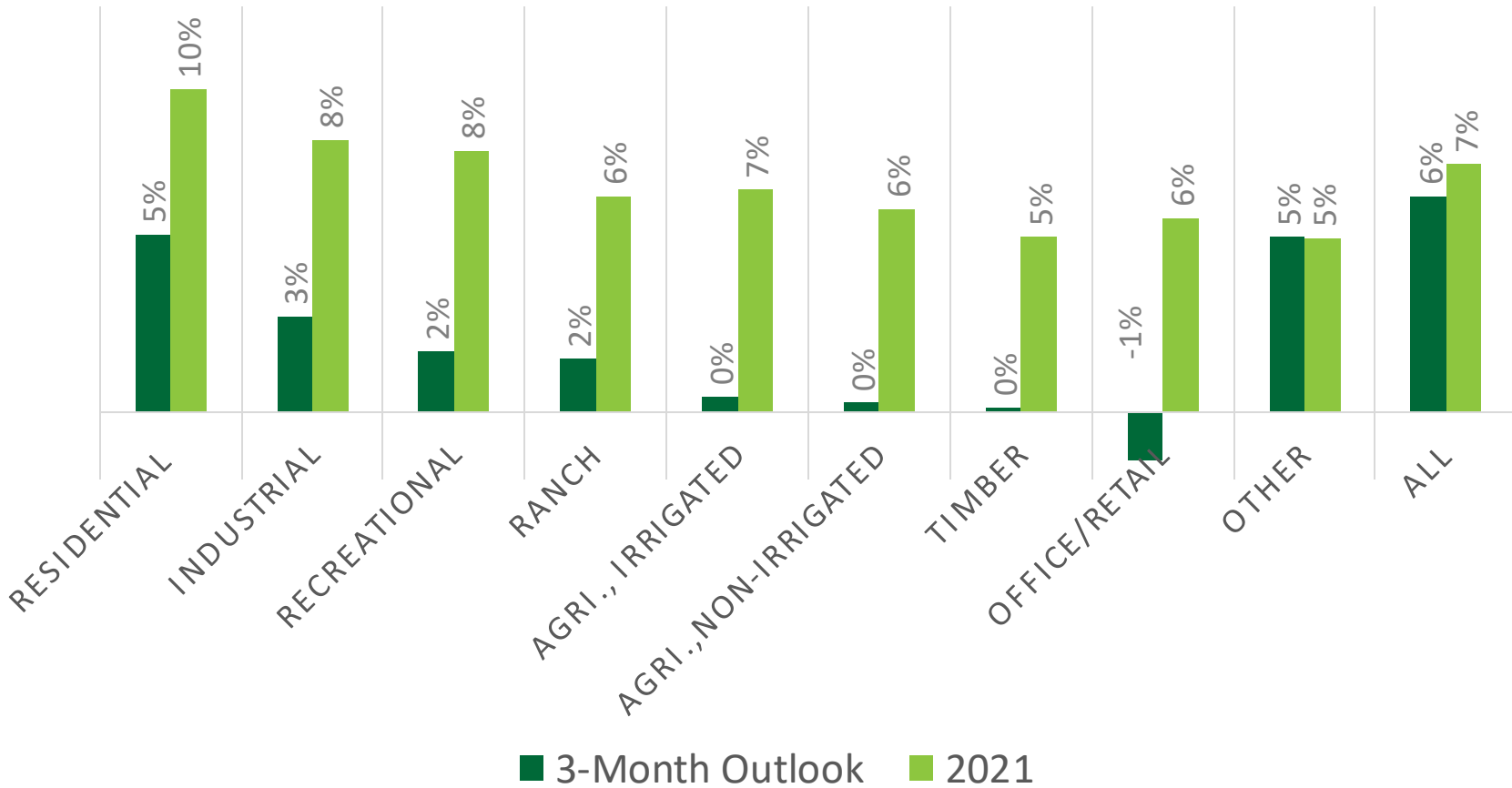
Land Sales Growth of REALTORS® Beat 3-Month Sales Expectations

3-MONTH LAND SALES OUTLOOK



Land Price Increases Reported by REALTORS® Beat 3-Month Price Expectations

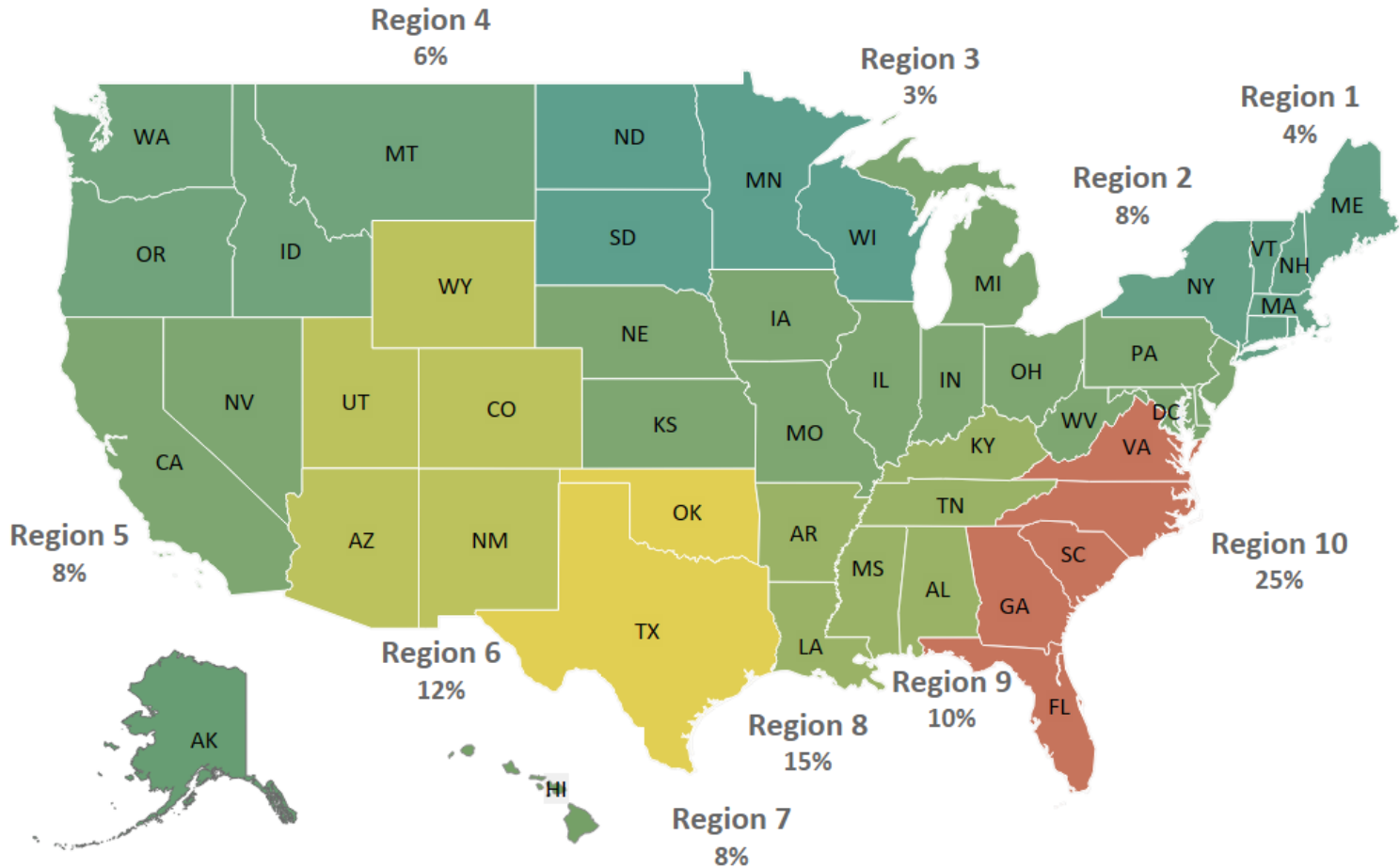
3-MONTH LAND PRICE OUTLOOK



Regions 6, 8, 9, 10

62% of land sales Among REALTORS® in 2021

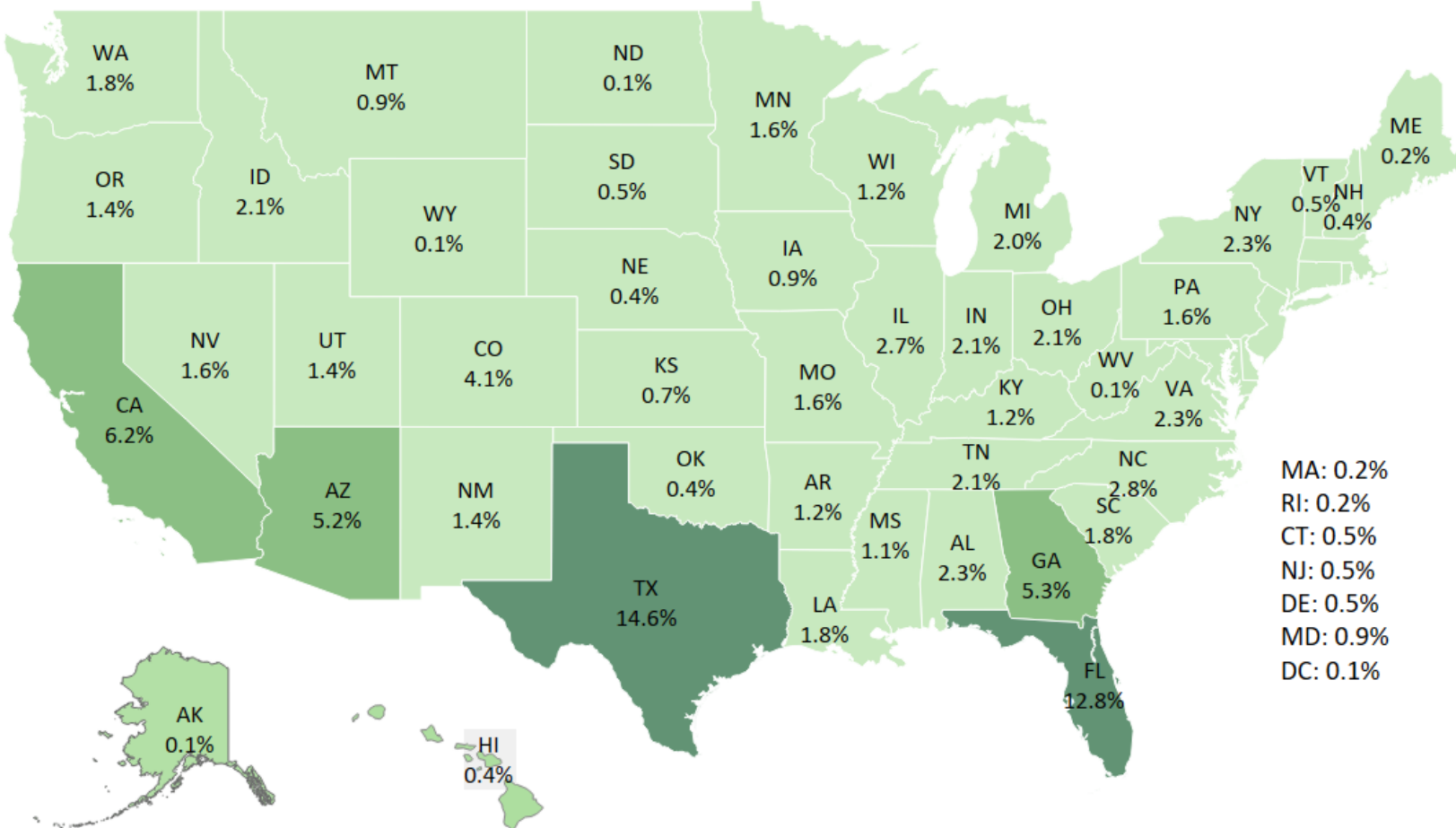
RLI Region's Share to Land Sales in 2021



FL, TX, CA, GA, AZ

44% of land sales among REALTORS® in 2021

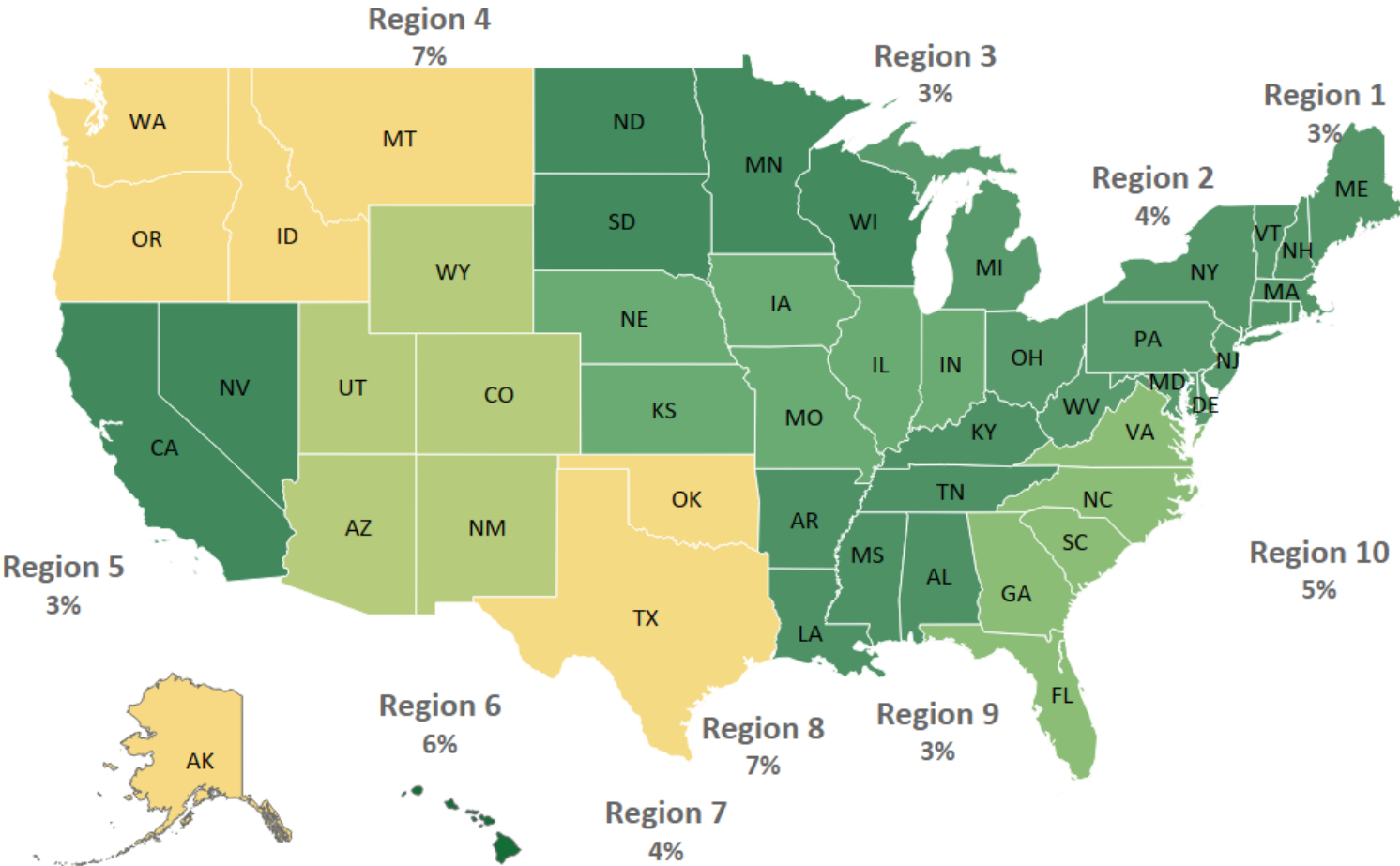
State's Share of Land Sales in 2021



Regions 4, 6, & 8

6% to 7% increase in land sales of REALTORS® in 2021 from 2020

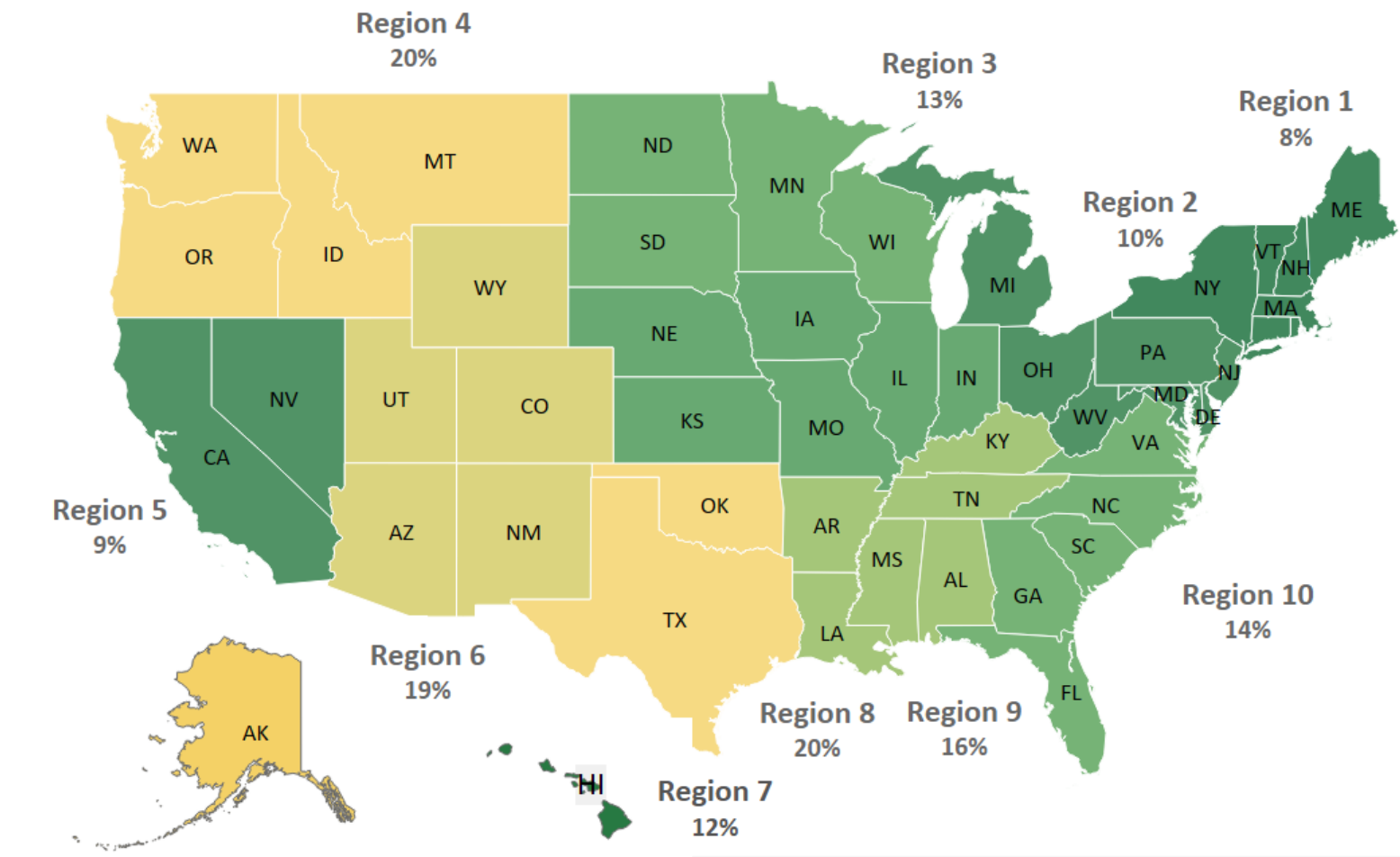
Percent Change in RLI Regions' Land Sales in 2021



Regions 4, 6, 8

About 1 in 5 REALTORS® had a land sale in 2021

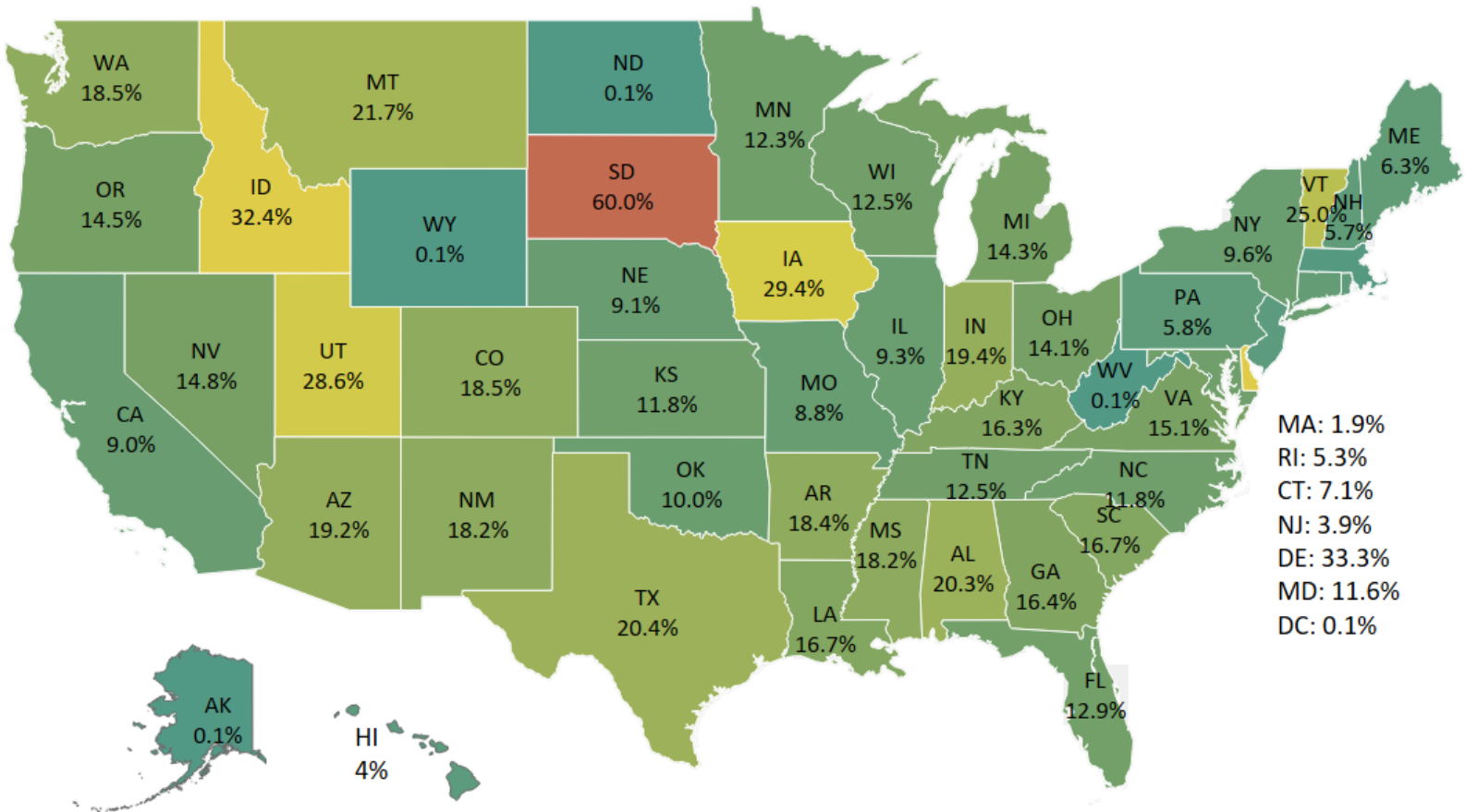
Percent of REALTORS® in the RLI Region With a Land Sale in 2021



South Dakota, Idaho, Iowa, Utah, Delaware, Vermont

States with highest share of REALTORS® who reported a land sale in 2021

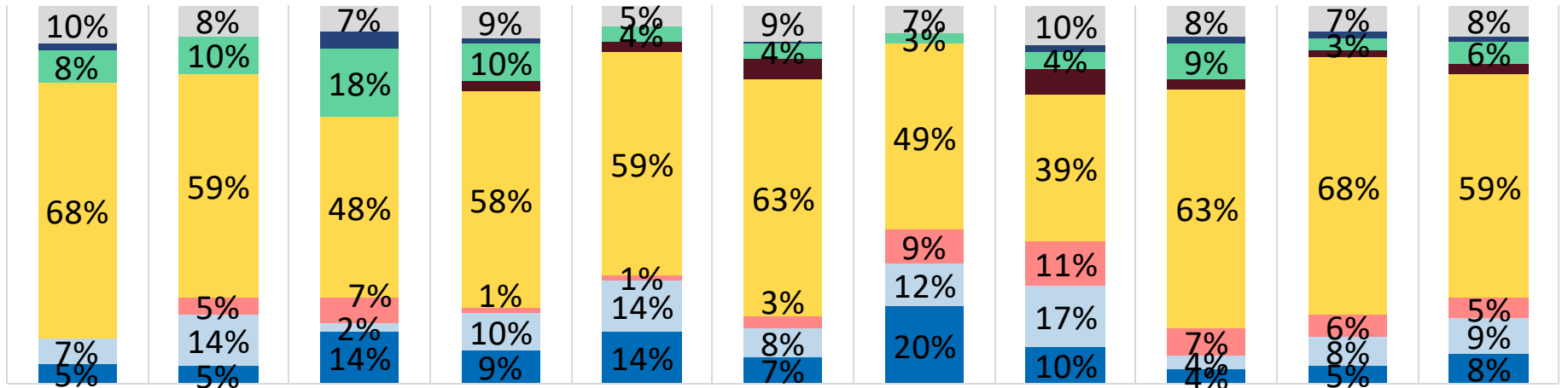
Percent of REALTORS® in the State With a Land Sale in 2021



59% of Land Sales Were Residential Lands

Region 8 had the highest share of office/retail sales at 11%

TYPE OF U.S. LAND SOLD BY REALTORS® IN 2021



REGION REGION REGION REGION REGION REGION REGION REGION REGION REGION ALL

1 2 3 4 5 6 7 8 9 10

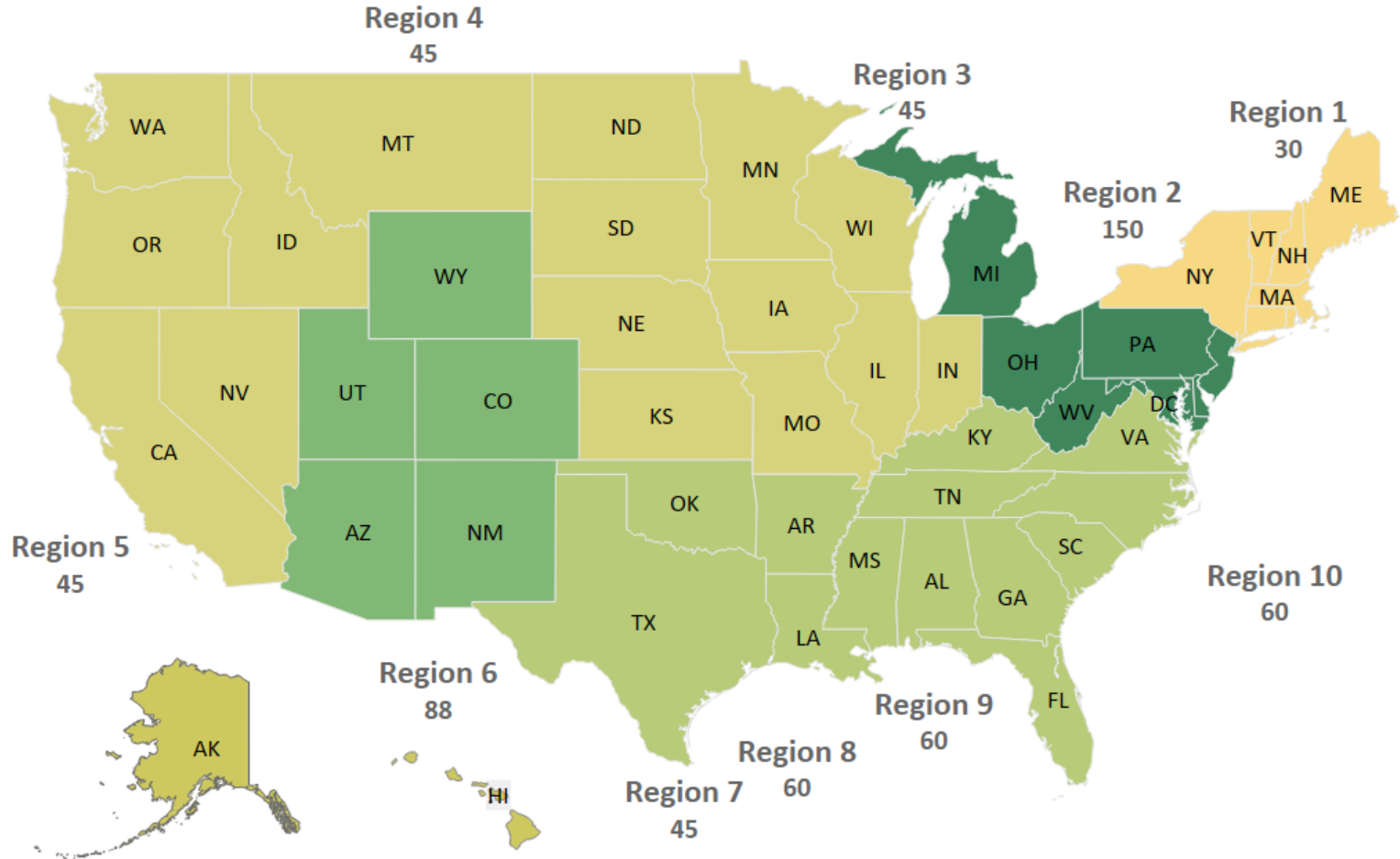
■ Agricultural ■ Industrial ■ Office/Retail ■ Residential ■ Ranch ■ Recreational ■ Timber ■ Other



Residential Land Typically Sold in 60 Days

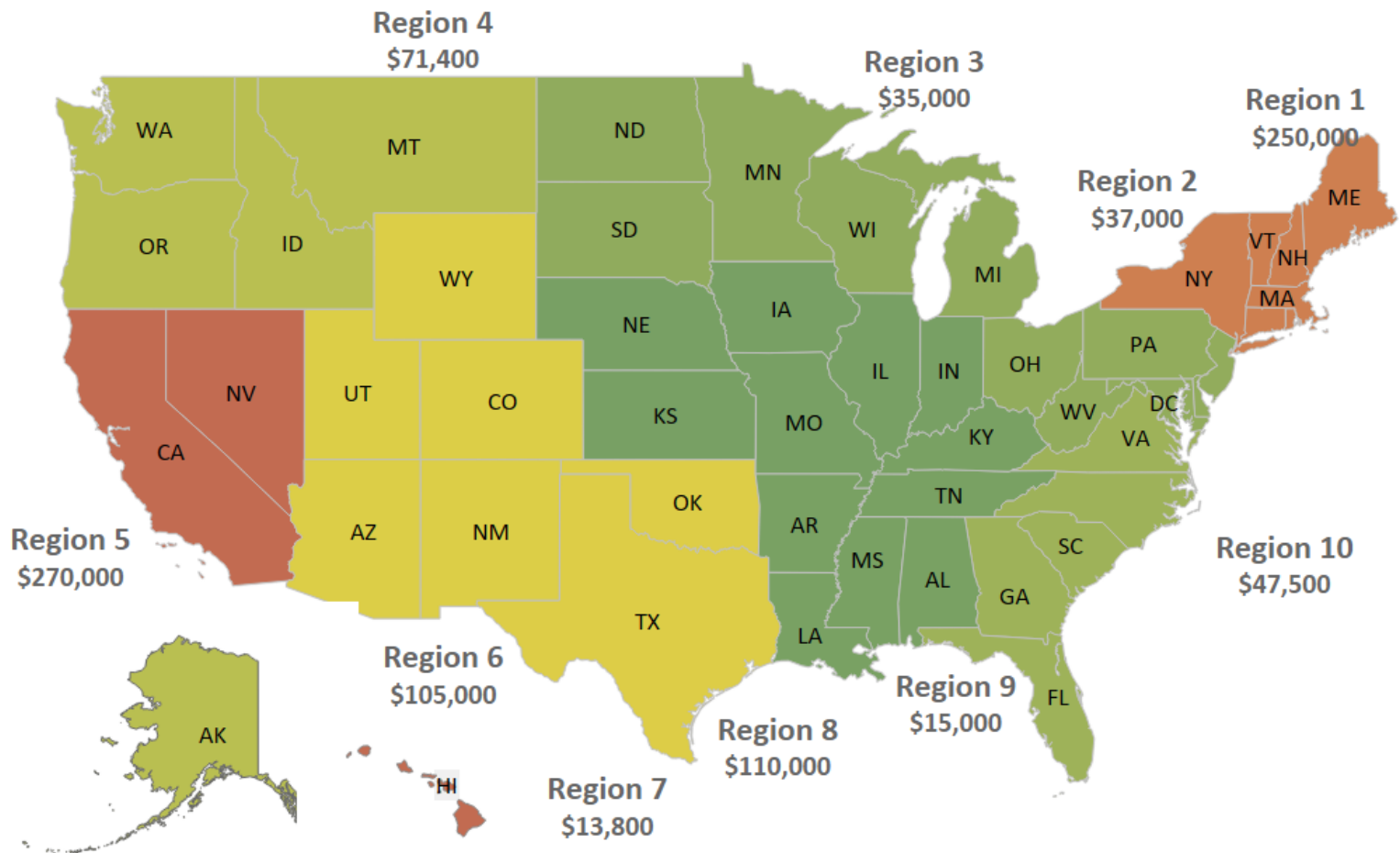
30-45 days in Regions 1,3,4,5

Median Days on Market for Developed Residential Lands Sold by REALTORS® in 2021

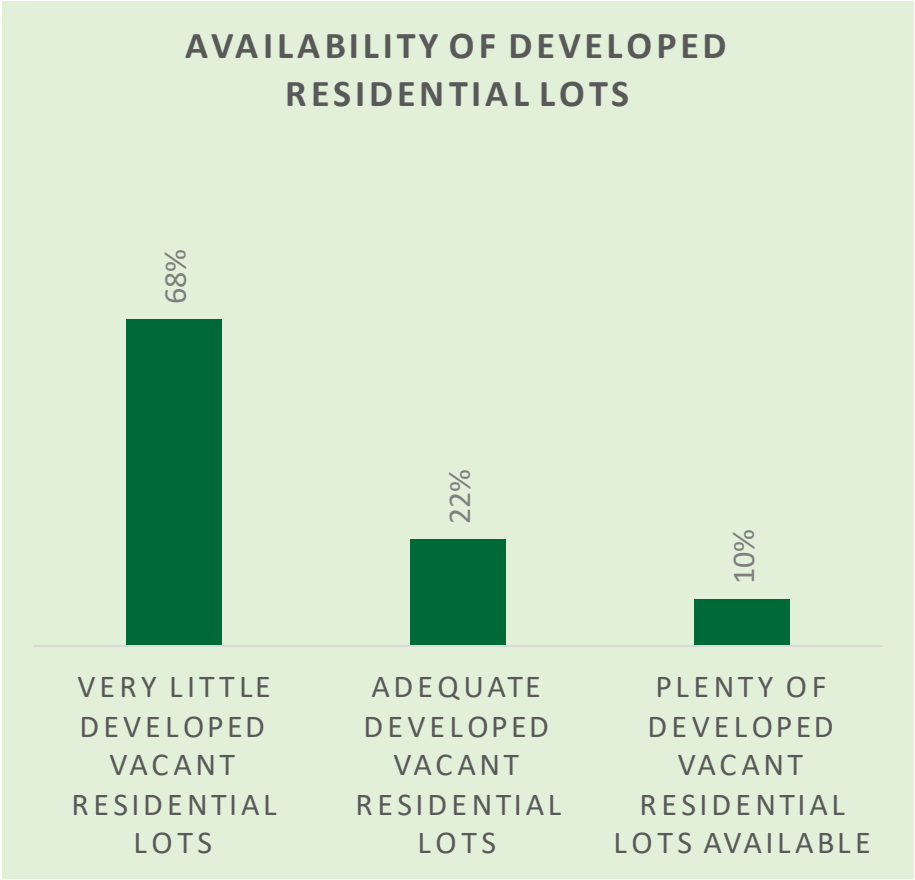
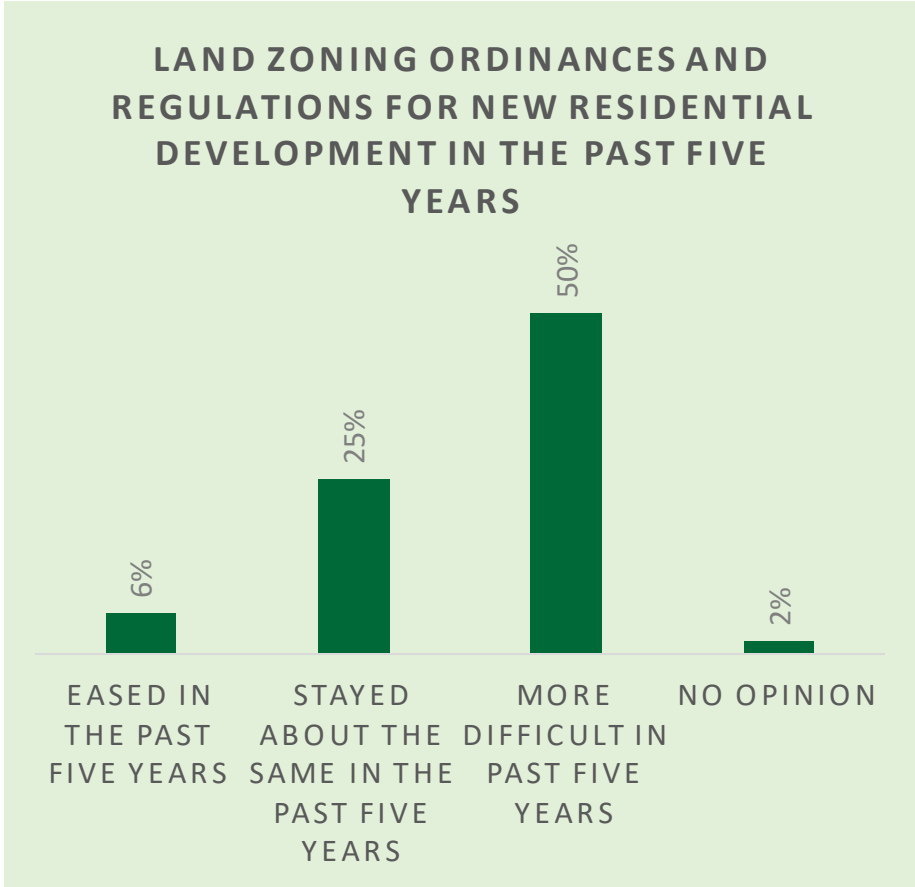


Regions 1 & 5: Most Expensive Residential Lands Over \$200,000/acre

Median Price Per Acre on Developed Residential Lands Sold by REALTORS® in 2021



50% of REALTORS® Report Difficult Zoning Regulations in Past 5 Years

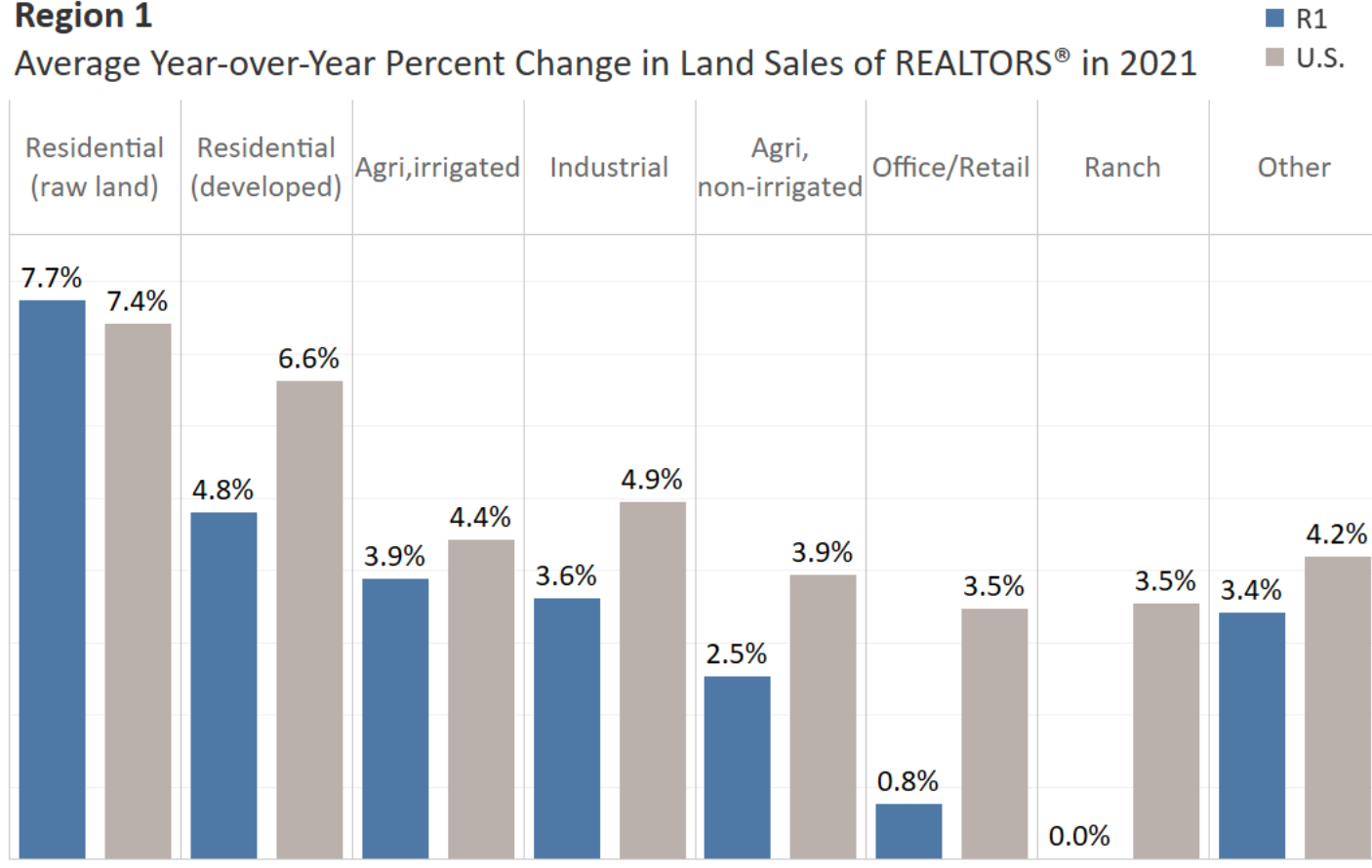


Region 1

Percent Change in Land Sales by Land Type

Region 1

Average Year-over-Year Percent Change in Land Sales of REALTORS® in 2021

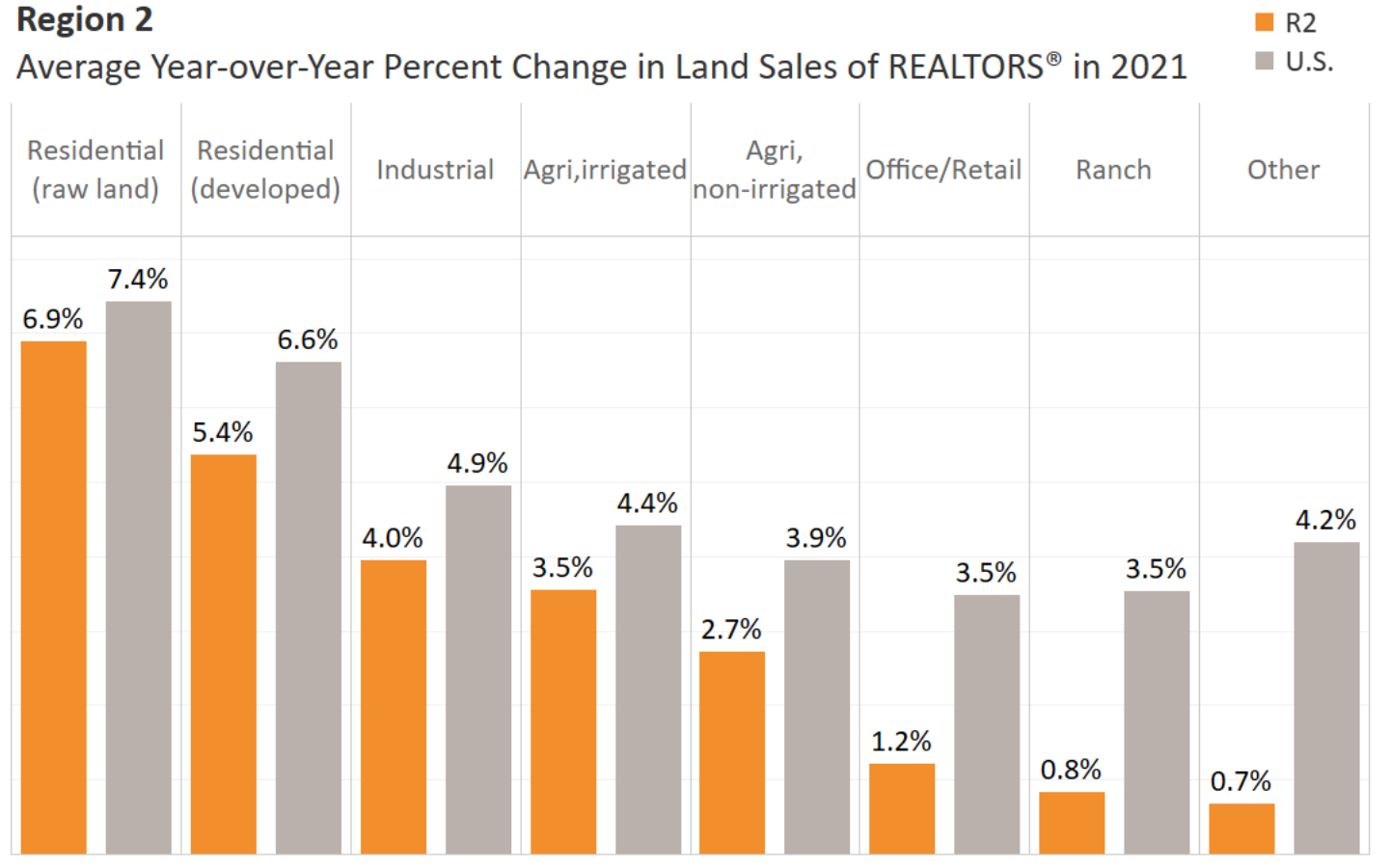


Region 2

Percent Change in Land Sales by Land Type

Region 2

Average Year-over-Year Percent Change in Land Sales of REALTORS® in 2021



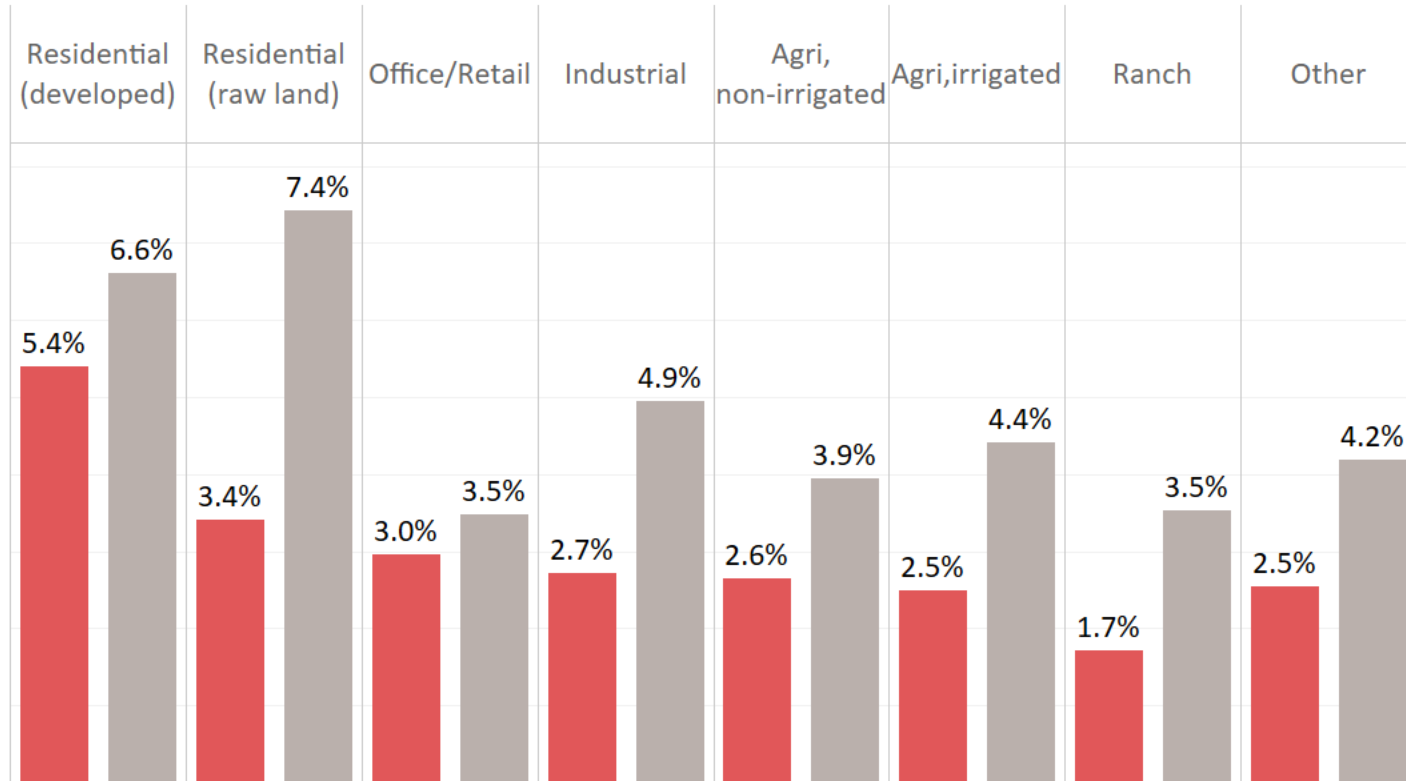
Region 3

Percent Change in Land Sales by Land Type

Region 3

Average Year-over-Year Percent Change in Land Sales of REALTORS® in 2021

■ R3
■ U.S.



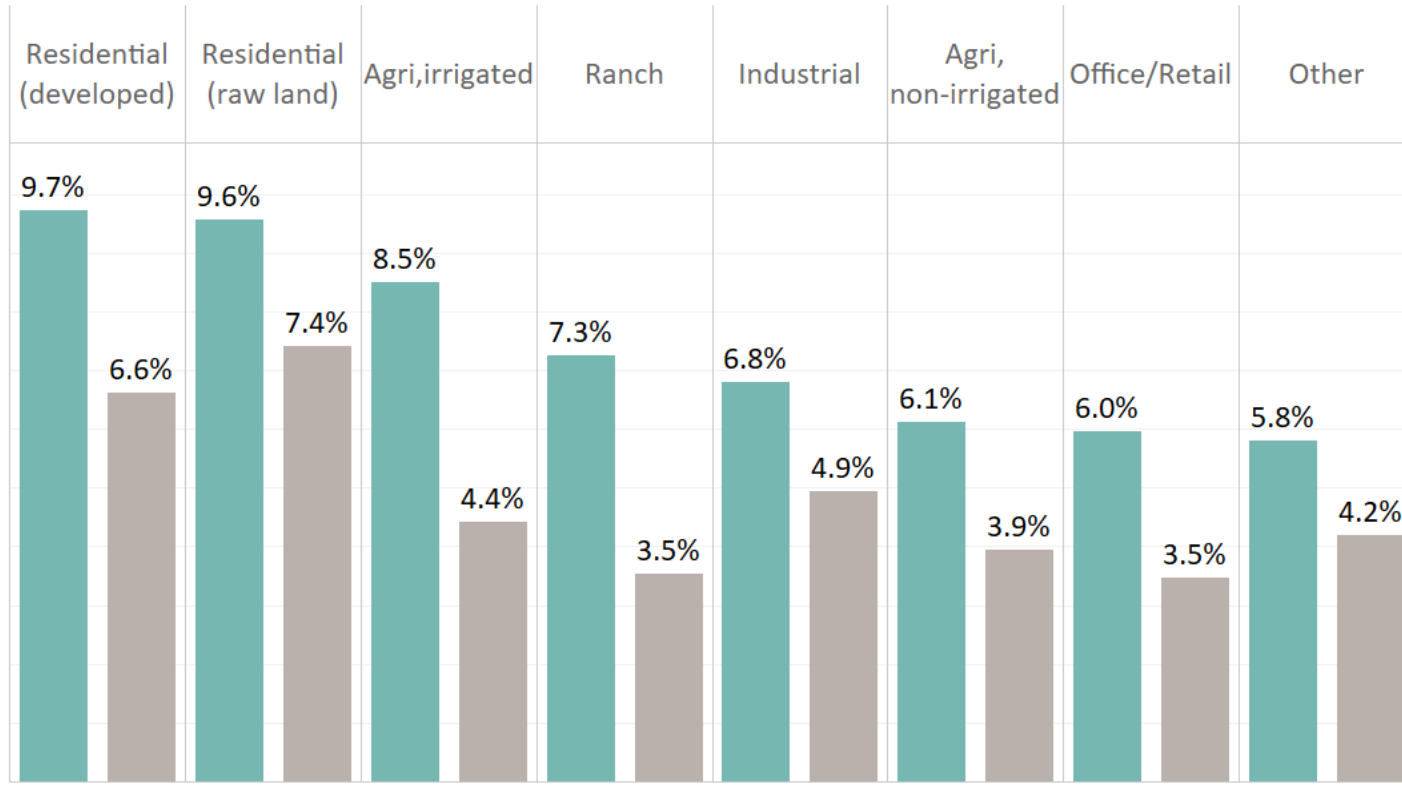
Region 4

Percent Change in Land Sales by Land Type

Region 4

Average Year-over-Year Percent Change in Land Sales of REALTORS® in 2021

■ R4
■ U.S.

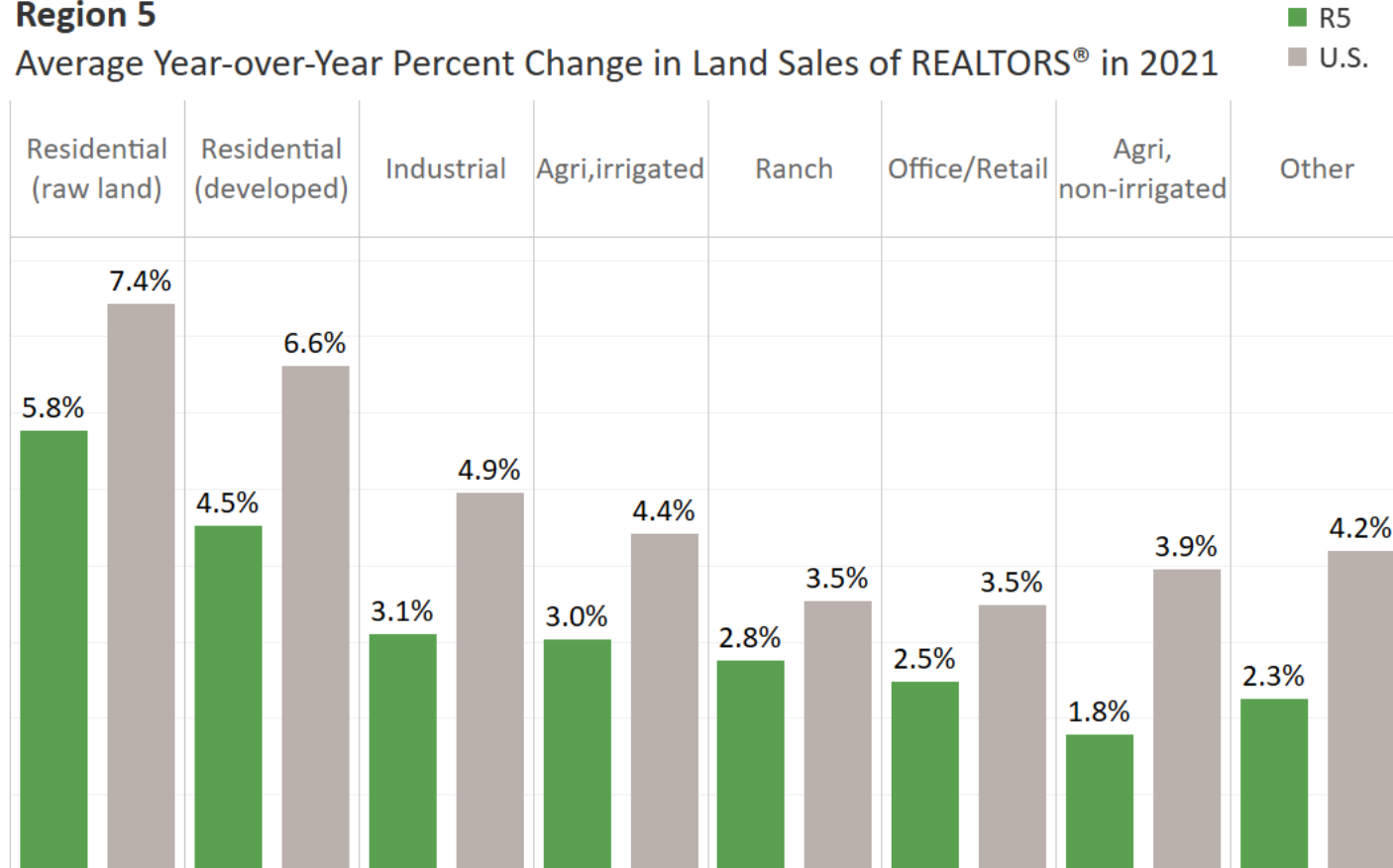


Region 5

Percent Change in Land Sales by Land Type

Region 5

Average Year-over-Year Percent Change in Land Sales of REALTORS® in 2021



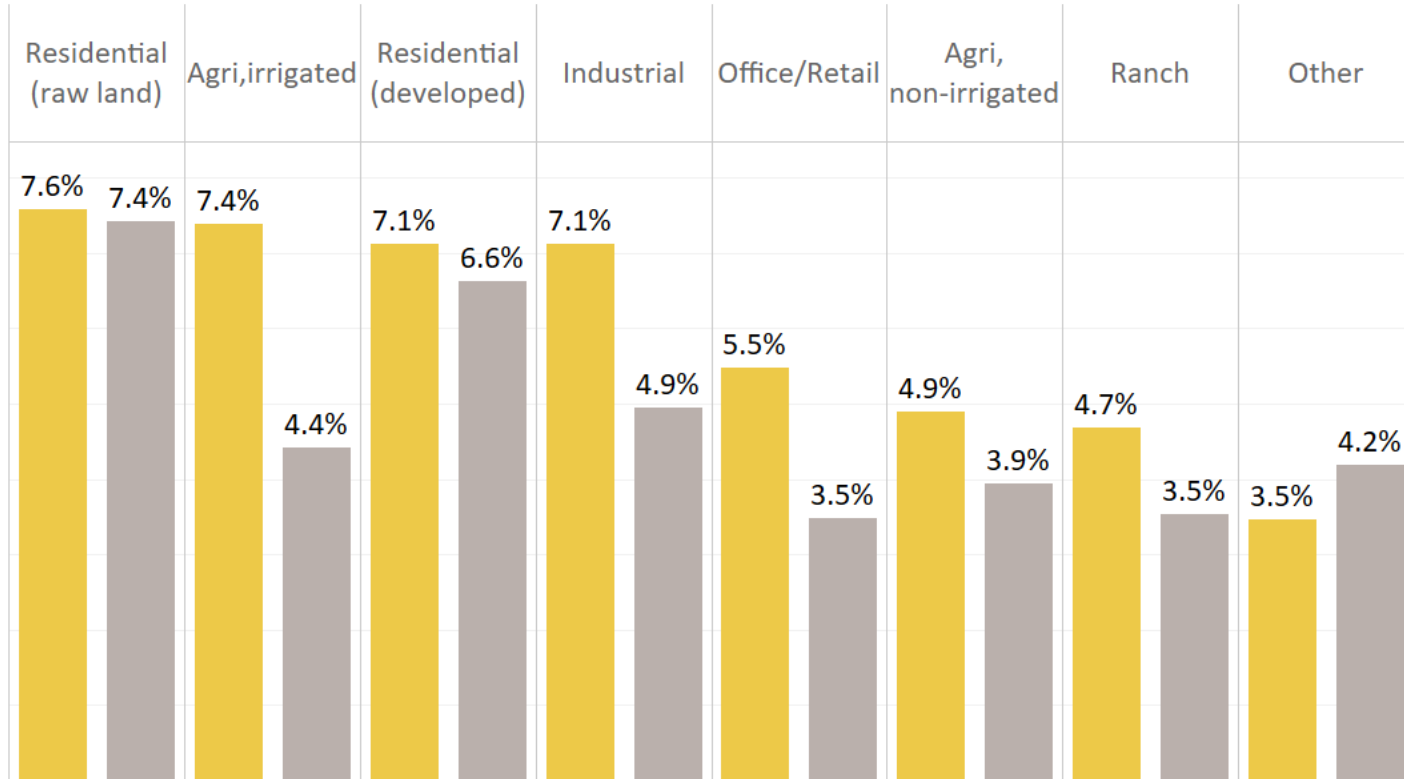
Region 6

Percent Change in Land Sales by Land Type

Region 6

Average Year-over-Year Percent Change in Land Sales of REALTORS® in 2021

■ R6
■ U.S.

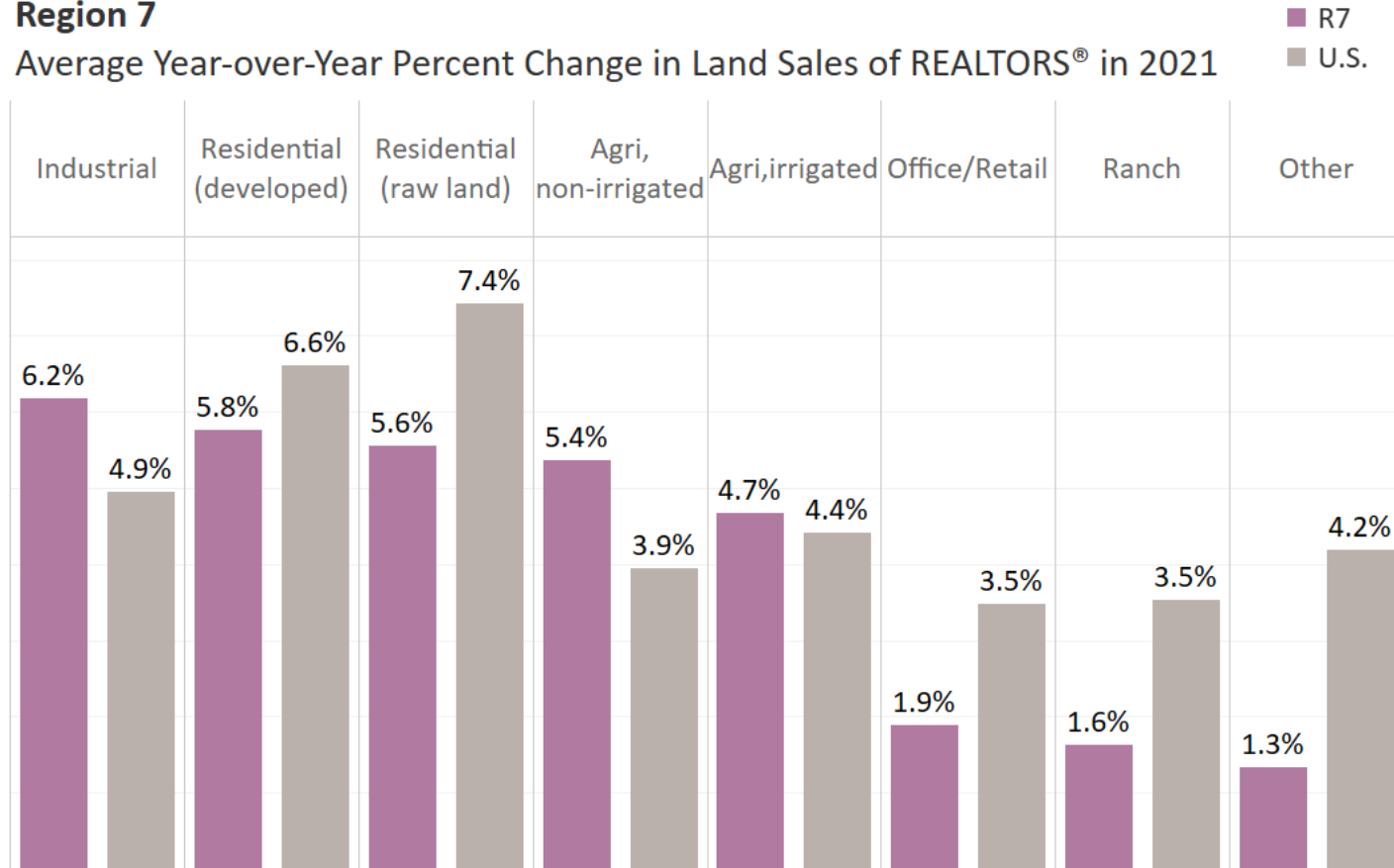


Region 7

Percent Change in Land Sales by Land Type

Region 7

Average Year-over-Year Percent Change in Land Sales of REALTORS® in 2021

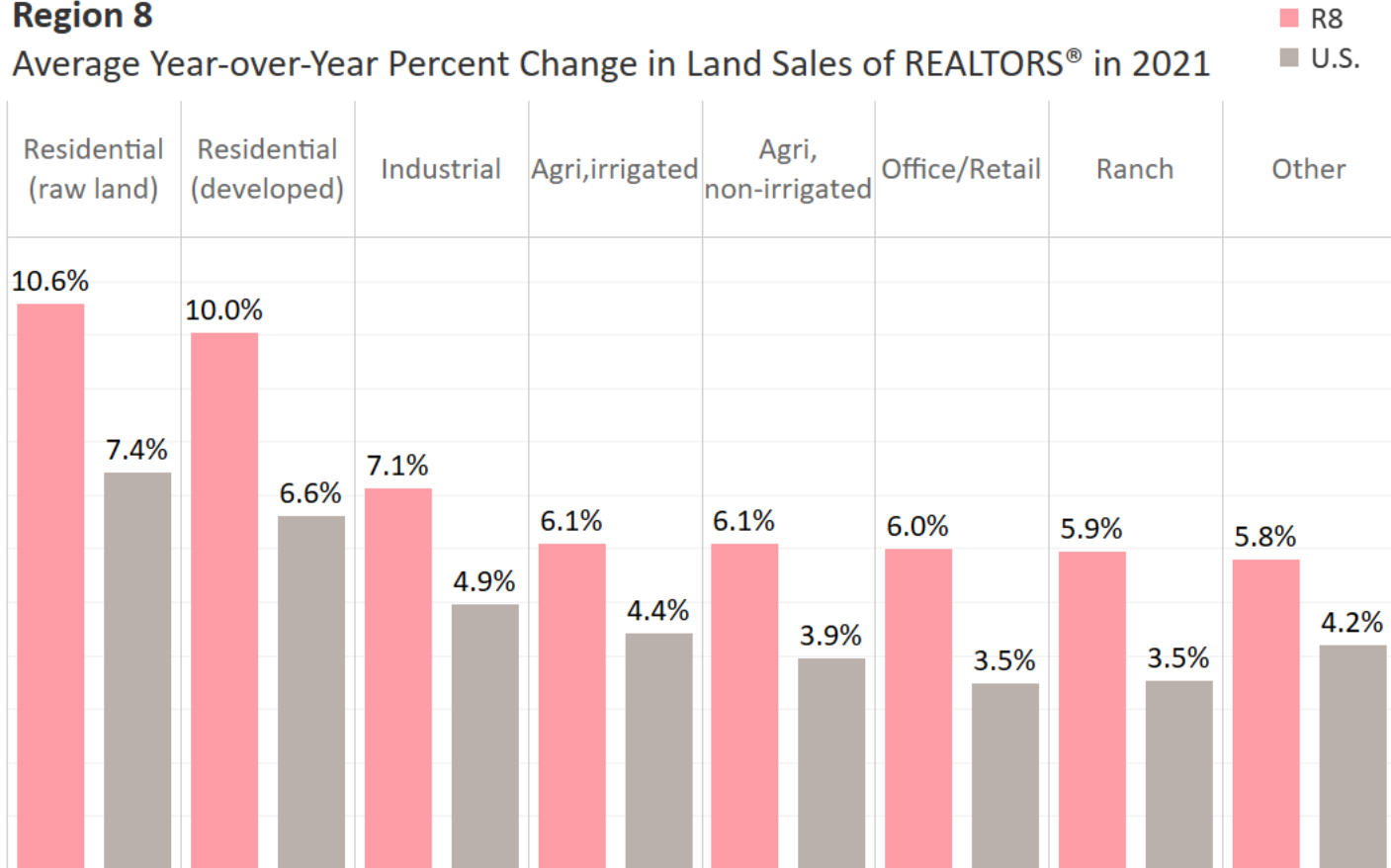


Region 8

Percent Change in Land Sales by Land Type

Region 8

Average Year-over-Year Percent Change in Land Sales of REALTORS® in 2021

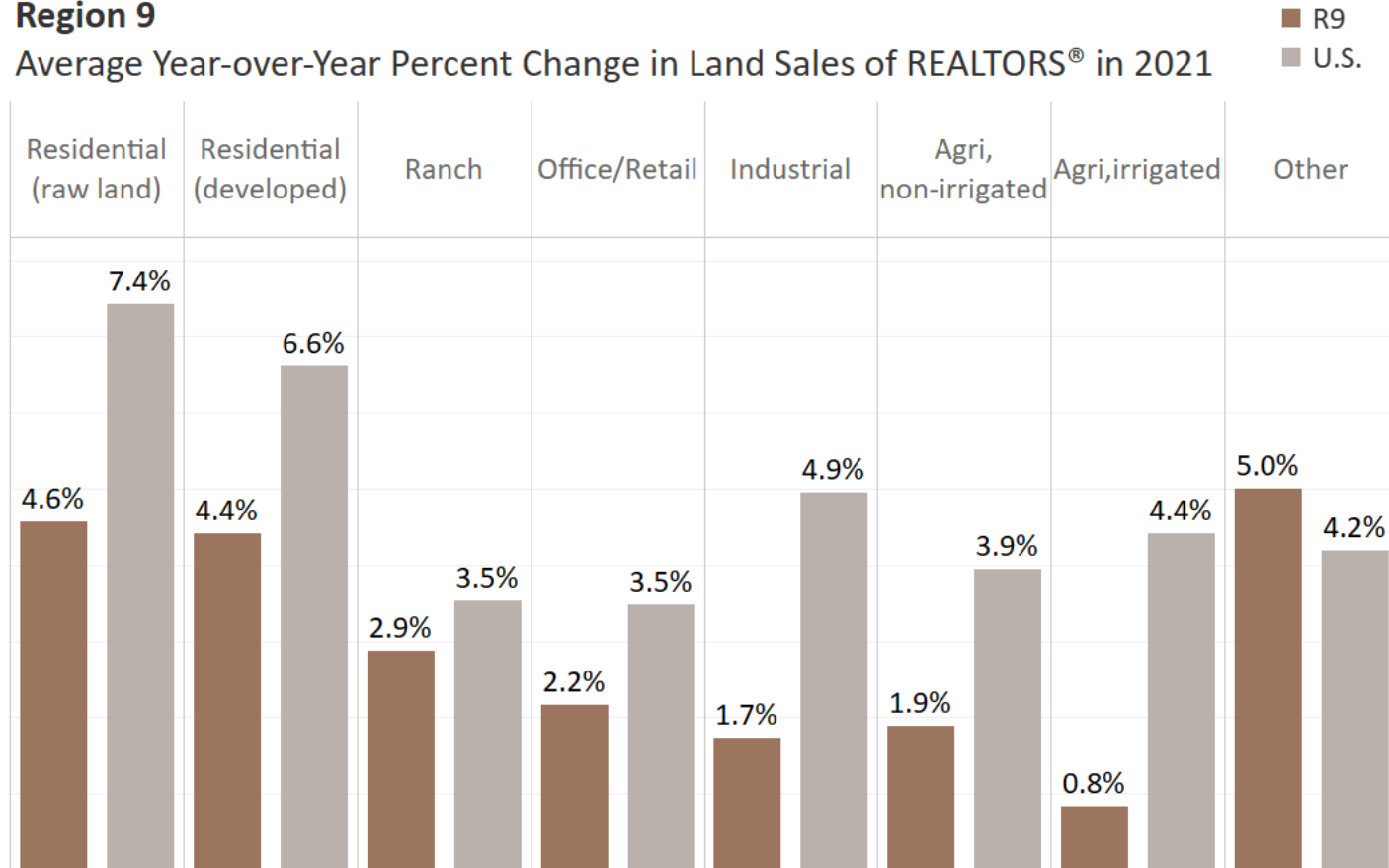


Region 9

Percent Change in Land Sales by Land Type

Region 9

Average Year-over-Year Percent Change in Land Sales of REALTORS® in 2021

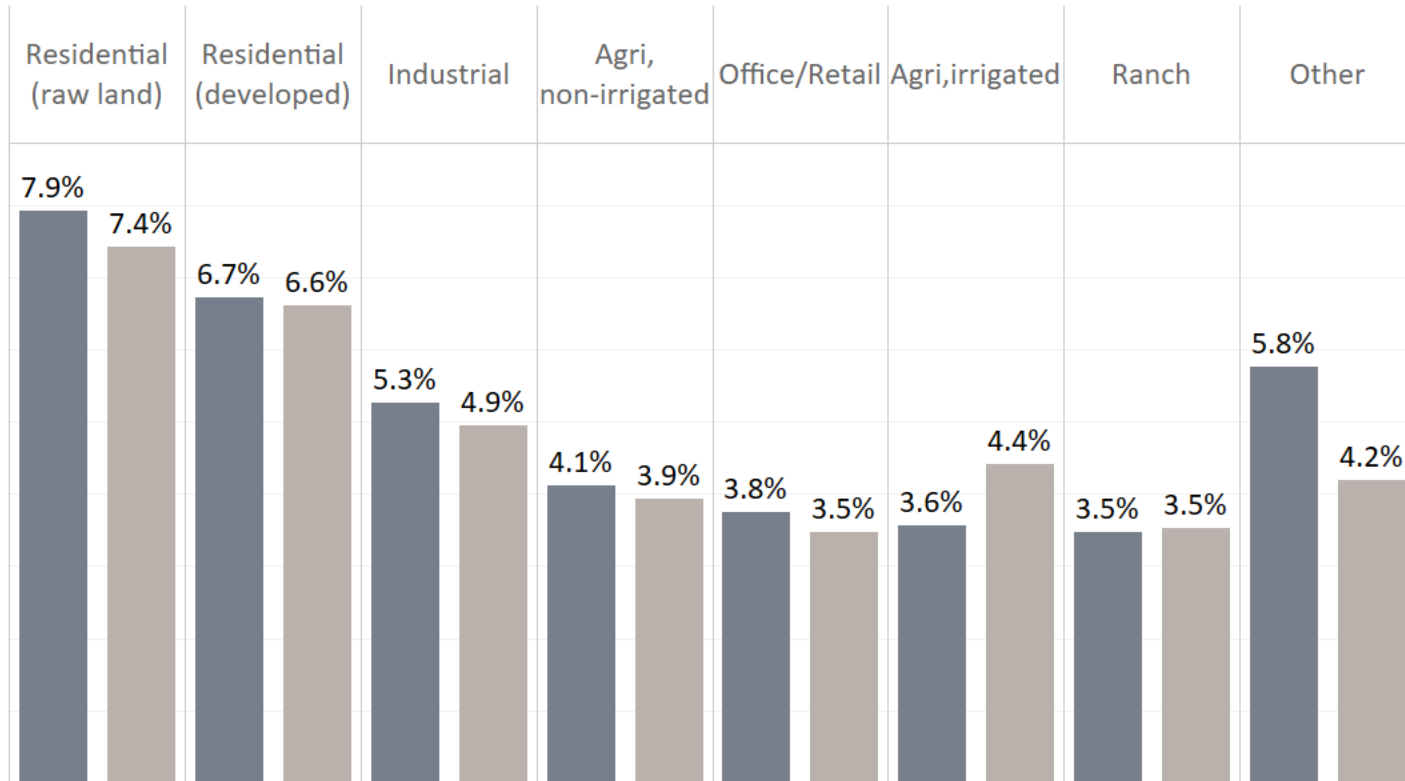


Region 10

Percent Change in Land Sales by Land Type

Region 10

Average Year-over-Year Percent Change in Land Sales of REALTORS® in 2021



2021 Land Market Survey Report

REALTORS® Land Institute

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The REALTORS® Land Institute, “The Voice of Land,” elevates the level of professionalism in the land industry and is the destination for land industry expertise.

The NATIONAL ASSOCIATION of REALTORS®, “The Voice for Real Estate,” is America’s largest trade association, representing over 1.5 million members, including NAR’s institutes, societies, and councils, involved in all aspects of the real estate industry.

The NATIONAL ASSOCIATION of REALTORS® Research Group collects and disseminates timely, accurate, and comprehensive real estate data and to conduct economic analysis in order to inform and engage members, consumers, policy makers, and the media in a professional and accessible manner.

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