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Pinal County 2011

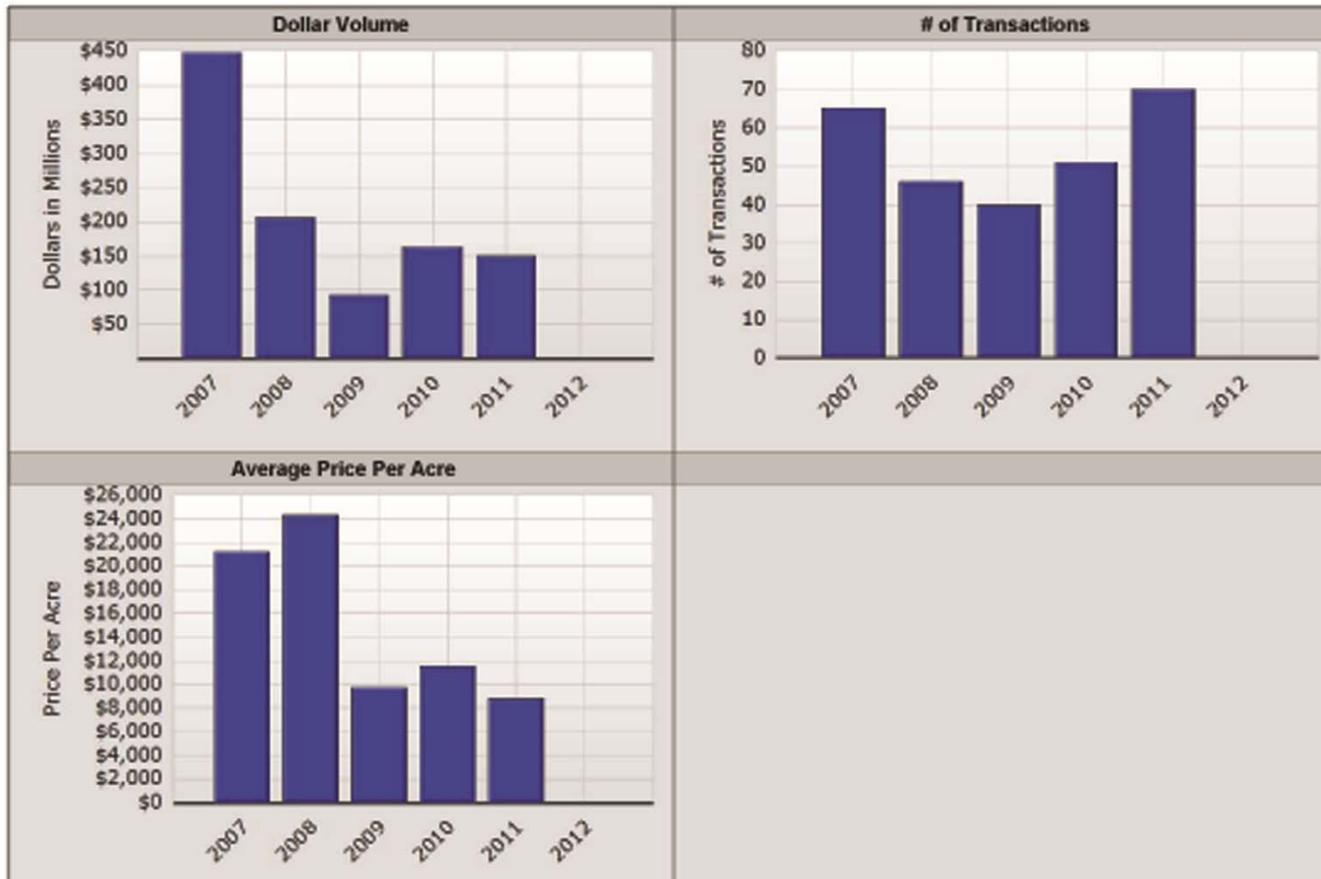
2011 PINAL COUNTY LAND VALUE SURVEY BY LOCATION

■ Overall Pinal County

- The Pinal County land market has been depressed since late 2007/early 2008 with the number of transactions and dollar volume down significantly from the peak of the mid 2000's when we saw rapid appreciation and speculation. This trend continued in 2011 with only 70 sales meeting the criteria vs. more than 400 in 2005 at the peak of the market. The average price per acre is also down significantly from the peak average in 2006 of approximately \$33,300 to \$8,802 per acre in 2011, indicating a decline of approximately 74% over this period. However there are some signs of recovery in the agricultural market. Commodity prices have been high which has driven market rent up significantly in 2011. Also we have seen increased activity from institutional type buyers looking to take advantage of the current depressed market and positive farm environment. These changes have caused a steady increase in the number of transactions since 2009 when there were 40 transactions meeting the criteria to 70 transactions in 2011. While average price per acre was down slightly in 2011 vs. 2010 the overall trend for farmland throughout the year appeared to be positive.

- ¹General survey of vacant land arms length sales 40 acres or larger

Trend Report



Basic Criteria: Sale Status - **Sold, Under Contract**; Property Type - **Land**; Sale Date - **1/1/2011 - 12/31/2011**; Arms Length
Land Area (AC) - **from 40.00**; - **Include Public Record Comps**

2011 PINAL COUNTY LAND VALUE SURVEY BY LOCATION

■ Queen Creek/Florence¹

- 13 Sales reviewed.
- Sales ranged from approximately \$2,000 per acre to \$41,000 per acre with a mean of \$10,011.
- Overall prices have declined drastically in this area compared to the 2007 mean price of \$75,560 per acre. However due to the limited data it is not reasonable to draw meaningful conclusions on a percentage drop but it does demonstrate the significant price declines we are currently experiencing.
- Very low sales volume has been evident since early 2007.
- Location is a significant factor with sales closer to Queen Creek and current development at the upper end of the range.
- Zoning and infrastructure are also important factors.

- ¹General Survey of vacant land arms length Sales 40 acres or larger

2011 PINAL COUNTY LAND VALUE SURVEY BY LOCATION

■ Coolidge¹

- 6 Sales reviewed.
- Sales ranged from approximately \$2,400 per acre to \$40,000 per acre with a mean of \$4,371.
- 2011 indicated a significant decline in average price per acre compared to 2010. However the numbers are skewed somewhat due to the low number of transactions and commercial land sale at \$65,000 per acre in 2010.
- Sales volume and transactions decrease in 2011 after increasing in 2010. The total reported volume in 2011 was only \$8,270,000 in 2011 vs. \$16,680,000 in 2010. However the number of transactions and volume is still historically very low
- Location is a significant factor with sales west and north of Coolidge at the upper end of the range and sales at the southern end of the area at the lower end of the range.

■ ¹General Survey of vacant land arms length Sales 40 acres or larger

2011 PINAL COUNTY LAND VALUE SURVEY BY LOCATION

■ Eloy¹

- 19 Sales reviewed.
- Sales ranged from approximately \$100 per acre to \$9,750 per acre with a mean of \$4,296. However this included a FDIC Sale of some remote desert and under \$100 per acre. If excluded the range would be \$1,000 to \$10,000 with the typical farms selling in the \$2,500 to \$5,000 range.
- 2011 indicated increased sales activity for agricultural property in this area.
- This area was heavily influenced by speculators and is now dominated by foreclosures and distressed property but with the current low prices it has drawn in farm investors.
- The residential speculative market in this area has come to a virtual stand still.

■ ¹General Survey of vacant land arms length Sales 40 acres or larger

2011 PINAL COUNTY LAND VALUE SURVEY BY LOCATION

■ Casa Grande¹

- 19 Sales reviewed
- Sales generally ranged from approximately \$1,500 per acre to \$28,000 per acre with a mean of \$8,107.
- Overall 2011 prices indicated some depreciation from 2010 but in my opinion this was due more to shift to rural and agricultural land from commercial and industrial land. The number of transactions and dollar volume both increased in 2011 indicating a recovering market.
- Location is a significant factor with sales closer to Casa Grande with industrial and commercial potential at the upper end of the range.
- Zoning and infrastructure are also important factors with several of the Sales consisting of developed lots and the one sale at the upper end of the range planned for an industrial use.

- ¹General survey of vacant land arms length sales 40 acres or larger

2011 PINAL COUNTY LAND VALUE SURVEY BY LOCATION

■ Maricopa/Stanfield¹

- 15 Sales reviewed
- The sales generally ranged from \$1,600 to over \$47,000 per acre with an average price of \$7,546.
- Overall 2011 prices also indicated some depreciation from 2010 and the dollar volume was down slightly. However the number of transactions increased slightly.
- Again in my opinion the declines indicated in 2011 vs. 2010 are more indicative of a shift to agricultural property vs. industrial and commercial property and not a continued declining trend.
- Location is a significant factor with sales close to Maricopa and development at the top of the range.
- Zoning and infrastructure are also important factors.

- ¹General survey of vacant land arms length sales 40 acres or larger

PINAL COUNTY WATER COST AND RENTAL RATES BY IRRIGATION DISTRICT

IRRIGATION DISTRICT	2008	2009	2010	2011-12
<u>NEW MAGMA</u>				
Irrigable Acres - 26,900				
Water Assessment	\$19.39	\$19.39	\$19.39	\$19.39
Water Cost	\$33.00	\$35.00	\$35.00	\$43.00
Rental Rates	\$75-\$100	\$75-\$125	\$85-\$125	\$150-\$200
<u>San Carlos</u>				
Irrigable Acres - 45,000				
Water Assessment	\$63 (Inc. Approx. 1.3 Ac. Ft.)	\$63 (Inc. Approx. .35 Ac. Ft.)	\$67 (Inc. 2 Ac. Ft. If available)	\$67 (Inc. 2 Ac. Ft. If available .4 Ac. Ft. Est.)
Water Cost	\$20 > 2 AC. FT. normal flow (if available)	\$20 > 2 AC. FT. normal flow (if available)	\$20 > 2 AC. FT. normal flow (if available)	\$20 > 2 AC. FT. normal flow (if available) \$75 Ac. Ft. CAP
Rental Rates	\$100±	\$60-\$150±	\$75-\$150±	\$75-\$200±

IRRIGATION DISTRICT	2008	2009	2010	2011/2012
<u>Hohokam District</u> Irrigable Acres - 26,000				
Water Assessment	\$31	\$31	\$31	\$31
Water Cost	\$38	\$38	\$38	\$38
Rental Rates	\$100-\$125	\$90-\$125	\$90-\$135	\$150-\$200+
<u>Maricopa Stanfield District</u> Irrigable Acres - 87,127				
Water Assessment	\$26	\$26	\$26	\$26
Water Cost	\$45.50 (1-4.5 Ac. Ft.) \$59.00 (>4.5 Ac. Ft.)	\$45.50 (1-4.5 Ac. Ft.) \$59.00 (>4.5 Ac. Ft.)	\$45.50 (1-4.5 Ac. Ft.) \$59.00 (>4.5 Ac. Ft.)	\$47.00(1-4.5 Ac. Ft.) \$70.00 (>4.5-5.5 Ac. Ft.) \$80.00 (>5.5 Ac. Ft.)
Rental Rates	\$95-\$150	\$90-\$125	\$85-\$125	\$150-\$200+
<u>Central Arizona District</u> Irrigable Acres – 87,600				
Water Assessment	\$35	\$35	\$35	\$35
Water Cost	\$51	\$52.50	\$52.50	\$39.50 Dec-Feb 2 Ac. Ft. 54.00 Mar-Nov 3.8 Ac. Ft.
Rental Rates	\$95-\$150	\$90-\$125	\$85-\$125	\$150-\$200+