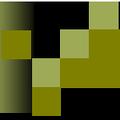


Southeastern Arizona

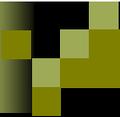


Mr. Mark R. Finley Jr., ARA, RPRA



Cochise County Center Pivot Irrigated Land Values Prices and Rents per wet acre

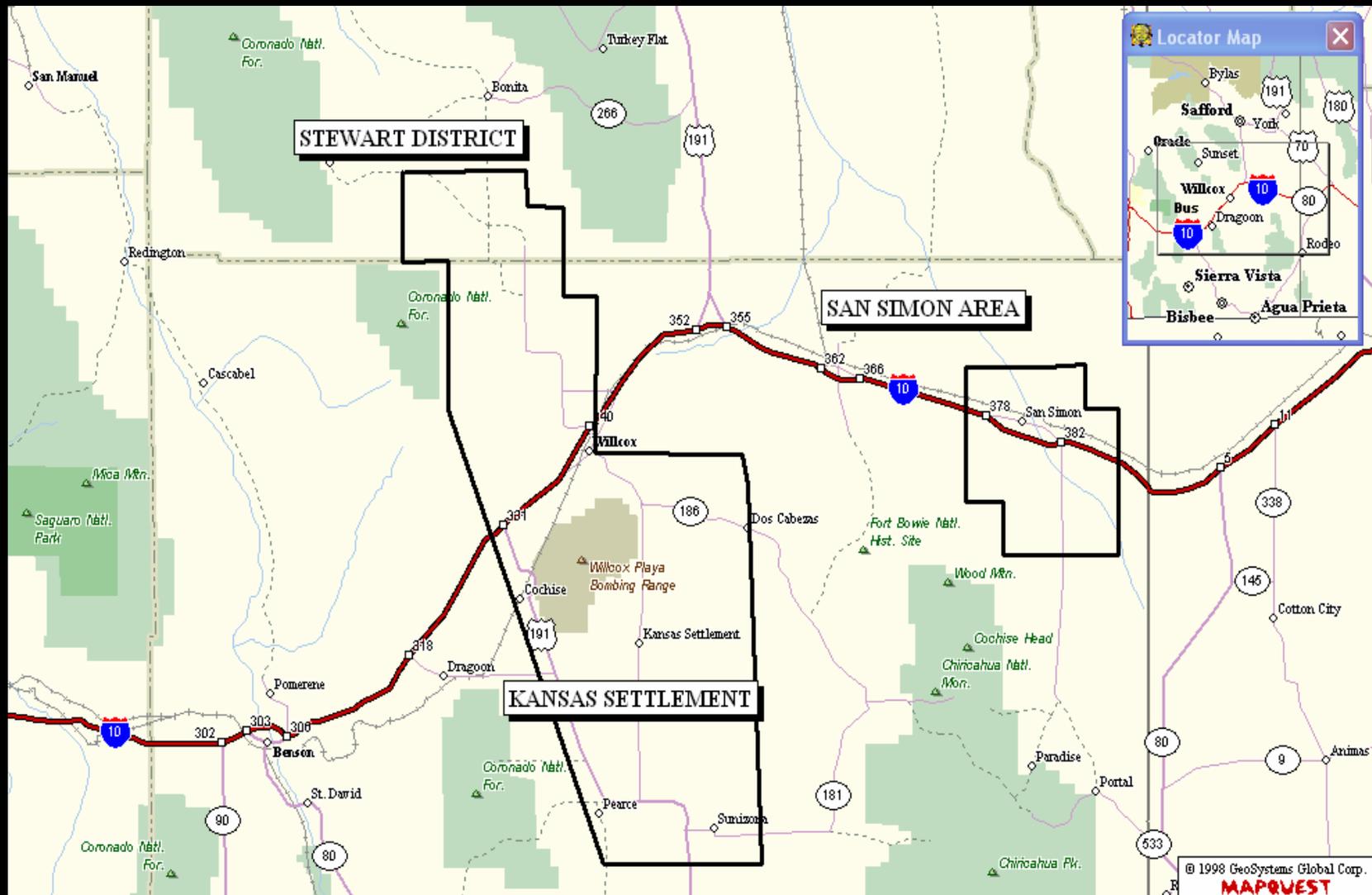
- **After a long stabilized market, prices started moving upward from about \$1,100 / wet acre in 2002 in Cochise County.**
- **Prices accelerated from about \$1,400 / wet acre in 2003 to more in 2004 with most sales activity in the area around Kansas Settlement south of Willcox and the Stewart District (including southern Graham County also) north of Willcox.**
- **2005 found land values accelerating rapidly. The ripple effect of the increasing land values in Maricopa & Pinal Counties areas found its way to Cochise Co.**
- **May 2006 – Market peaked and slowed to \$3,600 to \$3,800 per acre.**
- **Land owners are still convinced that the land values are over \$3,000 / total acre in the Kansas Settlement area and Stewart District. However, there is very little recent sales activity and what few sales there are indicate there may be a drop in land values.**

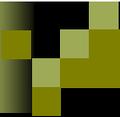


Cochise County Center Pivot Irrigated Land Values Prices and Rents per wet acre

- Rents are holding at \$100 to \$125/wet acre presently. There are several alfalfa farm sales that required a seller leaseback of the farm for 5 years at \$150/wet acre.
- San Simon woke up as one large purchaser purchased several of the area farms and other buyers entered the San Simon market. Prices varied with the individual farm being purchased, but 2005 & 2006 sales were over \$3,500/total acre depending on condition and improvements. There is no recent sales activity in this area and it is doubtful these prices would hold today. Rents are few but appear to be holding around \$100/wet acre.

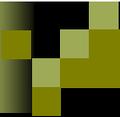
Stewart District, Kansas Settlement & San Simon Area





Cochise County Flood Irrigated Land Values Prices and Rents per wet acre

- **There appears to be fewer & fewer flood irrigated land sales as more flood irrigated land is converted to center pivot irrigation.**
- **Most of this activity was in the San Simon and Elfrida areas in 2005. In 2004 and 2005, one large purchaser bought several farms at \$1,500 or more per total acre.**
- **There were no flood irrigated sales in 2006 in the San Simon area.**
- **The area north of Willcox in the Stewart District saw old apple orchard land selling for \$1,000 plus per acre and the purchaser converting it to center pivot irrigation in 2004 and 2005.**
- **There were sales of two flood irrigated or partially flood irrigated farms for over \$2,800 / acre in the Stewart district in 2006.**



Cochise County Flood Irrigated Land Values Prices and Rents per wet acre

- Rents are stable at \$75 / acre in San Simon area for flood irrigated land.
- The sales activity on flood irrigated land in the area between Elfrida and Sunizona in the southern portion of the Sulphur Springs Valley in Cochise County has slowed and there are only a few 40 acre parcels that sold.
- Prices jumped to \$525 to \$1,375 / total acre on abandoned and idle farms along the U. S. Highway 191 corridor. This sales activity has slowed also and prices will most likely be down. Rents are scarce and vary from \$35 to \$75 / acre .

Other Cochise County Area Land Values

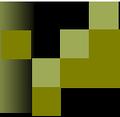
- **Speculation and investment opportunities that drove prices, for range land and smaller tracts suitable for residential development, up appear to have slowed.**
- **Land around Pearce and Sunsites escalated in value from about \$1,000 / acre in 2004 to over \$5,000 / acre along the U.S. 191 corridor in 2005; and only a few sales were over \$5,000 / acre in 2006.**
- **Many sales started around the first of 2005 at \$1,000 per acre, resold for \$3,000 or more per acre, and are still offered for sale or are in escrow at around \$5,000 / acre or more.**
- **There were several 2007 sales at \$10,000 per acre for 5 – 10 acre home-sites with views of Cochise Stronghold. There are no new sales in this area now.**

Benson Areas Land Values

- Benson saw a rush for larger tracts of patented land that can be developed to housing in 2005. Several sales of 40 acre and larger tracts that were prime for residential development sold at prices from \$18,000 to \$25,000 / acre.
- Speculation on irrigated land along the San Pedro River was rampant and land prices were increasing. This may have been due to the fact that there is a large aquifer in the lower San Pedro River Valley that a recent study stated could provide water to some of the water-short Sierra Vista areas.
- Land prices were in the \$4,000 to \$5,000 / acre range in late 2004. Those same tracts were selling from \$6,000 to \$11,000 / acre in 2005.
- As Tucson uses up the remaining fee land around it for housing, there are more persons willing to purchase a home and some acreage near Benson and make the 35+ mile commute to work. The Benson area was becoming a bedroom community to Tucson and demand for the limited amount of fee land in and around Benson appeared to increase driving up land prices.
- The housing market came to a standstill in the Tucson area though in 2006 and all sales activity in the Benson also came to a halt.
- There was very little to no building or sales activity in 2007 in this area. Here are several subdivisions along AZ HWY 90 just south of the I-10 junction where building came to a sudden halt and some homes are in foreclosure.

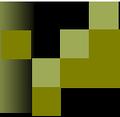
Sierra Vista, Portal & Willcox Land Values

- **Sierra Vista, the largest city in Cochise County experienced a population explosion through 2005. Housing was in demand and new construction could not keep up with demand. That market recovered slightly and appears to be stable and more like the pre-boom market.**
- **Portal continues to be the undiscovered diamond of Cochise County and land prices are stable at \$50,000 to \$100,000 / acre along the scenic areas adjoining the national forest. There is such limited land, so many potential buyers, and so few sellers that a seller can pretty well ask any price and get it. Some of the land away from the scenic area is up to \$10,000 / acre also simply due to high demand and little supply. This market slowed in 2007 also and is at a total standstill.**
- **Willcox did not experience the boom of 2005 as much as other areas and the housing market is still stable and slow as it was pre-boom.**



Gila River Valley, Graham County Flood Irrigated Land Values Prices and Rents per wet acre

- There were no new sales to report for 2004. However, this all changed in the last half of 2005 as the ripple effect of the land price increases of the Maricopa and Pinal Counties areas crept into the Gila River Valley. Prices increased to over \$3,000 / acre for land out of the flood zone and \$2,100 on flood prone farmland. Some sales of rangeland are reported at over cropland prices; most of which are for development.
- Speculation hit the land market in 2006 with Phelps Dodge Corporation announcing the opening of a new copper mine at Safford. Smaller farm tracts from 5 to 80 acres in Safford, Thatcher and Pima soared as high as \$49,000 / acre for residential development. A new 129 house subdivision was under construction in Thatcher at the end of 2006. This caused larger farm tracts to increase in value to over \$3,000 / acre with some farm land being offered for sale at as high as \$12,000 / acre.
- The market continued active throughout 2007 with the highest per acre sale yet at \$85,000 per acre for 18.7 acre farm tract near Relation and 20th Avenue in Safford.



Gila River Valley, Graham County Flood Irrigated Land Values Prices and Rents per wet acre

- The market expanded to small farmland tracts outside of city limits of Safford and Thatcher with sales at speculation prices of \$15,000 to over \$20,000 / acre.
- With the drop in copper prices, Freeport McMoran (purchaser of Phelps Dodge Corp.) shut down much of their operations in late 2008 and laid off many workers. This brought the residential and subsequent speculation markets to a dead standstill.
- There were some actual farms in the Pima to Geronimo area of the Gila River Valley selling for over \$4,000 / acre in 2007. Phelps Dodge purchased two farms for \$4,900 and \$13,500 / acre in 2007. There were a few 2008 sales of actual farmland at just over \$2,000 per water right acre.

Gila River Valley, Graham County Flood Irrigated Land Values Prices and Rents per wet acre

- **Rents remained constant at \$100 to \$150 / flood irrigated acre in the Lower Gila River Valley. There is no arms length sales activity in Greenlee County in the Upper Gila River Valley. There are not enough arms length rents to obtain a rent range.**



Gila River Valley Graham & Greenlee Counties

