

# 2023 LAND MARKET SURVEY

REALTORS® Land Institute  
National Association of REALTORS®



Released March 2024

# A Message from the RLI President

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**“I am proud to share with the industry at large the REALTORS® Land Institute’s 2023 Land Market Survey.**

Land continues to be an important asset even as we return to a more balanced market. Growth in land sales and prices are in line or exceeding the expectations of REALTORS® which is an encouraging sign for our future.

I hope landowners and land real estate professionals alike find value in these insights as our industry continues to advance in 2024 and beyond.”

**Sam Bowers, ALC  
2024 RLI National President**

# NAR Chief Economist's Perspective



“Home prices reached a new high in 2023 and will likely continue their upward march. That’s because there is immense housing shortage. Homebuilders have been selling more homes and REALTORS® need more inventory. More land is required to turn into lots and development. Moreover, there has been a population shift away from major city centers towards suburbs, exurbs, and rural areas, which necessitates more housing and commercial real estate spaces into expanding areas. Agricultural prices have retreated from recent peaks but are well above compared to pre-covid days. Farmland demand should remain strong, especially with ever increasing geopolitical uncertainty.”

**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 REALTORS® 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

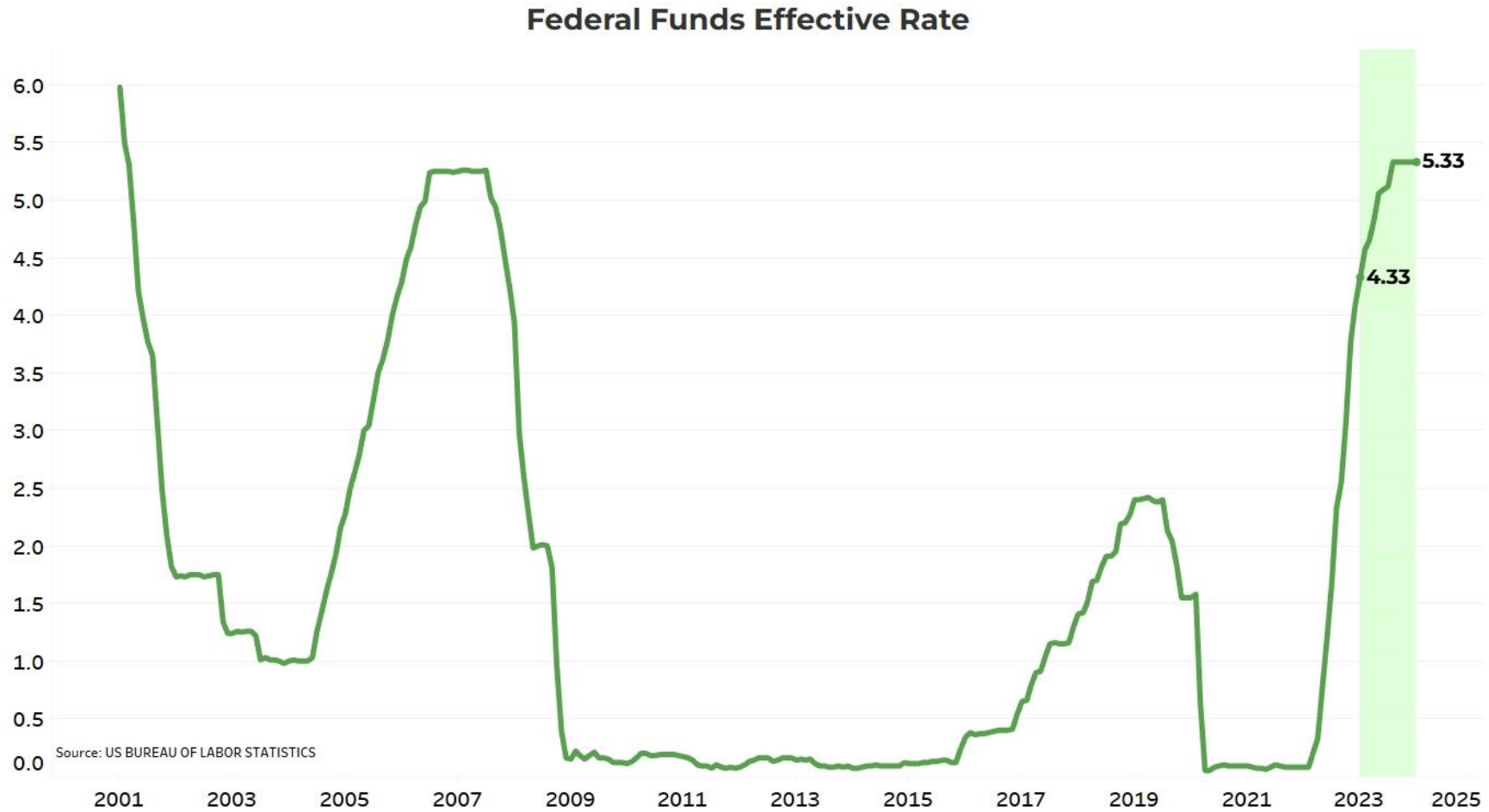
To increase the number of responses REALTORS® Land Institute (RLI) and the National Association of REALTORS® (NAR) independently sent The REALTORS® Land Market Survey to 4600 RLI members and prospects in September 2023. The possibility of duplicate responses is eliminated by the software tracking IPs of participants.

There were 450 responses, of which 68% reported a land sale in the last 12 month with the margin of error 4.1% at 95% confidence level. 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.

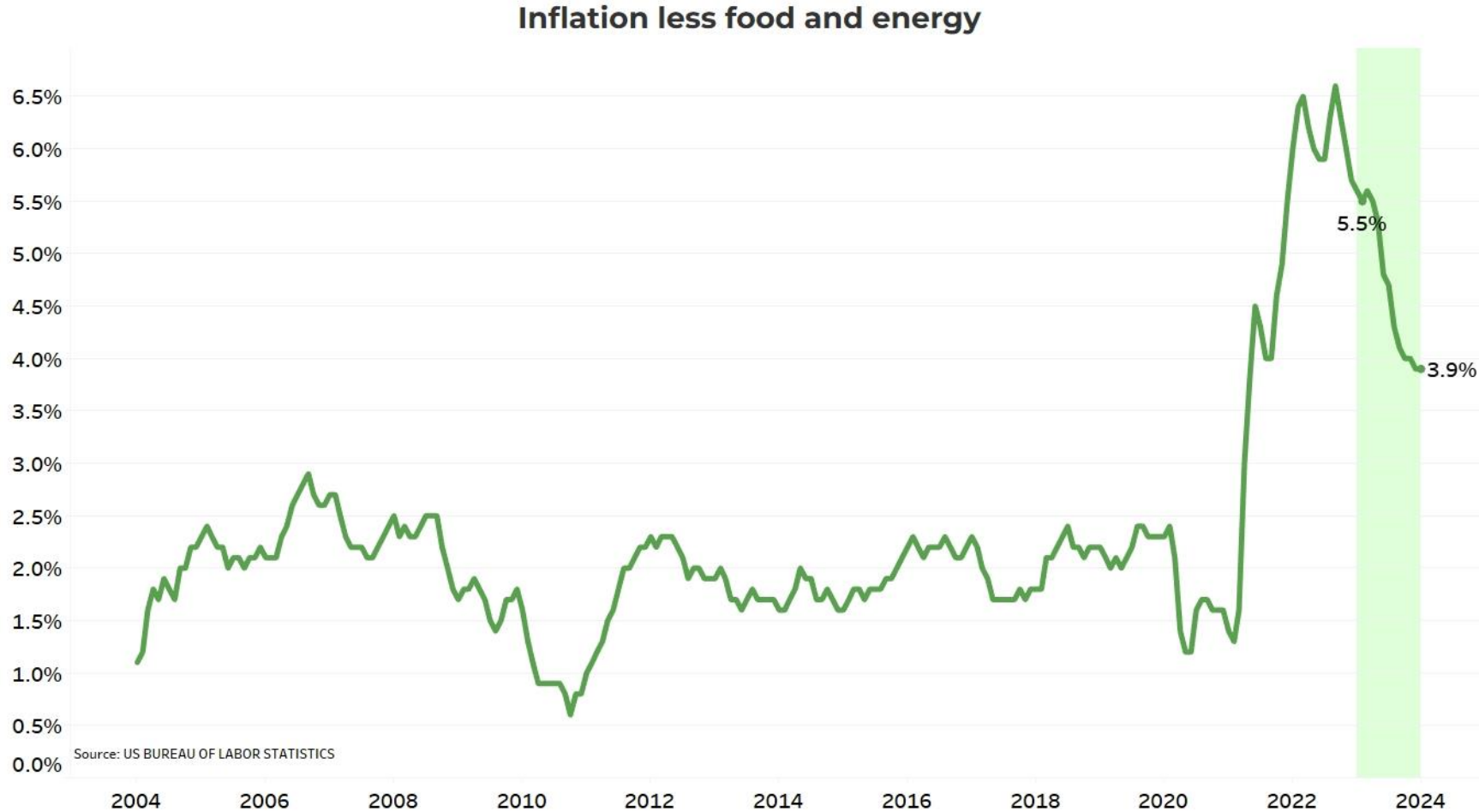
A photograph of a vast agricultural field with rows of young green plants, likely soybeans, stretching towards the horizon. The sun is setting in the distance, creating a warm, golden glow and casting long shadows. The sky is a mix of orange, yellow, and blue. The overall scene is peaceful and represents a healthy agricultural environment.

# ECONOMIC ENVIRONMENT

# High interest rates increased borrowing costs.

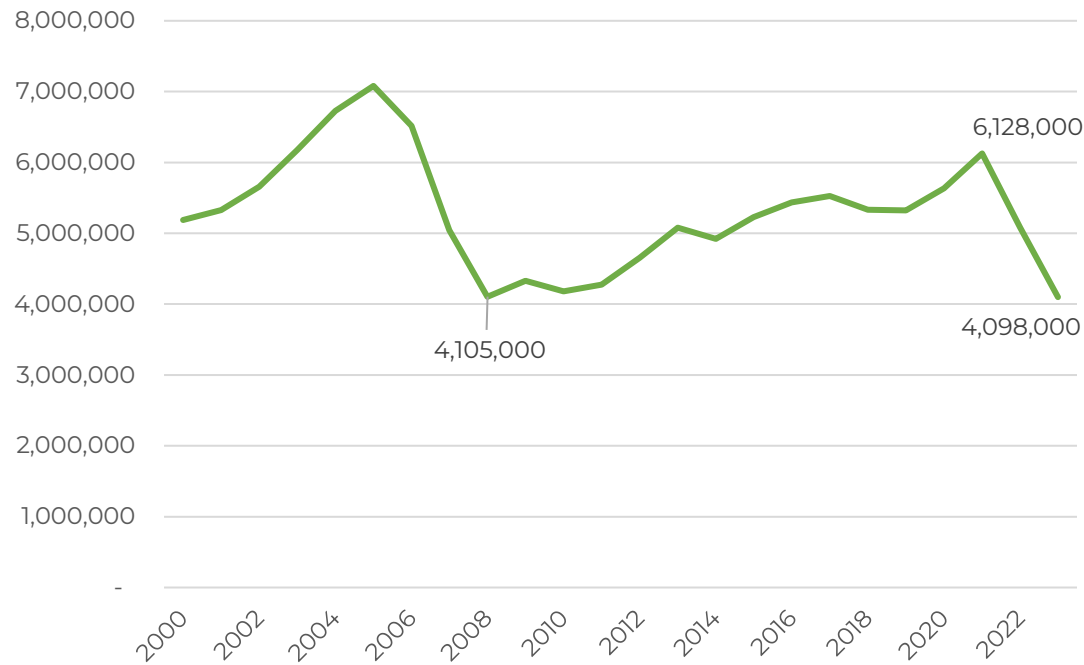


# Still high inflation increased construction costs and shook investors' confidence.

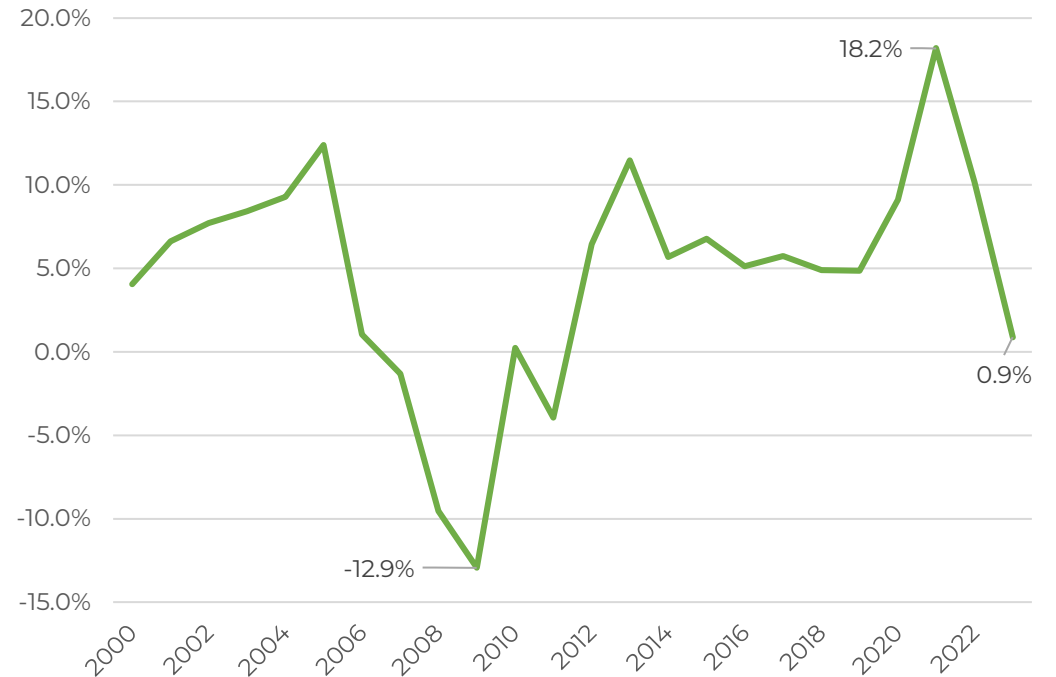


# Historically low number of homes for sale

Existing Home Sales



Y/Y Percent Change in Median Existing Home Sales Price

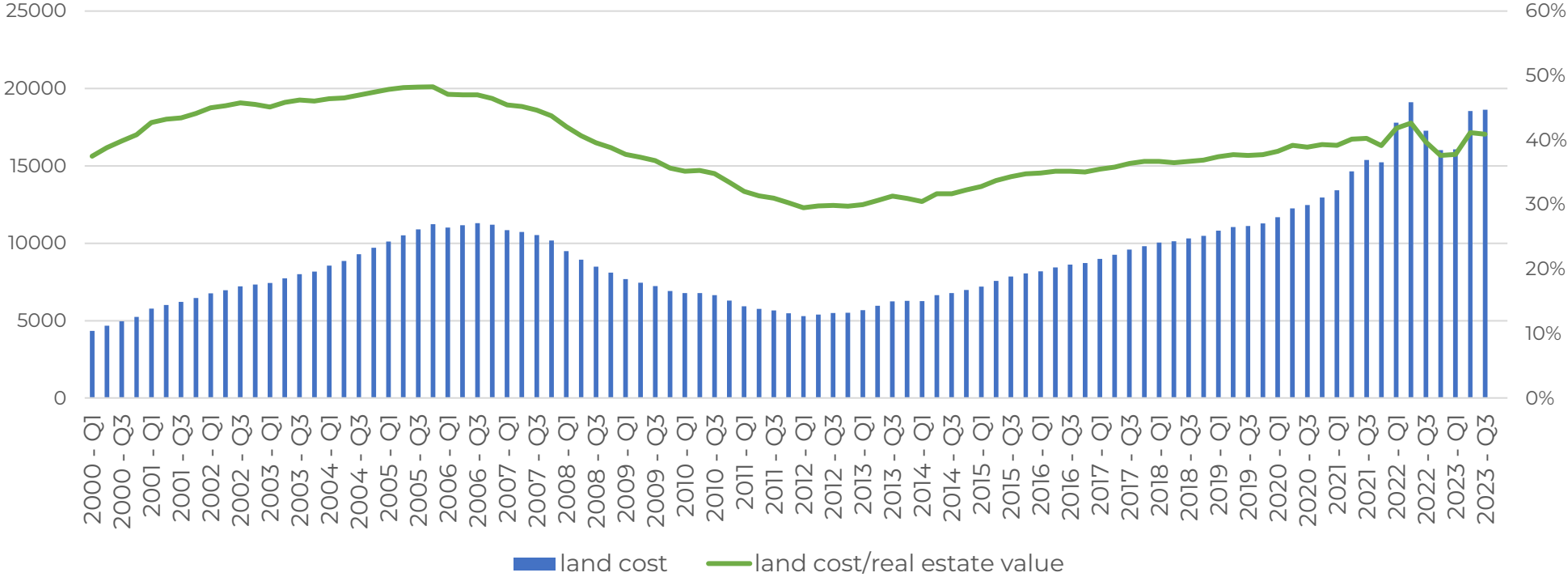




# Residential land held by households rose to \$18.6T in 2023 (\$17.2T in 2022)

Land is 41% of the total value of household real estate assets

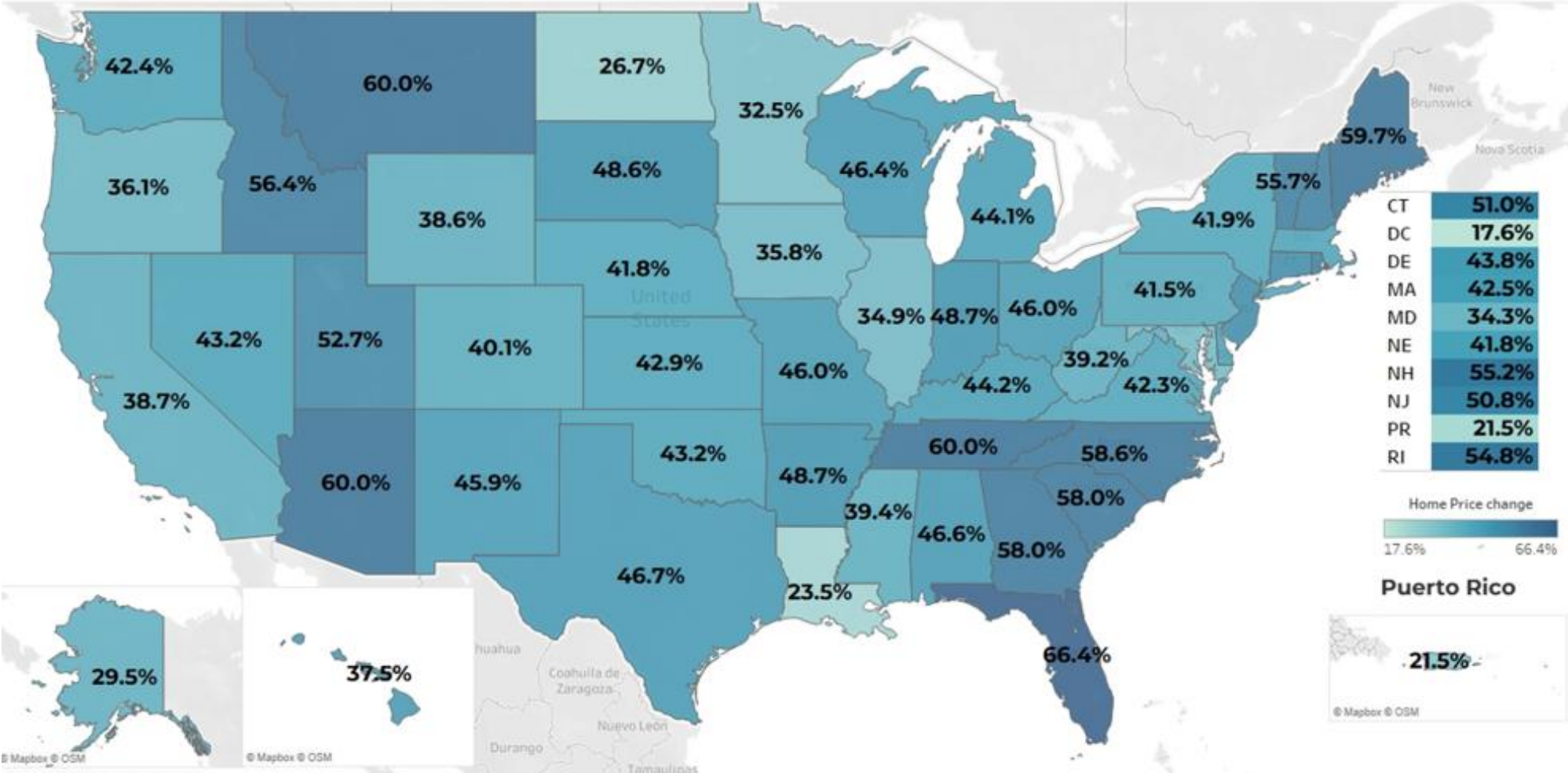
TOTAL VALUE OF LAND HELD BY HOUSEHOLDS (IN BILLION DOLLARS) AND PERCENT SHARE OF LAND VALUE TO HOUSEHOLD REAL ESTATE ASSETS



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

# Home Price Appreciation since Covid Arrival

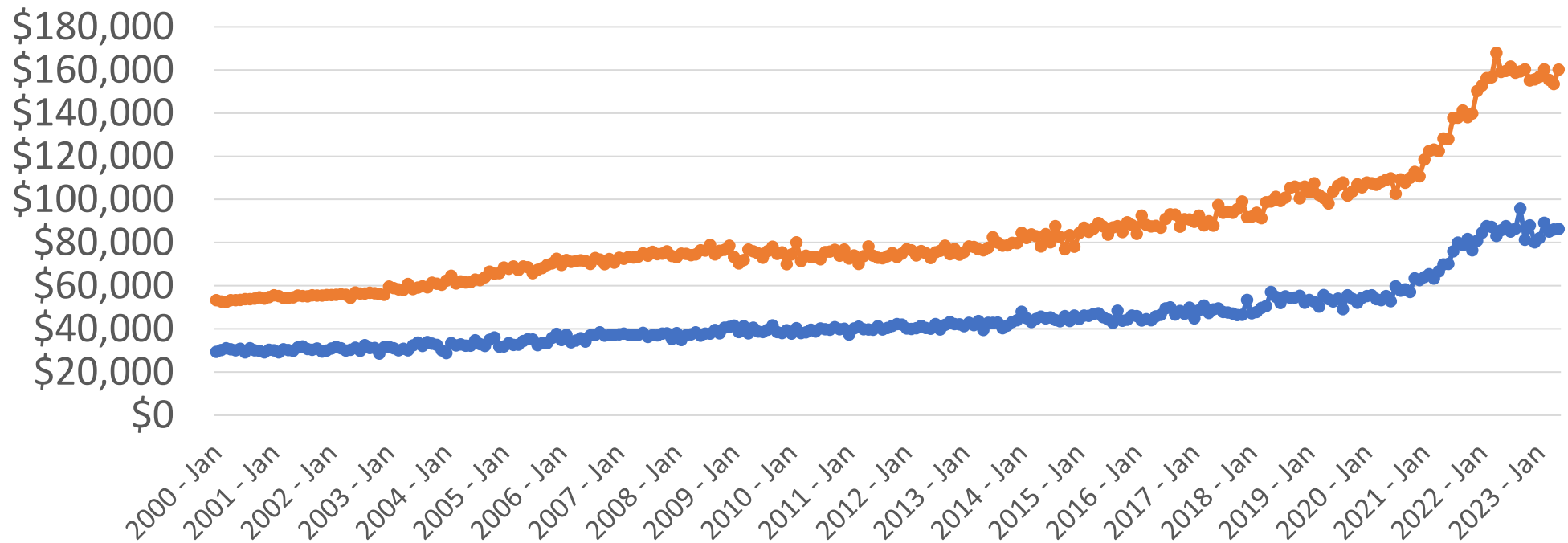
(% change from 2020 Q1 to 2023 Q4)



Source: NAR Analysis of FHFA Home Price Index

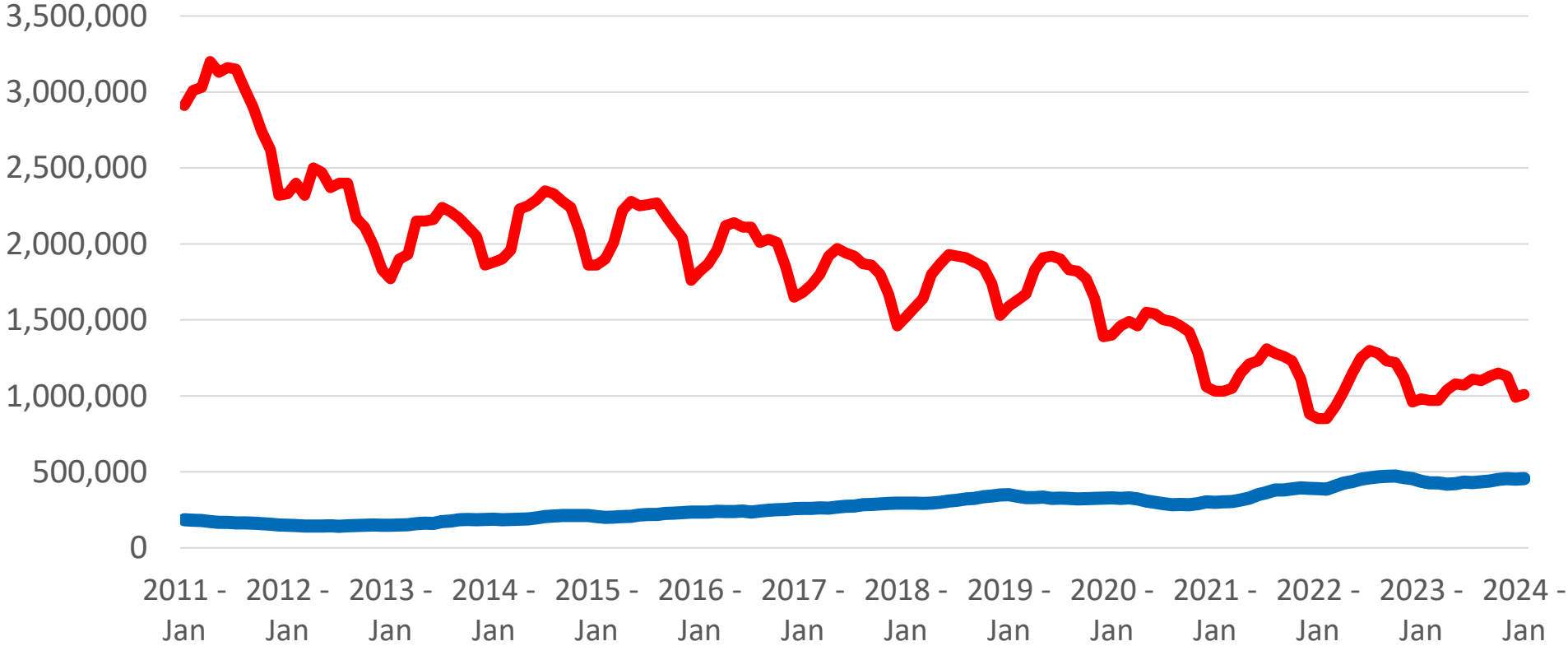
# Not Wealth Gain but a Testament of Housing Shortage

## Average Price of Mobile Homes: Double-sized and Single-sized Big Price Gain of 58% from pre-pandemic 2019



Source: Census

# Inventory of Existing Homes Falling Inventory of New Homes Rising

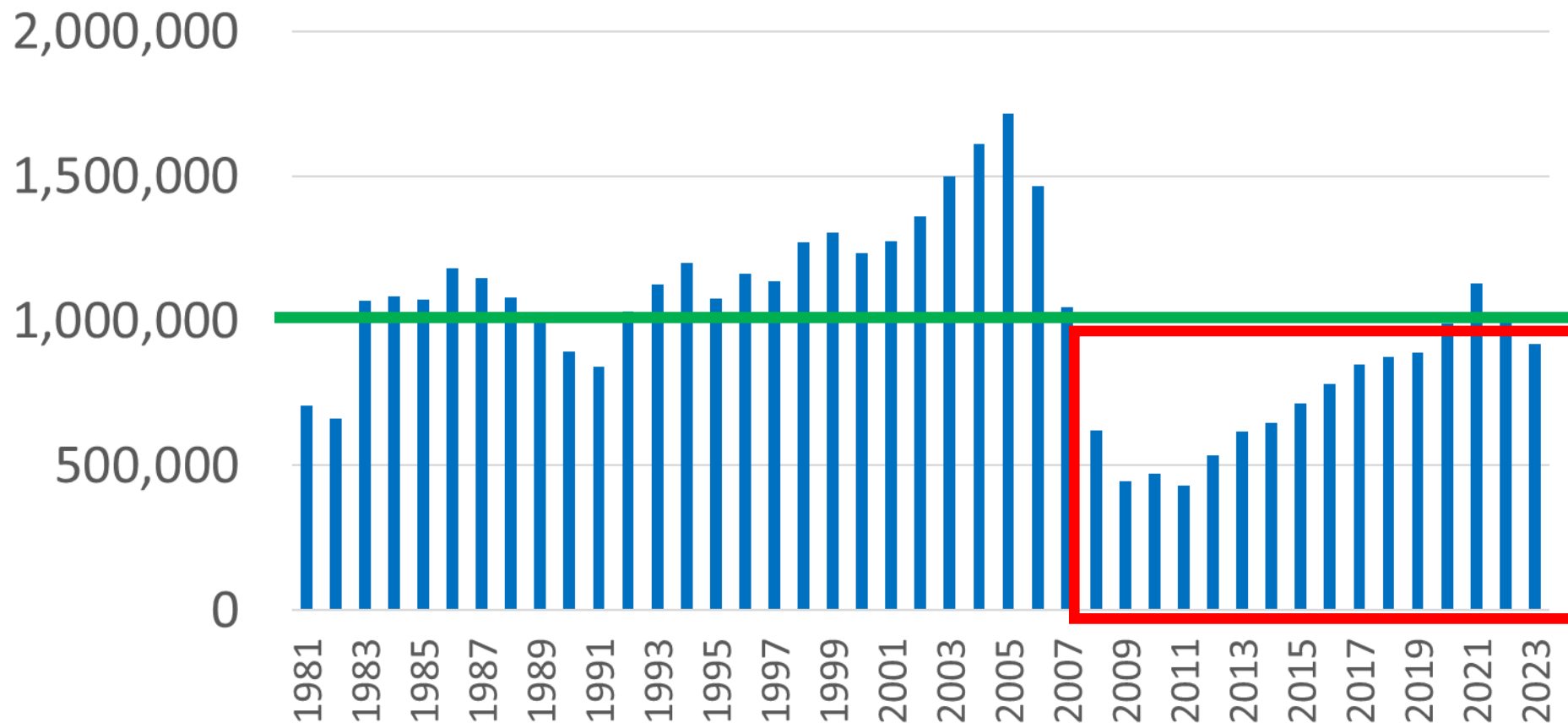


Source: NAR

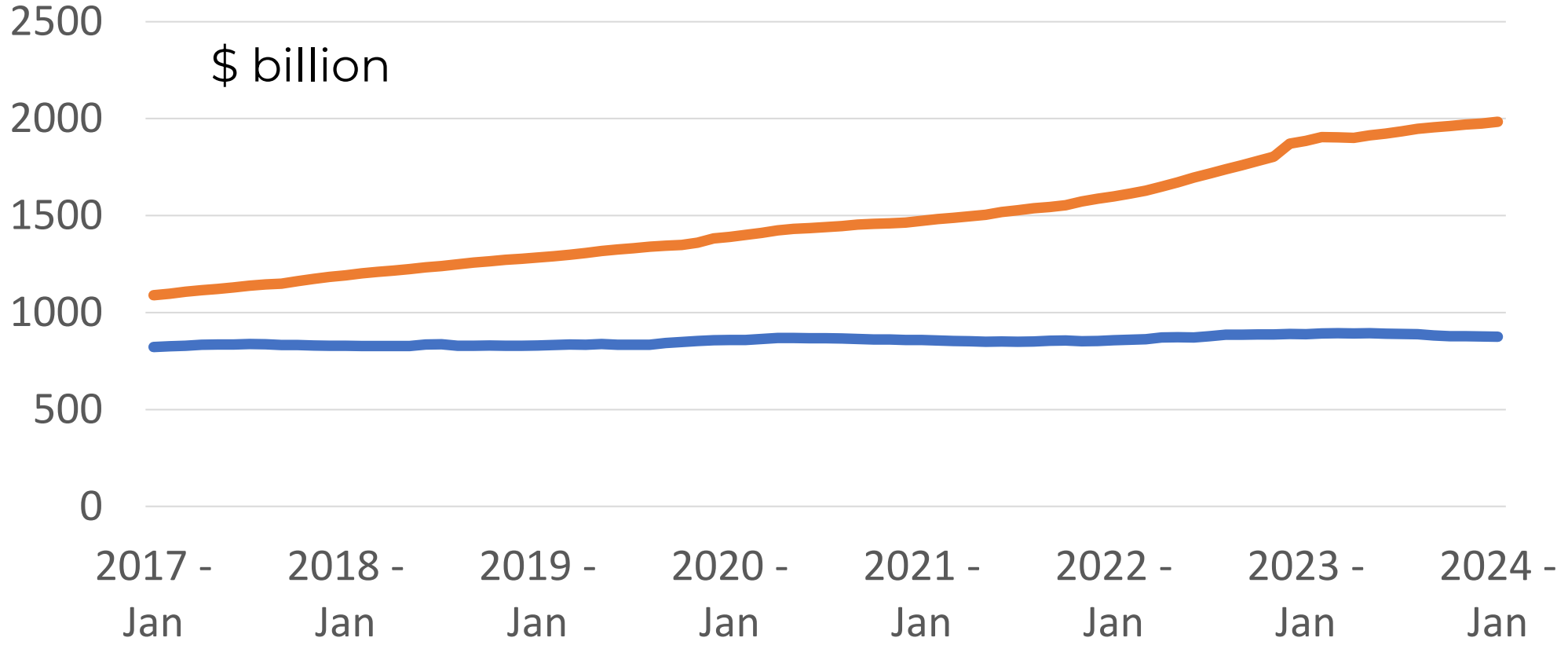


# Single-Family Housing Starts

Trying to return to normal after a decade of underproduction



# Fed Rate Hikes Have Hurt Community Banks ... Commercial Real Estate Loans by Small Banks > Top 25 Large Banks



Source: Federal Reserve

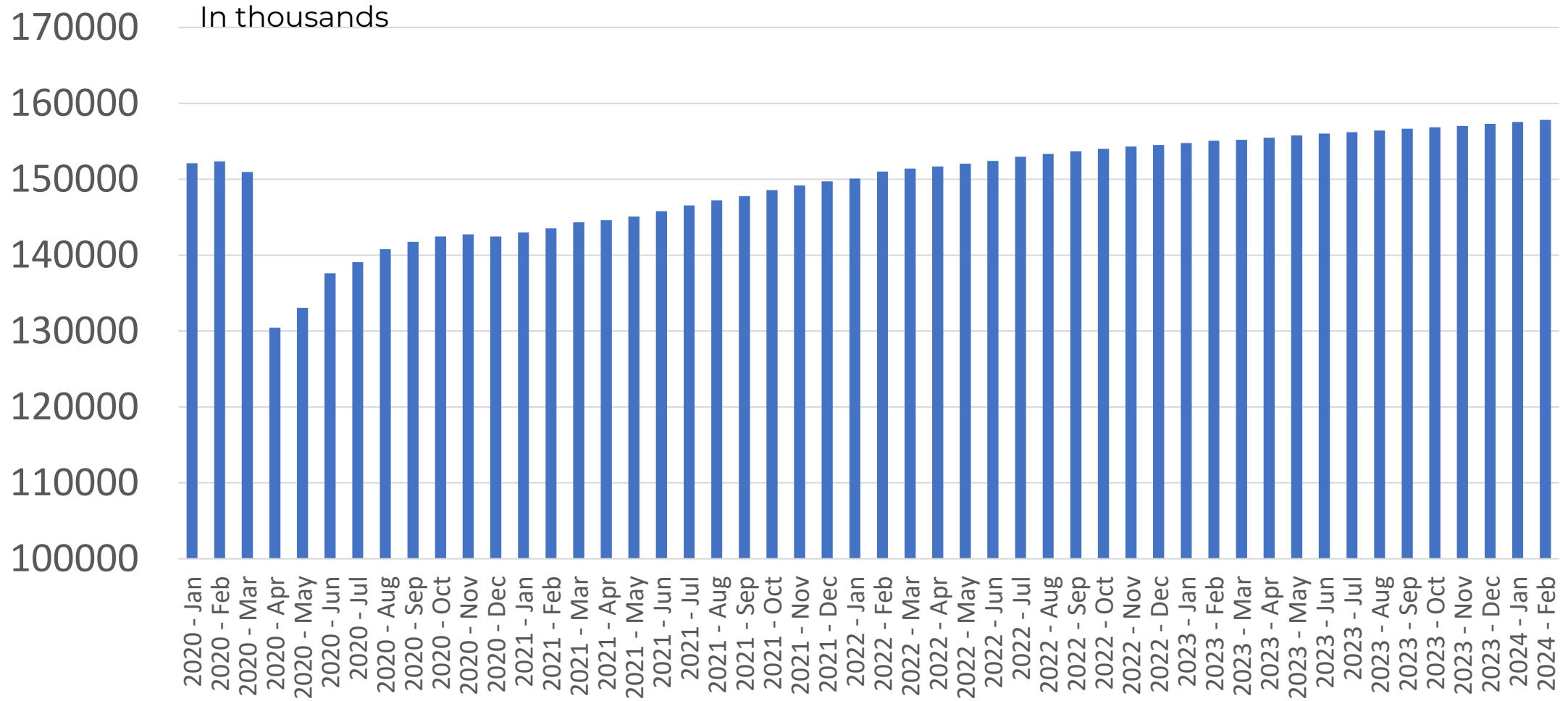


# Long-term Interest Rates to Fall?

1. Rents will calm down further ... Holds down CPI ... and make the Fed cut interest rates
2. Community banks are suffering from high interest rates
3. Spread with benchmark 10-year Treasury is abnormally high

# Total Payroll Jobs

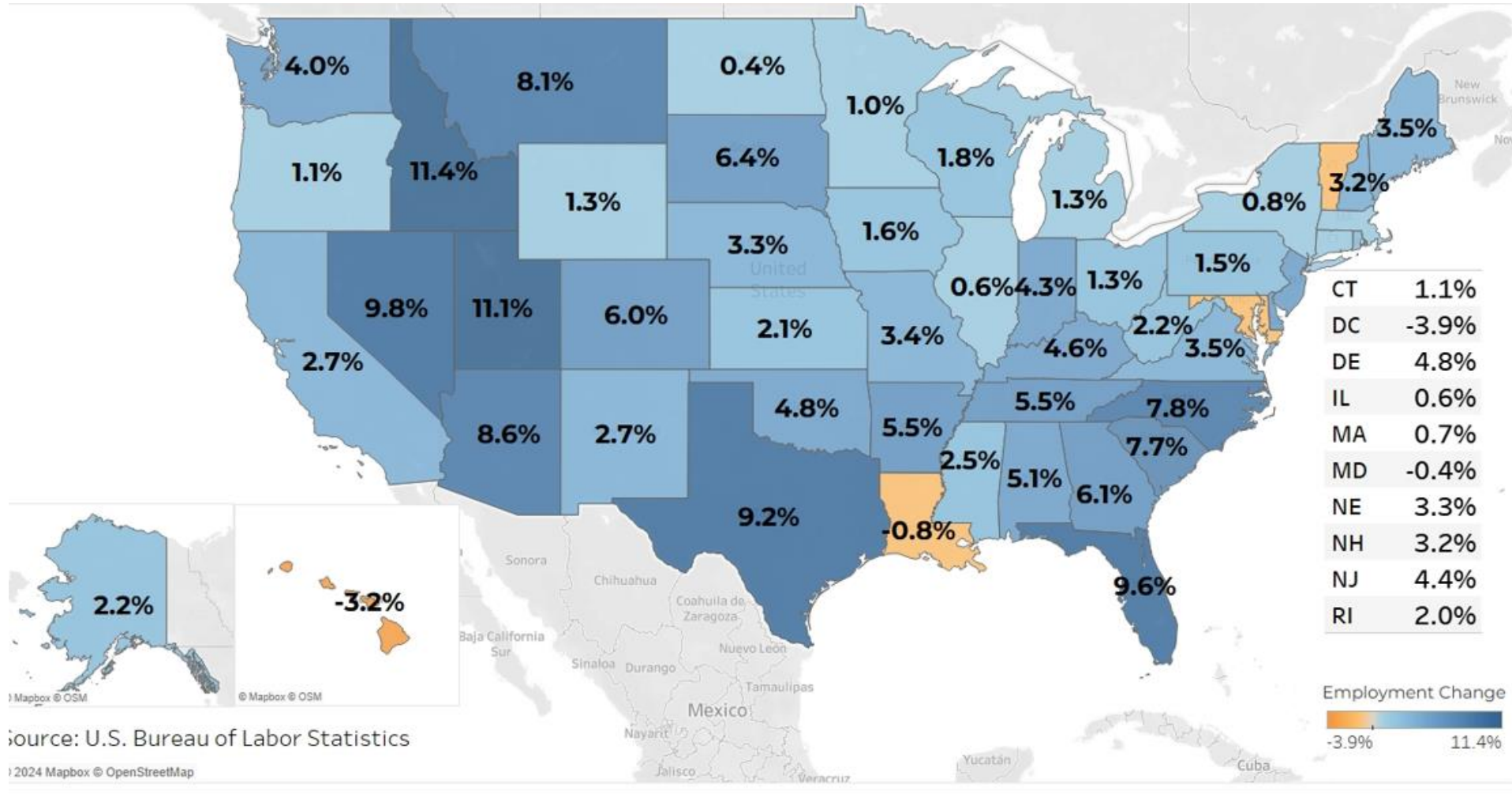
## 5.5 million more compared to pre-Covid highs



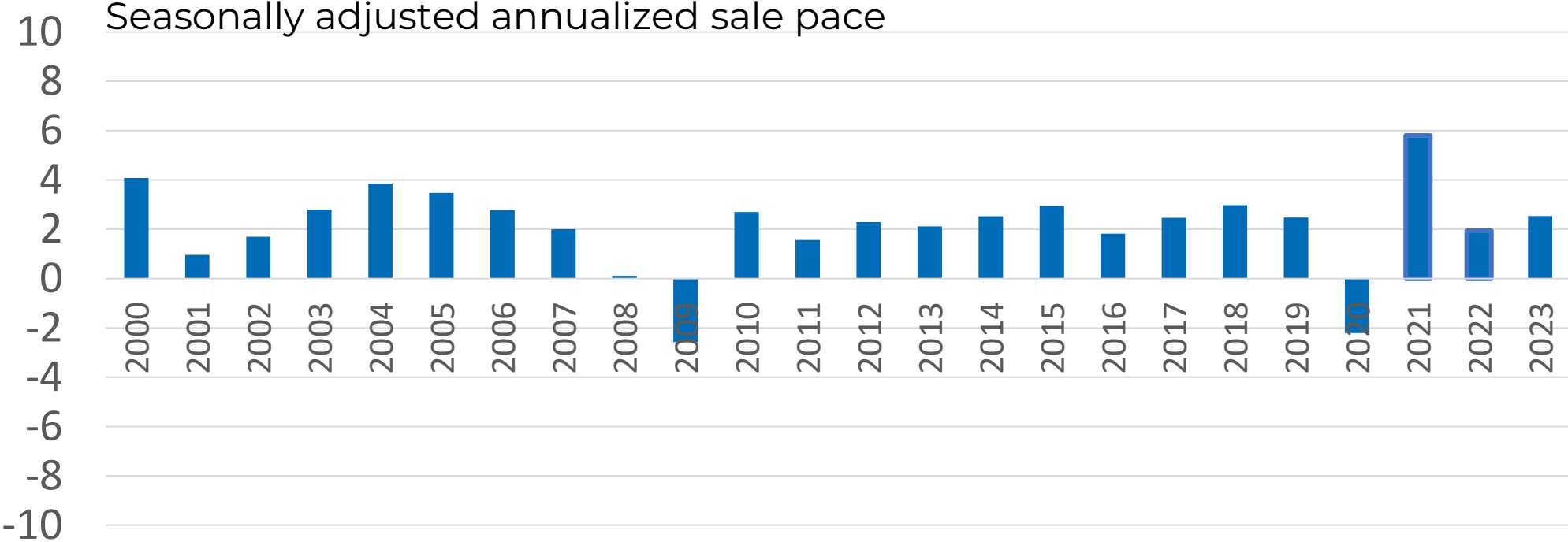


# Job Gains Since Pre-COVID Record High Payroll Employment

(% change from March 2020 to January 2024)



# Annual Economic Growth (GDP) .. Suggest More Future Jobs



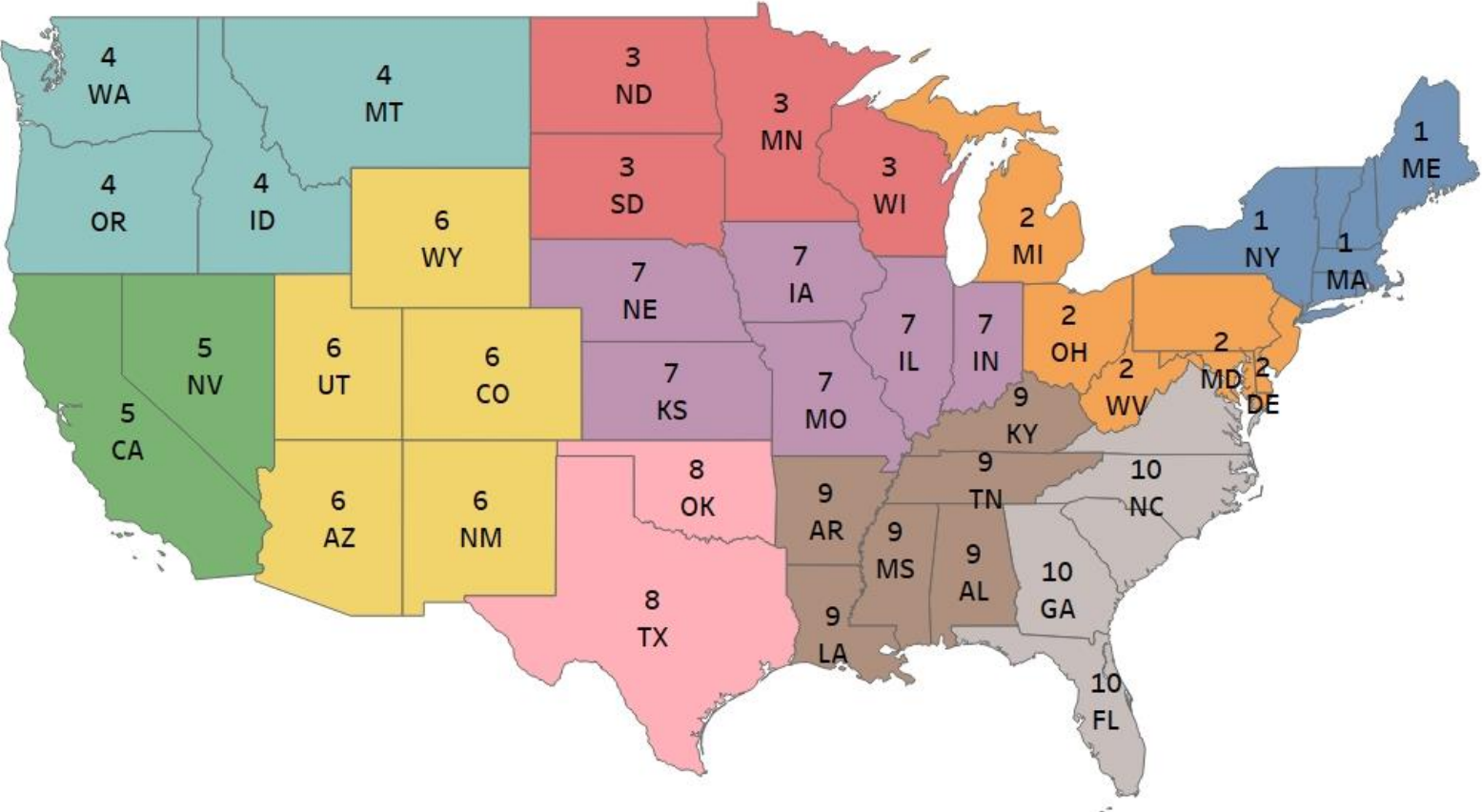
Source: BEA





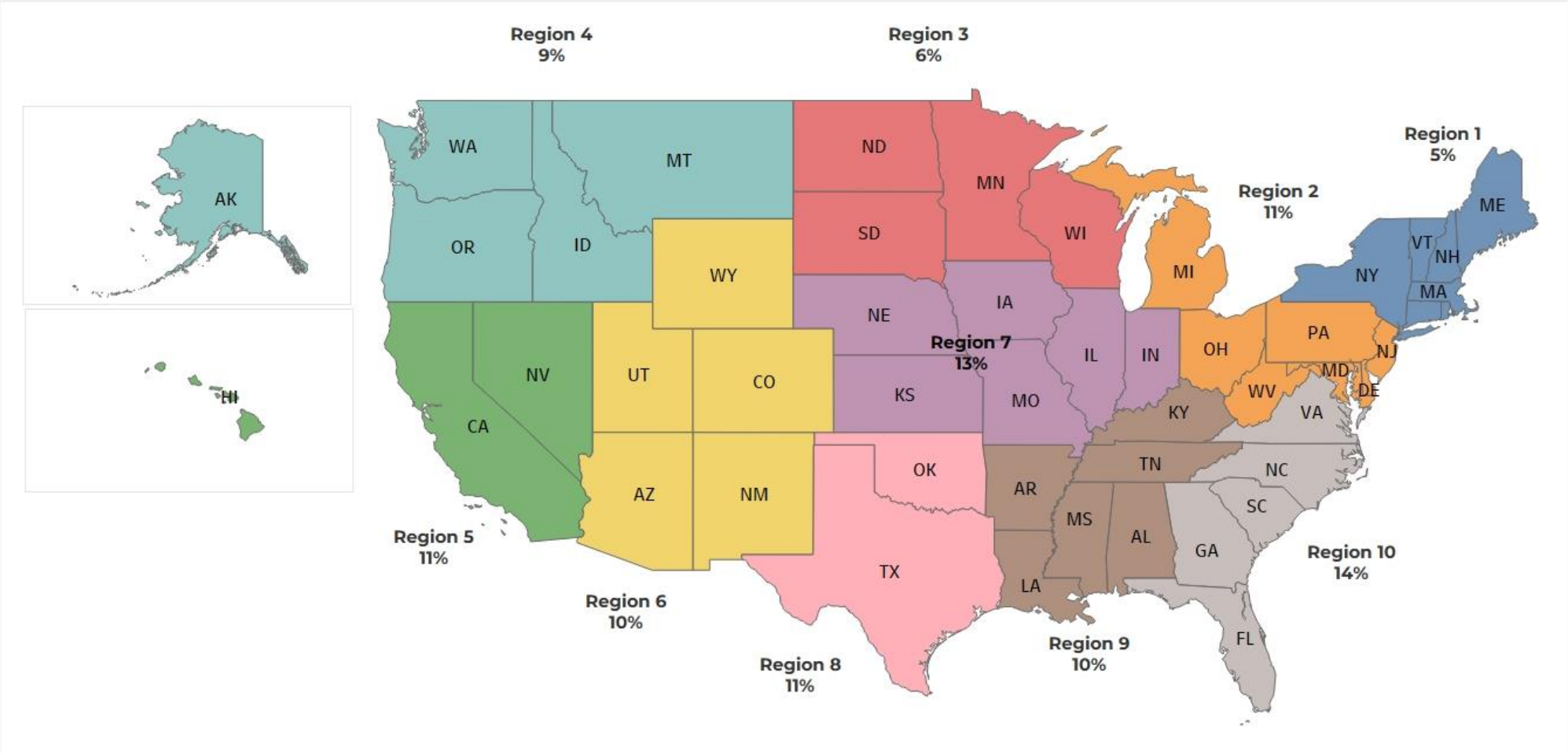
# 2023 LAND MARKET SURVEY RESULTS

# REALTORS® Land Institute Regions



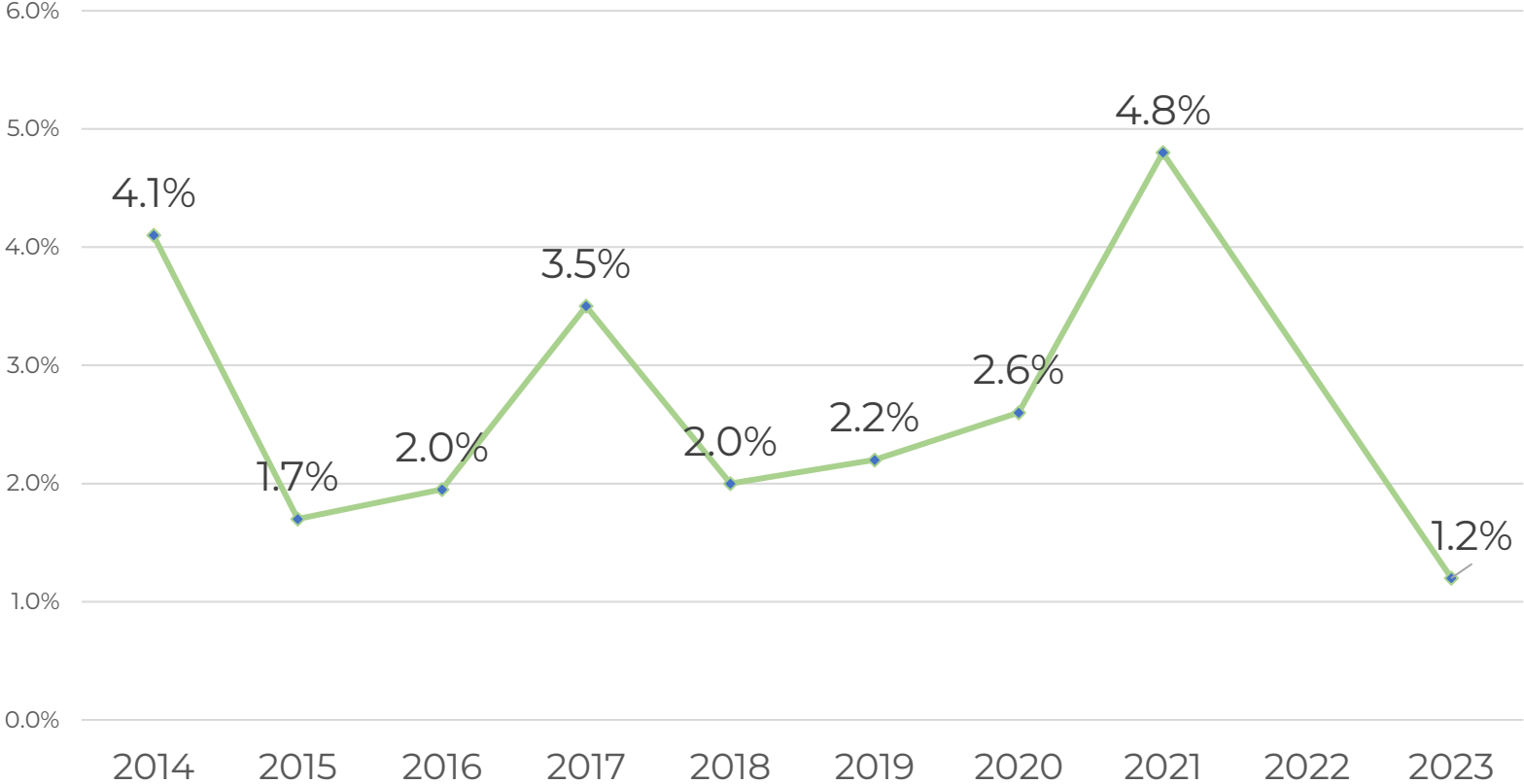
# Distribution of RLI/NAR Respondents Who Reported a Land Sale in 2023

RLI Region's share to Land Sales in 2023



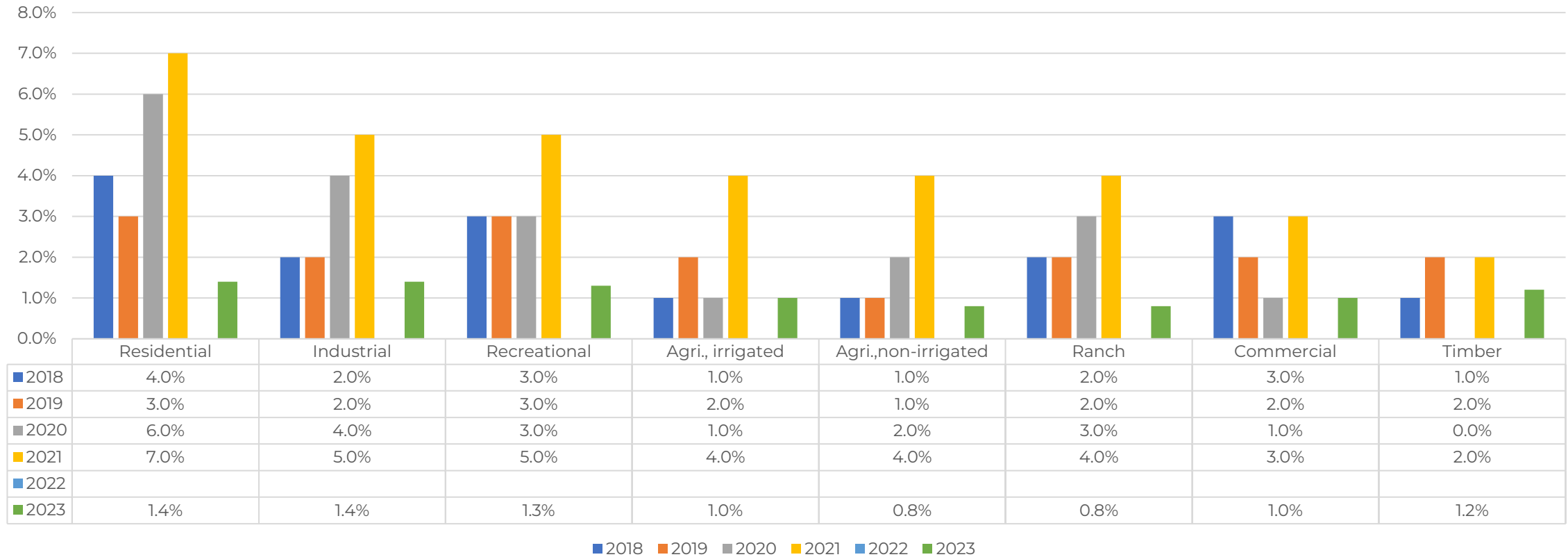
# Land Returns to Balanced Market After COVID Highs

Year over-year percent change in dollar land sales



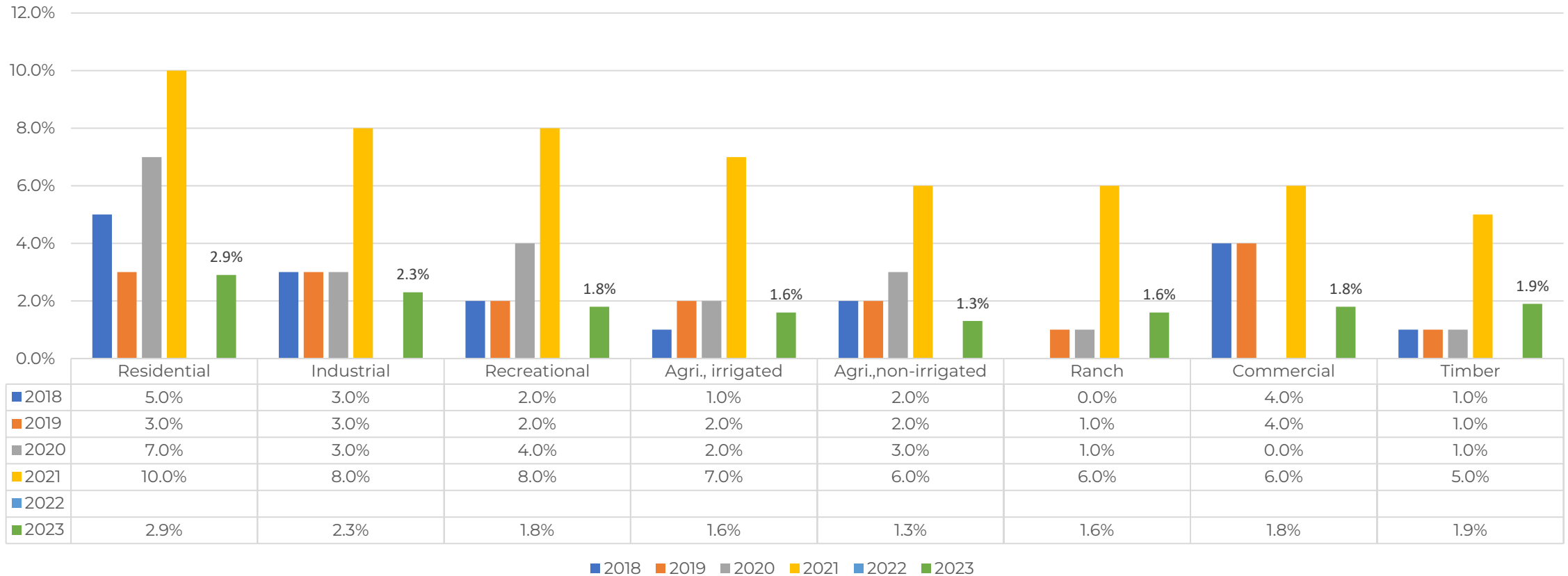
# Residential, Industrial, and Recreational Land Sales Posted Strongest Growth of 1.3% to 1.4%

AVERAGE PERCENT CHANGE IN LAND SALES OF REALTORS®



# All Land Categories Show Price Gains of 1.3% or More

AVERAGE PERCENT CHANGE IN LAND PRICES





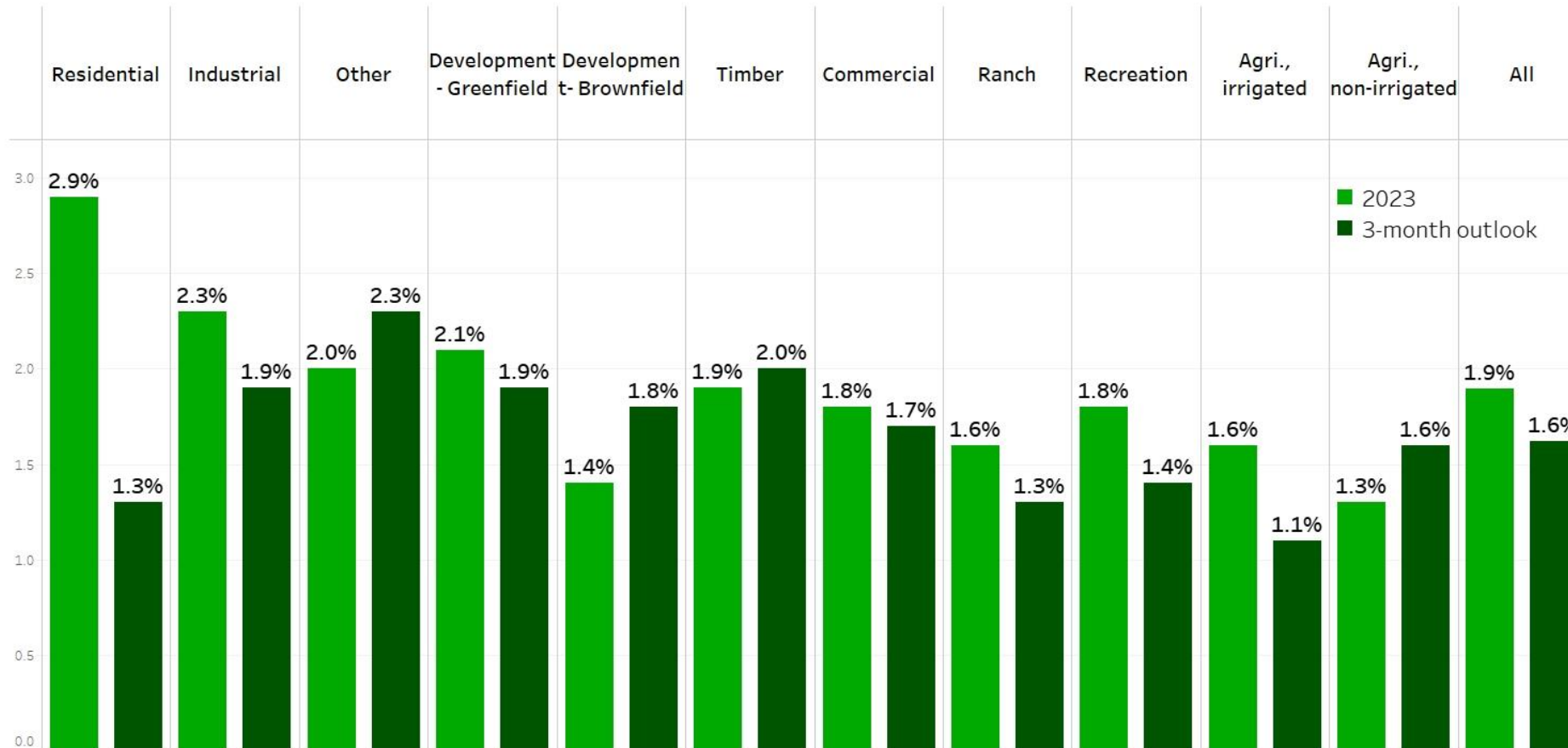
# Land Sales Growth of REALTORS® Mostly in line with 3-Month Sales Expectations

3-month outlook of land sales growth in dollars volume



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

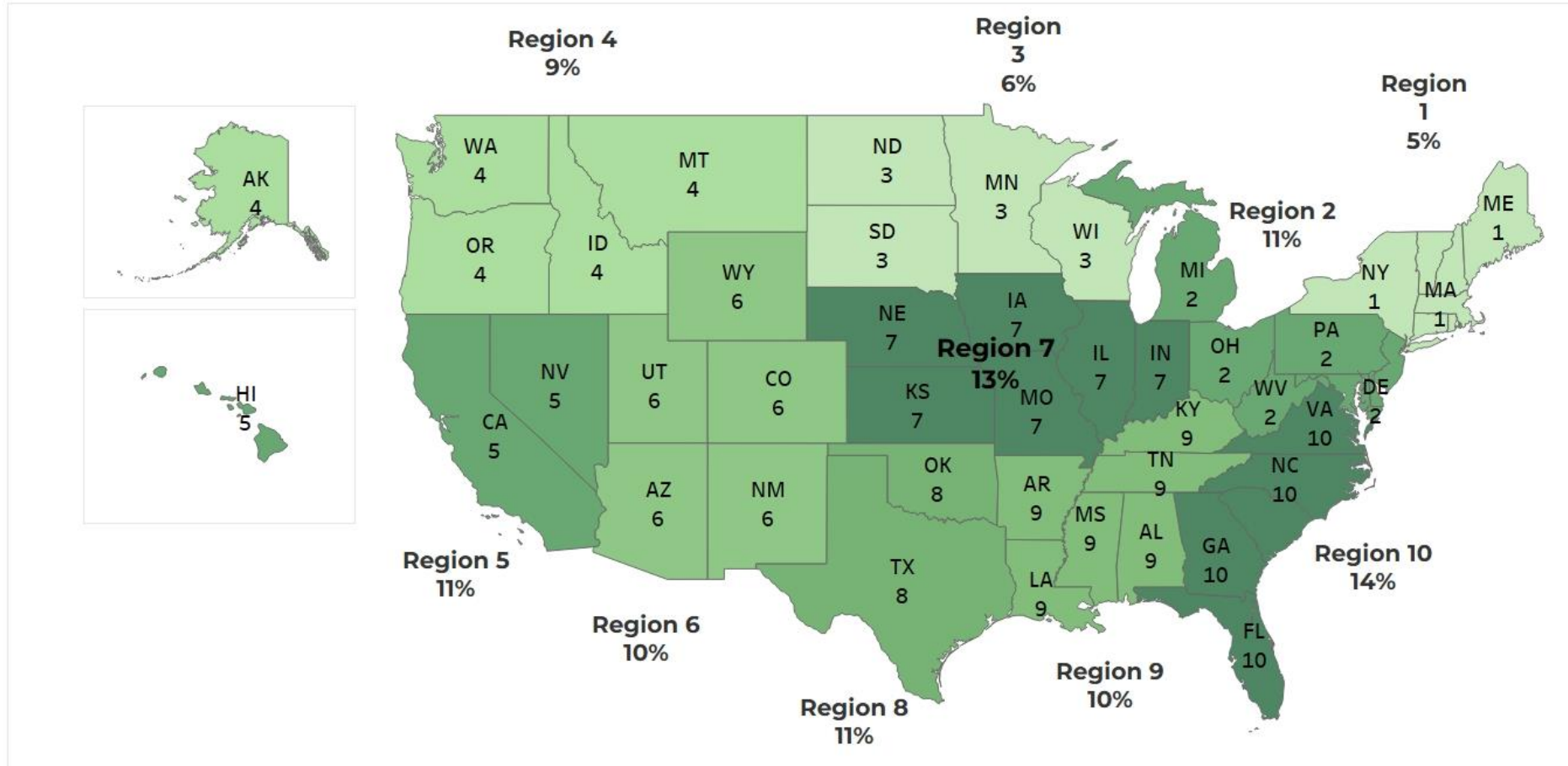
3-month outlook of land price growth in dollars per acre



# Regions 2, 5, 7, 10

## 50% of land sales among REALTORS® in 2023

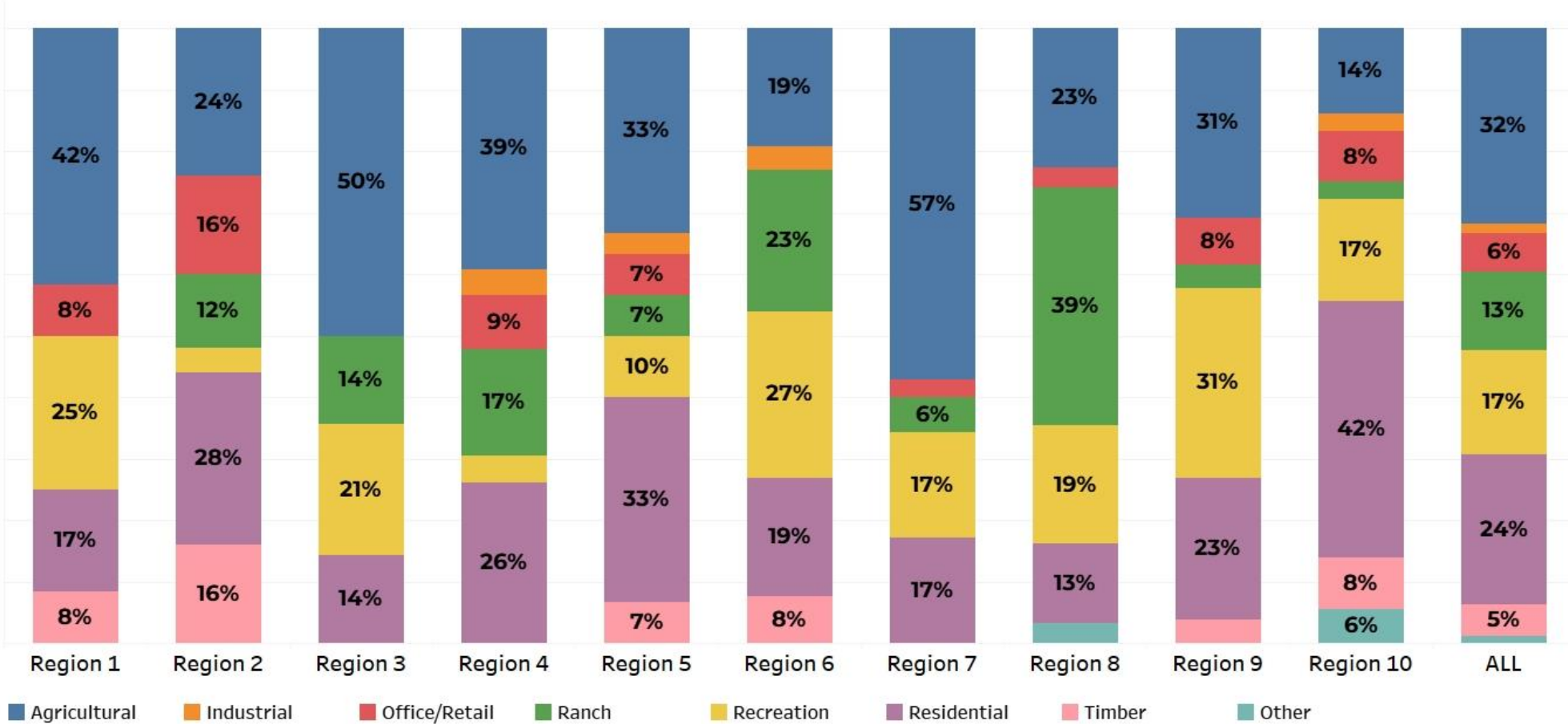
RLI Region's Share of Land Sales in 2023





# Most Land Sales Were Agricultural

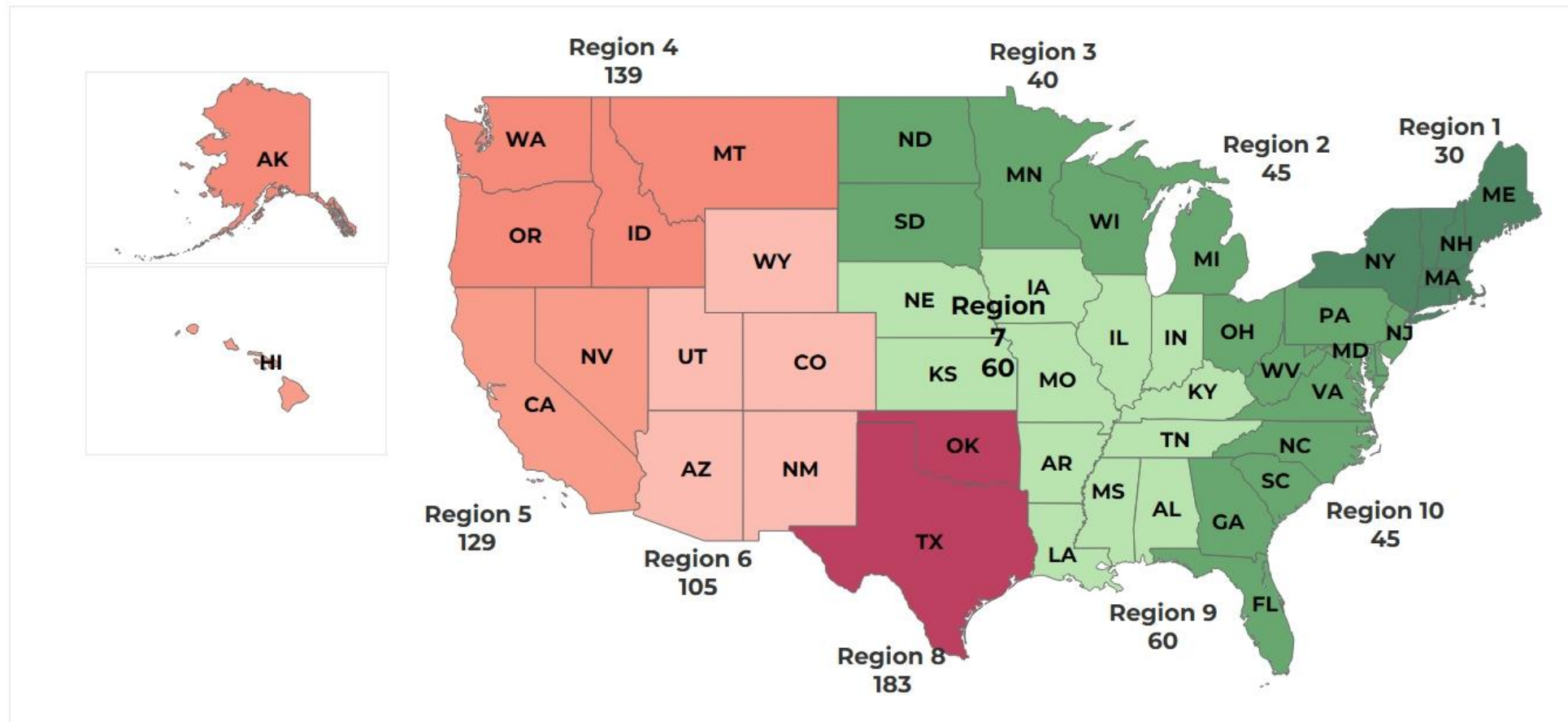
TYPE OF U.S. LAND BY REGION SOLD BY REALTORS® IN 2023



# Residential Land Typically Sold in 60 Days

30-45 days in Regions 1, 2, 3, 10

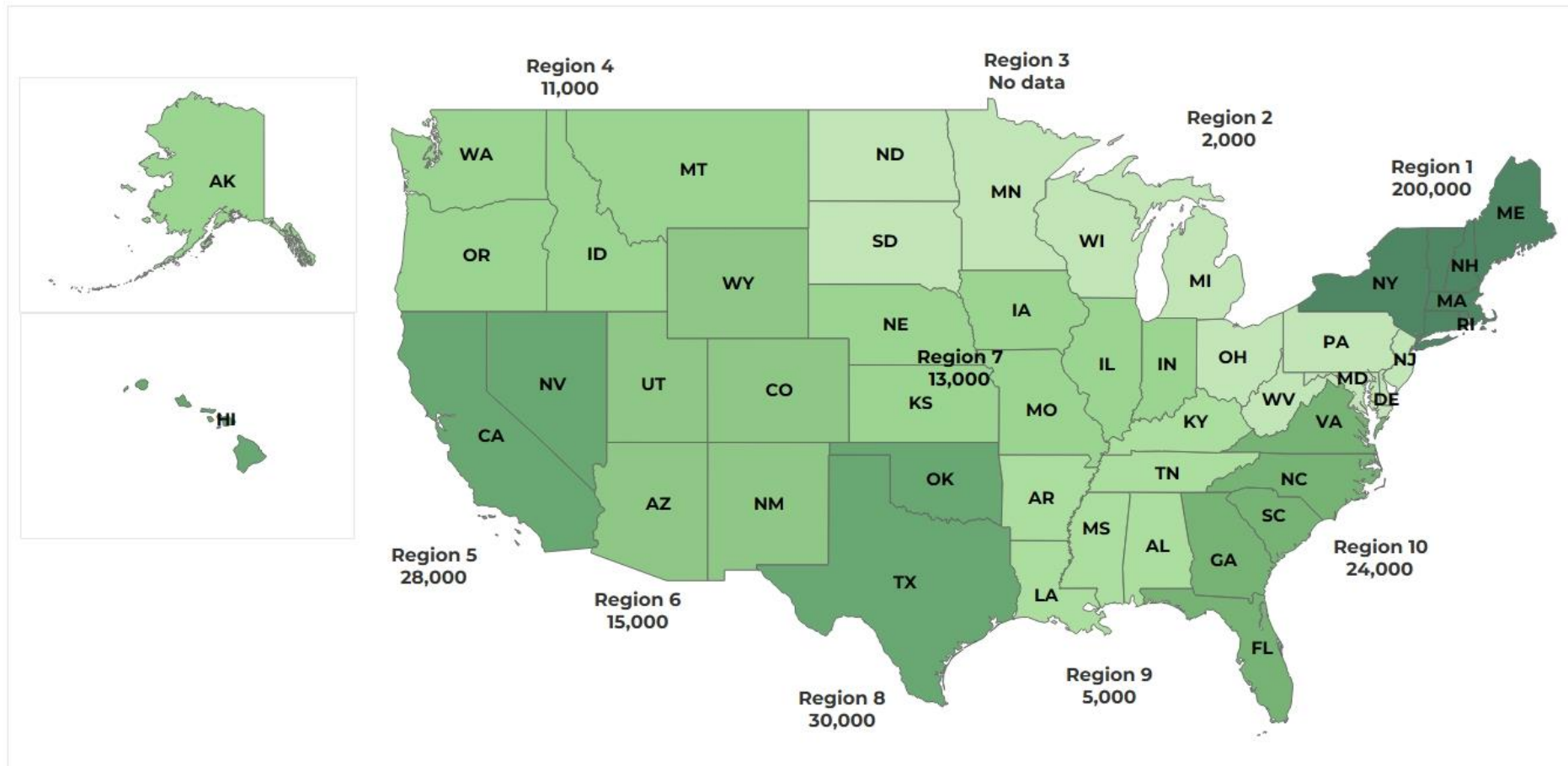
## Median Days on Market for Lands Sold by REALTORS® in 2023



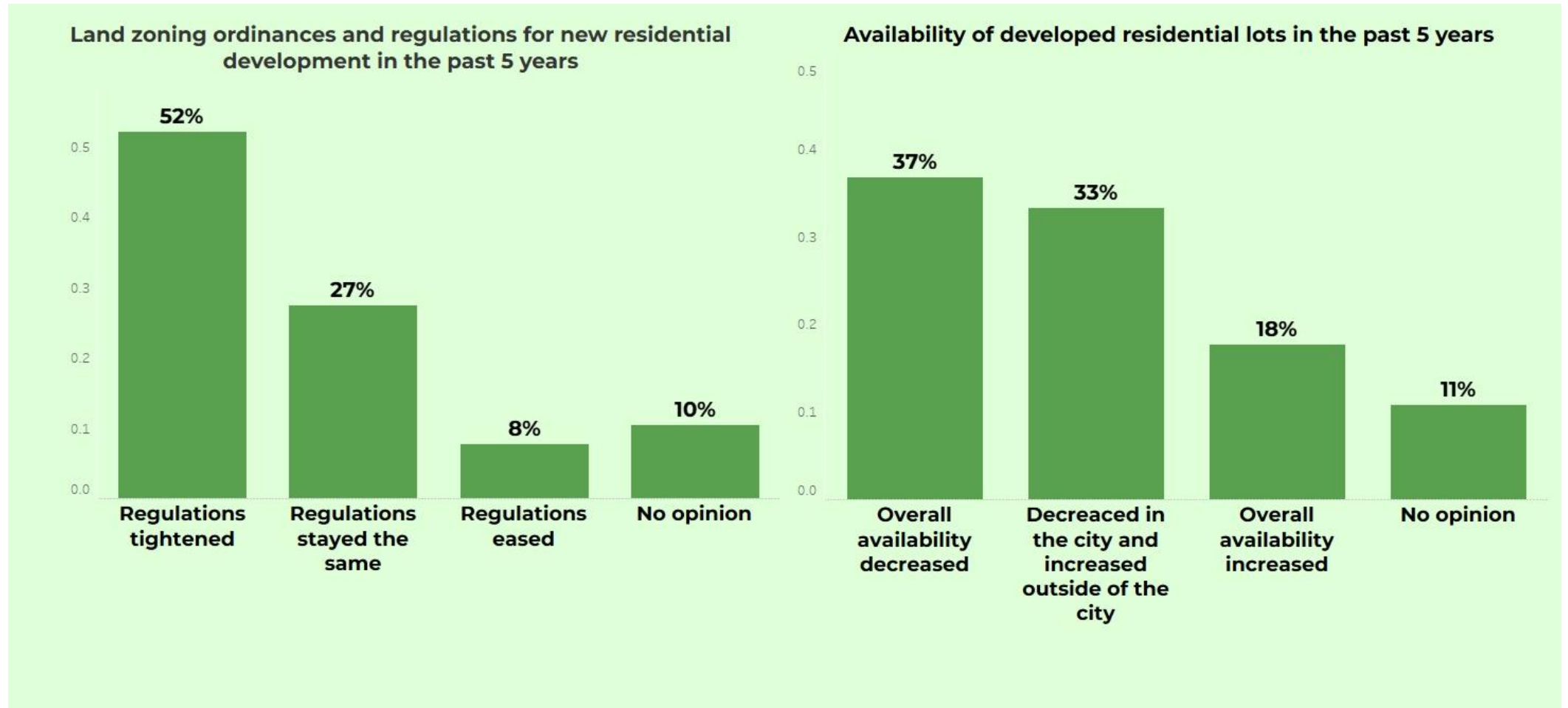
# Region 1: Most Expensive Residential Lands

Around \$200,000/acre

Median Price of Residential Lands Sold by REALTORS® in 2023



# 52% of REALTORS® Report Difficult Zoning Regulations in Past 5 Years





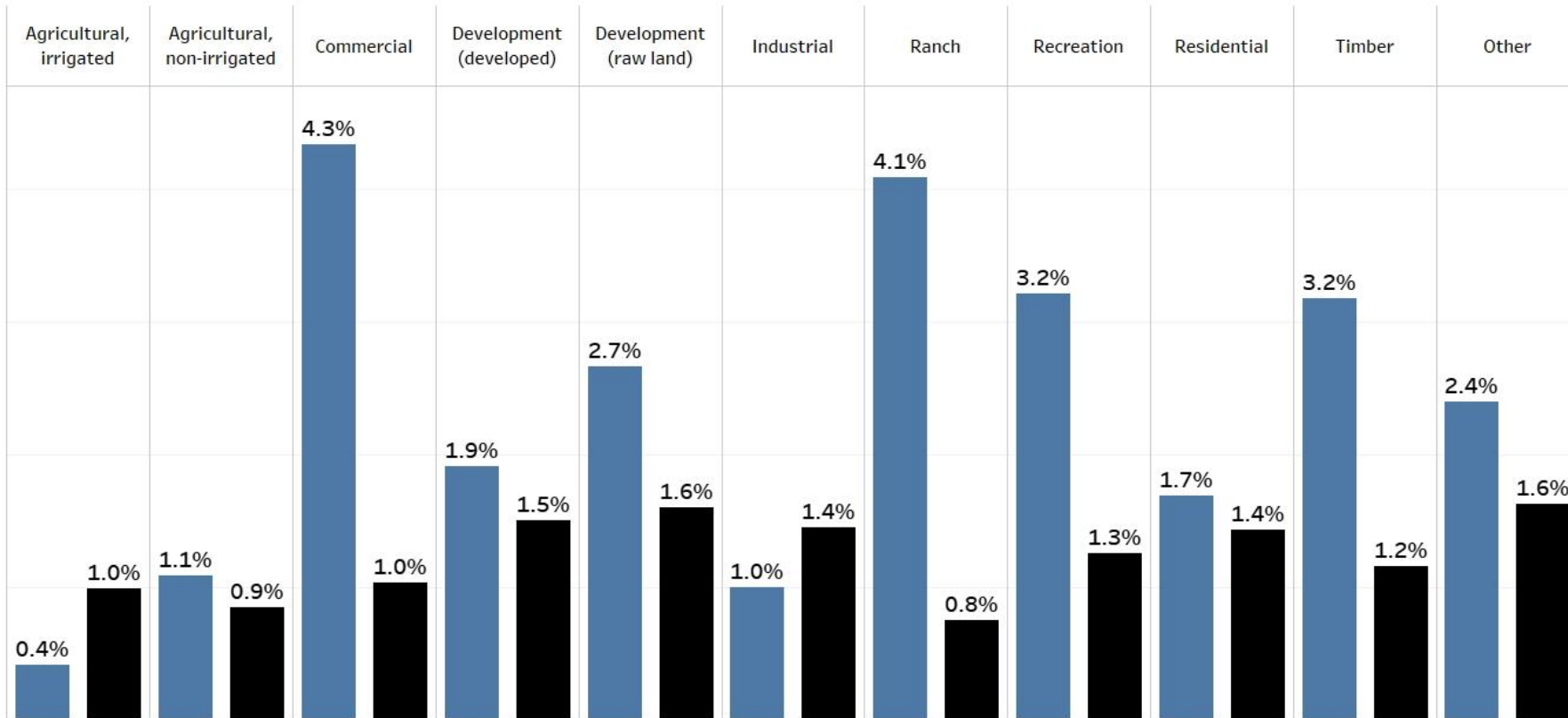
# Region 1 (CT, MA, ME, NH, NY, RI, VT)

## Percent Change in Land Sales by Land Type



### RI & U.S.

Average Year-over-year percent Change in Land Sales of REALTORS® in 2023



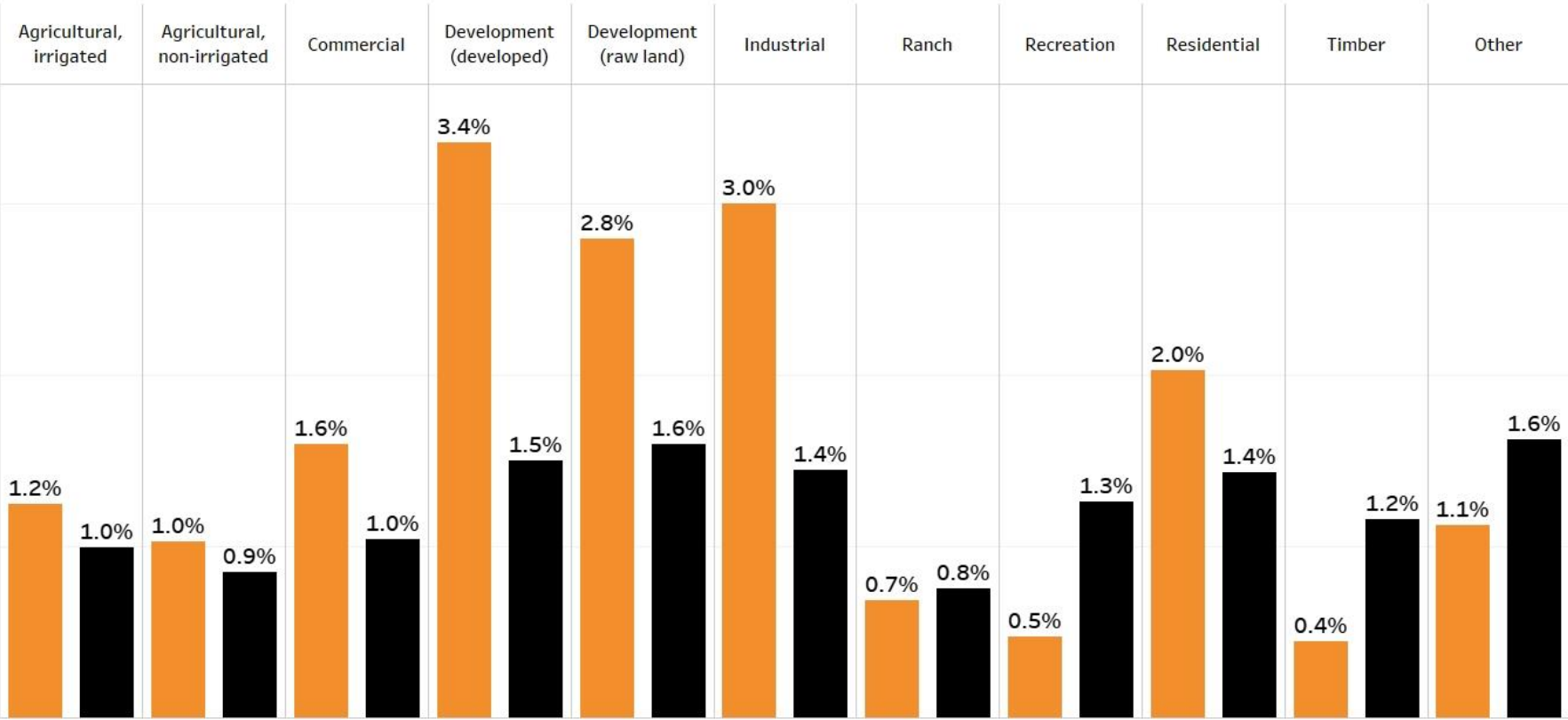
# Region 2 (DE, MD, MI, NJ, OH, PA, WV)

## Percent Change in Land Sales by Land Type



**R2 & U.S.**

Average Year-over-year percent Change in Land Sales of REALTORS® in 2023



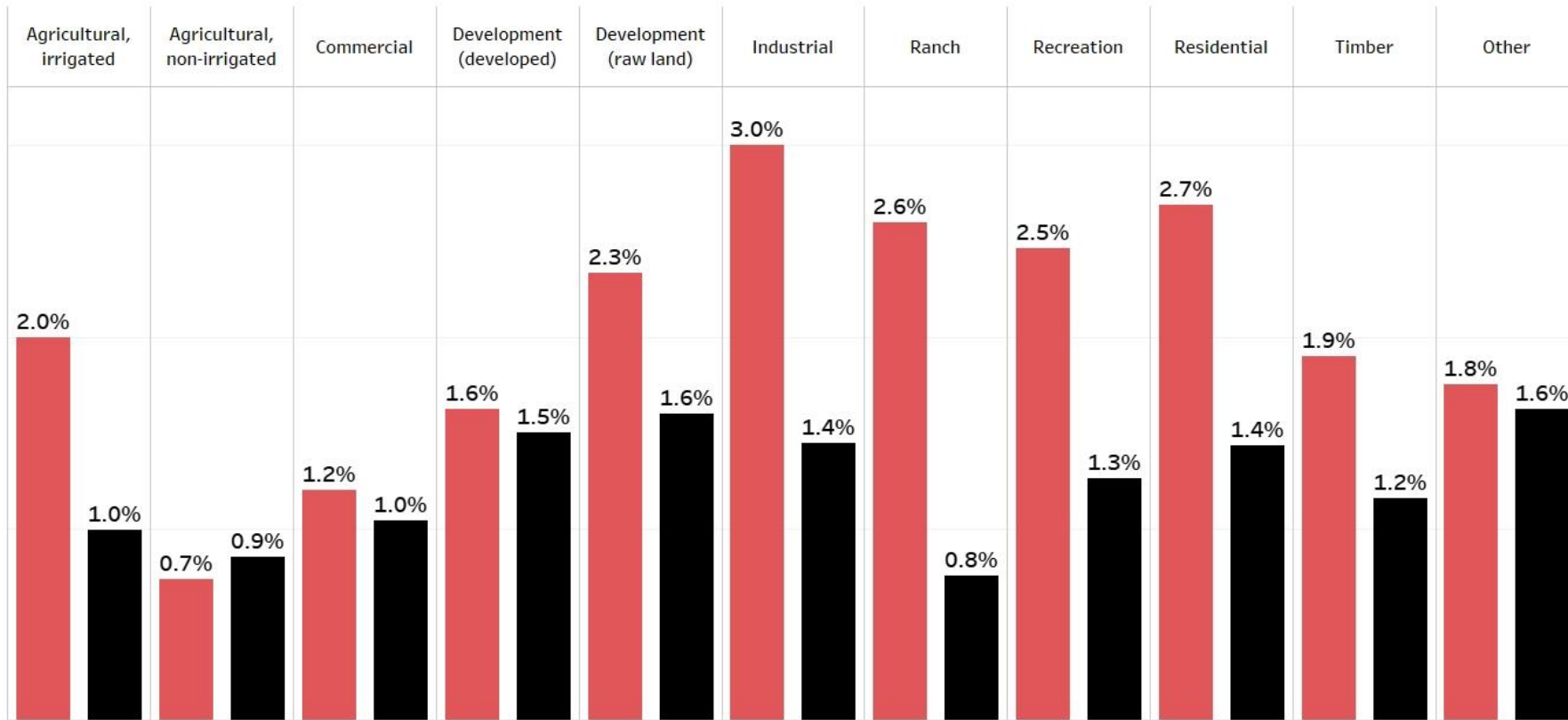
# Region 3 (MN, ND, SD, WI)

## Percent Change in Land Sales by Land Type



### R3 & U.S.

Average Year-over-year percent Change in Land Sales of REALTORS® in 2023

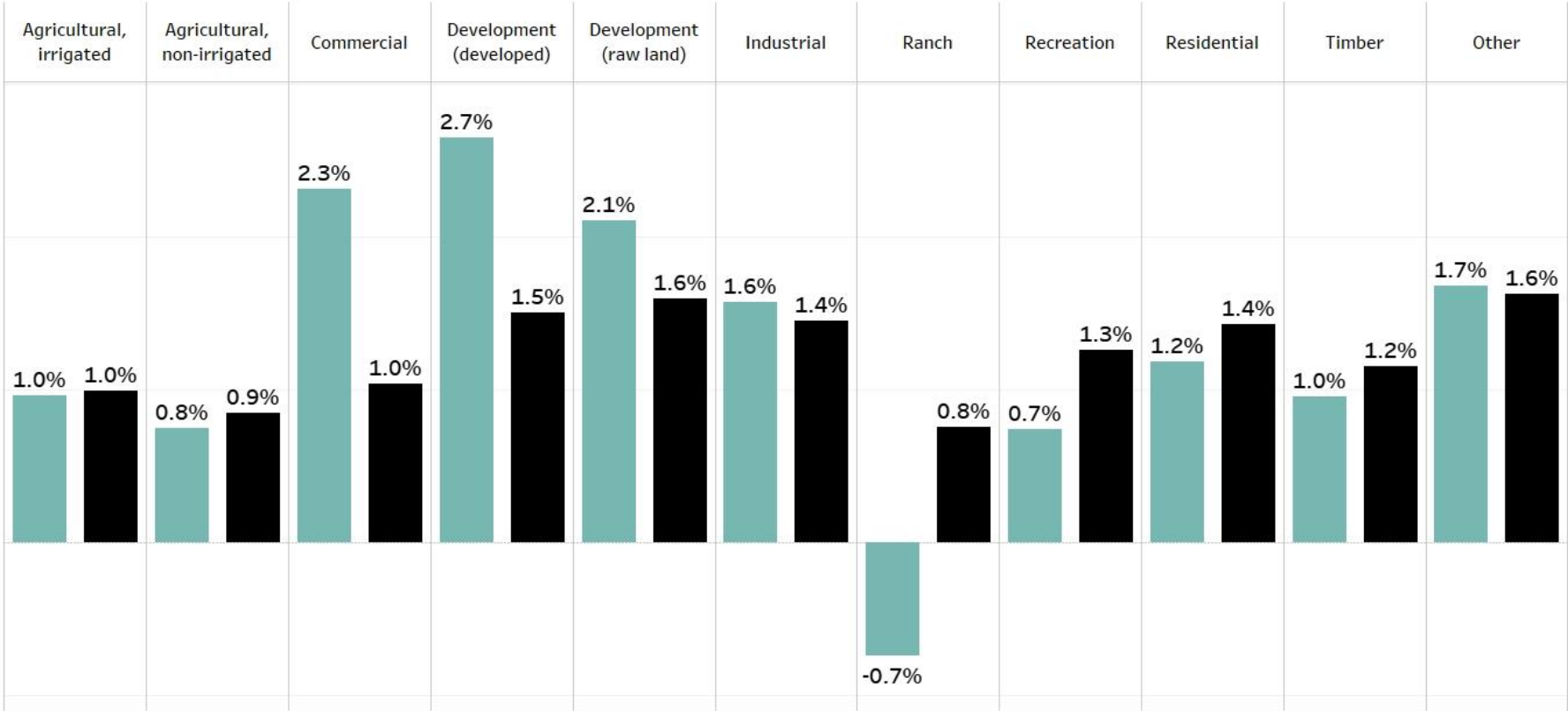


# Region 4 (ID, MT, OR, WA)

## Percent Change in Land Sales by Land Type



**R4 & U.S.**  
Average Year-over-year percent Change in Land Sales of REALTORS® in 2023

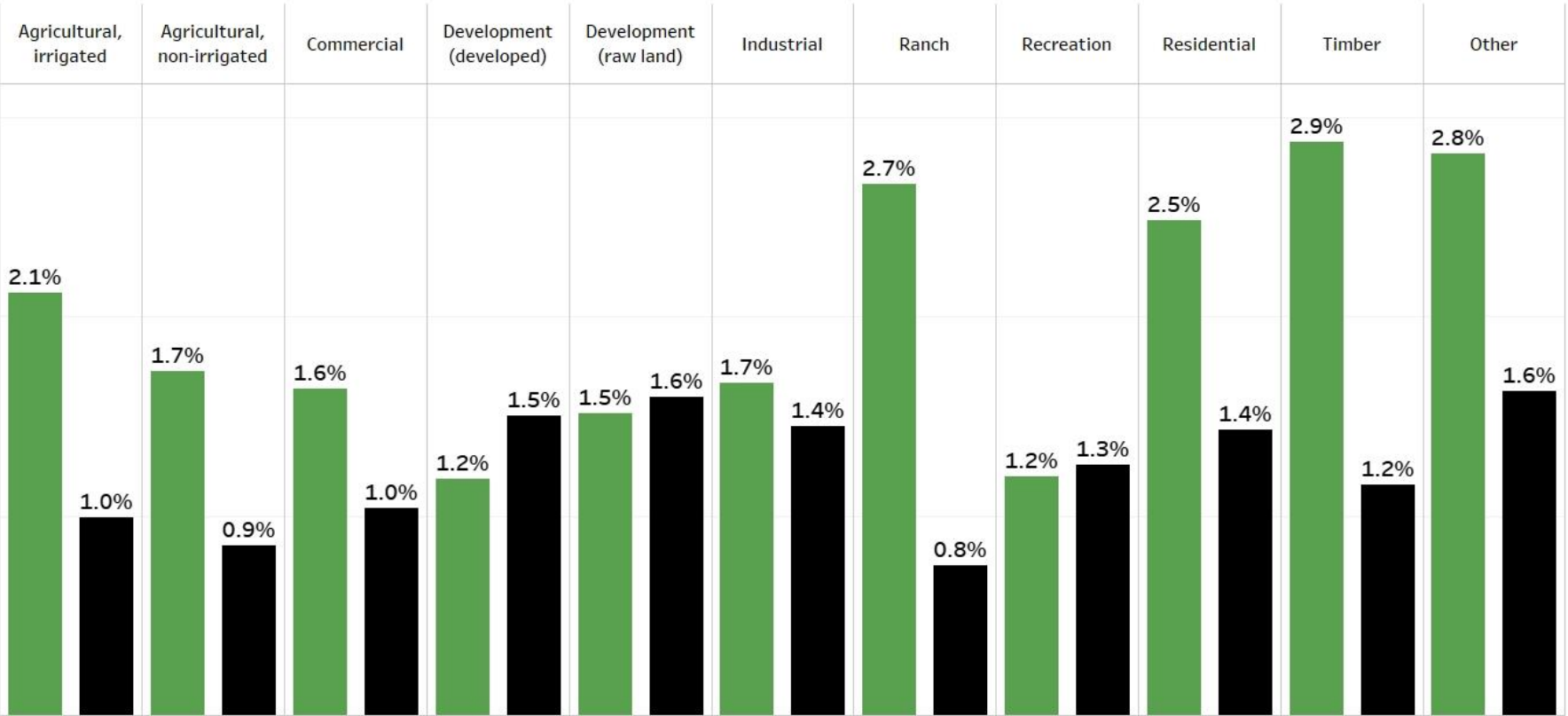


# Region 5 (CA, NV)

## Percent Change in Land Sales by Land Type

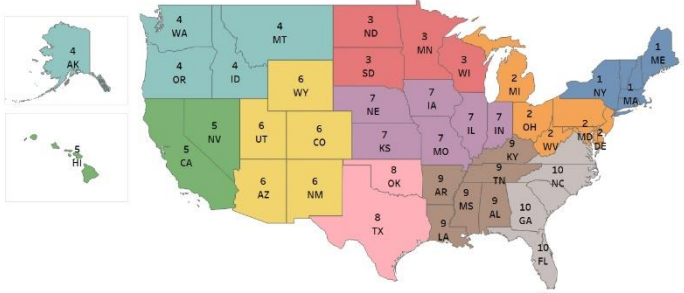


**R5 & U.S.**  
Average Year-over-year percent Change in Land Sales of REALTORS® in 2023



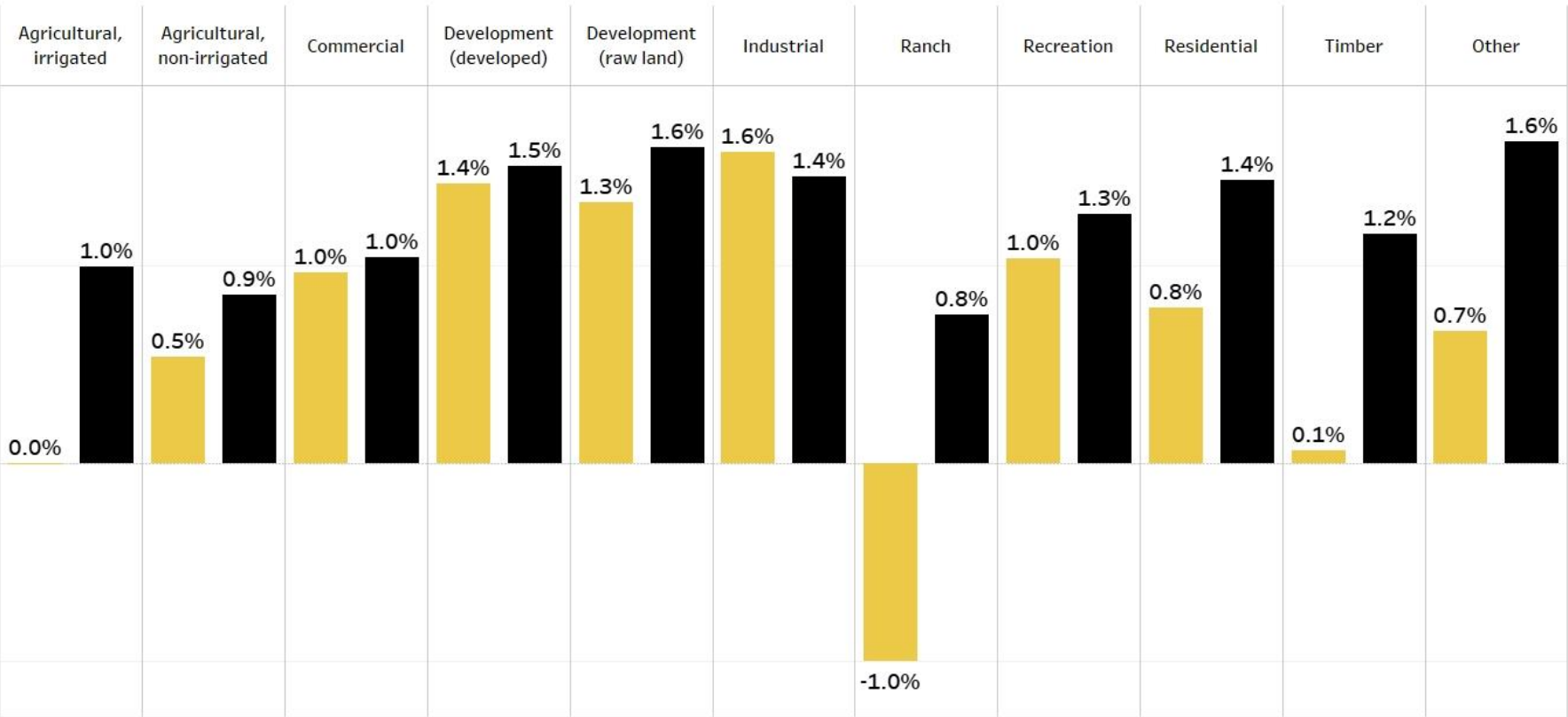
# Region 6 (AZ, CO, NM, UT, WY)

## Percent Change in Land Sales by Land Type



**R6 & U.S.**

Average Year-over-year percent Change in Land Sales of REALTORS® in 2023



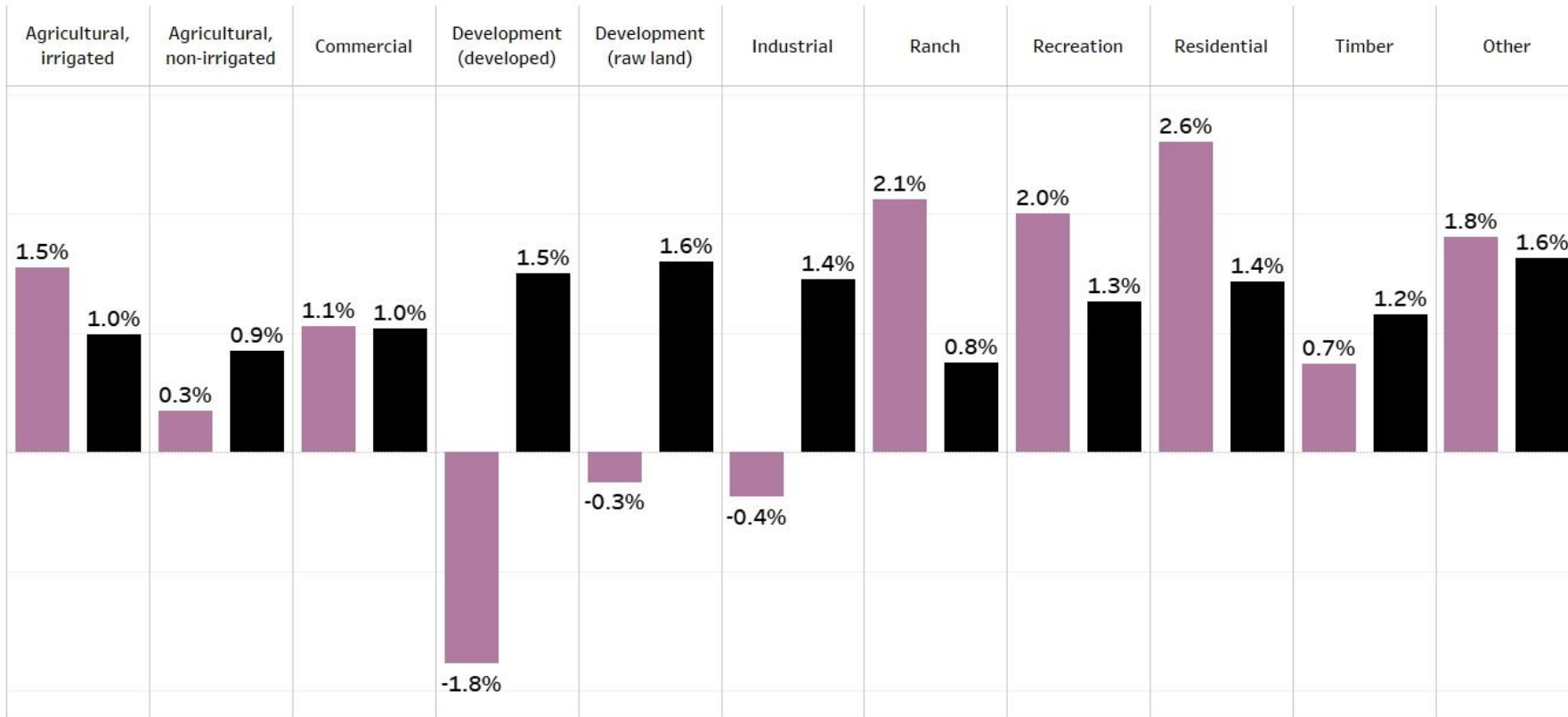
# Region 7 (IA, IL, IN, KS, MO, NE)

## Percent Change in Land Sales by Land Type



### R7 & U.S.

Average Year-over-year percent Change in Land Sales of REALTORS® in 2023



# Region 8 (OK, TX)

## Percent Change in Land Sales by Land Type



**R8 & U.S.**

Average Year-over-year percent Change in Land Sales of REALTORS® in 2023

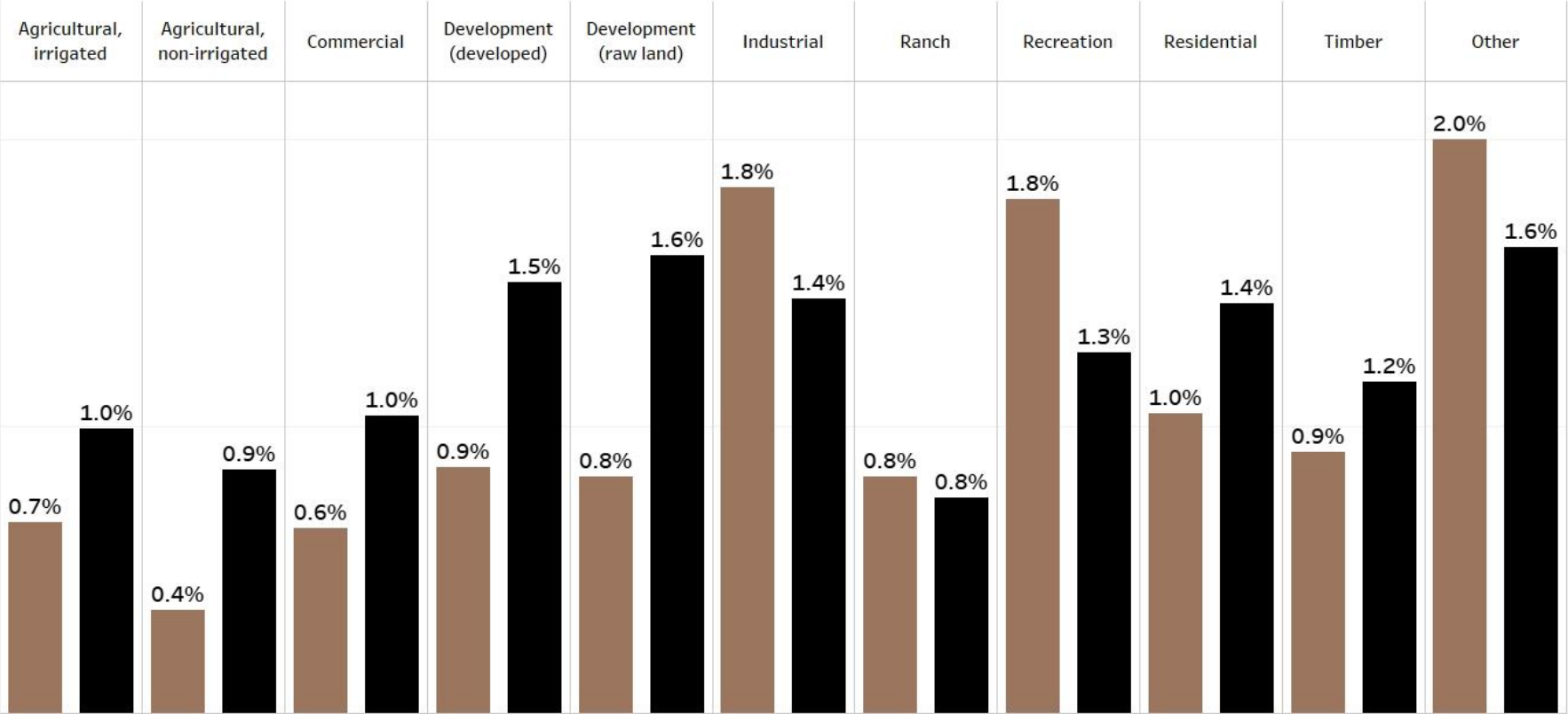




# Region 9 (AL, AR, KY, LA, MS, TN) Percent Change in Land Sales by Land Type



**R9 & U.S.**  
Average Year-over-year percent Change in Land Sales of REALTORS® in 2023



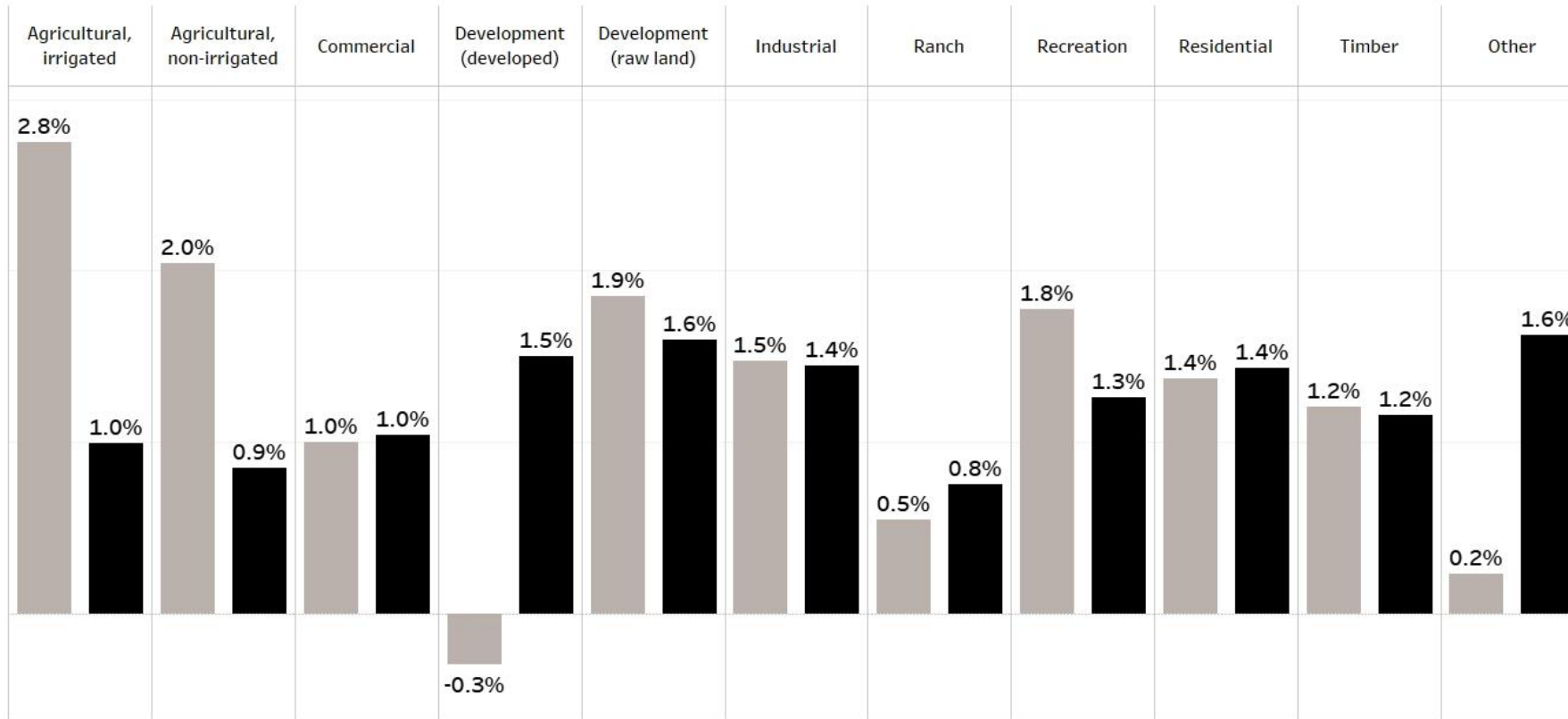
# Region 10 (FL, GA, NC, SC, VA)

## Percent Change in Land Sales by Land Type



### R10 & U.S.

Average Year-over-year percent Change in Land Sales of REALTORS® in 2023





# SUMMARY

# Summary

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## **Land sales rose 1.2% in 2023, moderating from the previous years.**

In 2023, land transactions of REALTORS® survey findings indicated a growth of 1.2% in land sales. Although this marks a slower pace compared to past performance, it highlights the market's resilience and ongoing potential for expansion amidst challenging conditions.

## **Land value rose to 18.6 trillion, up from 17.2 trillion a year ago.**

As of 2023 Q3, the underlying value of the land of real estate owned by households totaled \$18.6 trillion, up from \$17.2 trillion in 2022 Q3. According to NAR's estimate, the land value accounts for 41% of household real estate assets based on Federal Reserve Board data on household real estate and the cost of structures.

## **Most land is purchased in under 60 days.**

Land sales generally conclude within a 60-day period, while a notable 25% of these transactions are wrapped up in less than 30 days. Particularly in regions 1, 2, 3, 7, 9 and 10, the market moves even faster, with most sales closing in under 45 days.



# Summary (continued)

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## Land price growth adjusted to 1.9%.

Land price per acre growth adjusted to a rate of 1.9% on average, in 2023. By type of land, residential, industrial and timber land posted the strongest price growth of 1.9% to 2.9% which is in line with pre-covid performance. Remarkably, timber and ranch land prices grew more than before the pandemic.

## Regions 1, 9 and 10 were the hottest markets.

Regions 1, 9, and 10 were the markets with the highest increase in land sales in the range of 2.8% to 3.7%. Also, the biggest land market was Region 10 (14% of land sales), followed by Region 7 (13%).

By state, the states with the largest share of land sales were California (12%), Texas (7%), Georgia (7%), Florida (5%), and Colorado (5%), accounting for over the third of all land transactions nationwide.

By type of land, most popular sold lands were agricultural (32%), residential (24%) and recreational (17%).

## Region 1 has the most expensive residential lands.

Unsurprisingly, Region 1 boasted the highest prices for residential land, commanding up to \$200,000 per acre, underscoring its premium market position. Conversely, Region 2 presented the most economical choices, with land available at \$2,000 per acre.

# 2023 Land Market Survey Report

## **REALTORS® Land Institute**

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Executive Officer

Kat Szymanski, Marketing Manager

## **National Association of REALTORS® Research Group**

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Oleh Sorokin, Data Analyst, Commercial  
Real Estate

Meredith Dunn, Research Manager



**The REALTORS® Land Institute**, “The Voice of Land,” defines professionalism by promoting integrity, expertise, and excellence in every aspect of land real estate.

**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 to inform and engage members, consumers, policy makers, and the media in a professional and accessible manner.

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