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Selected Tables from

THE MINNESOTA FARM REAL ESTATE MARKET IN 1964

by

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Table 1. Estimated Average Prices per Acre of Minnesota Farmland, by Districts, 1954-1964

District	Average Price per Acre in:										
	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954
	dollars per acre										
Southeast	206	194	192	189	188	191	179	165	156	150	139
Southwest	252	246	250	247	248	255	242	230	214	205	187
West Central	145	142	138	133	133	134	123	122	107	103	99
E-st Central	111	103	99	95	94	89	84	77	70	68	66
Northwest	115	114	104	103	99	103	90	86	76	73	72
Northeast	59	68	69	64	64	58	65	49	42	45	40
MINNESOTA	166	161	159	156	155	157	147	138	126	121	113

* Based on mail questionnaires for the period January-June. In 1964, questionnaires were returned by 900 respondents located throughout the state. A total of 701 returns were adequately filled in. Reporters are farm real estate dealers, bankers, farm loan agents, lawyers and others with knowledge of their local farm real estate situation. Hennepin and Ramsey counties (Minneapolis and St. Paul) were excluded in computing statewide averages.

COMMENTS

1. Statewide, farmland values in 1964 were about 3 per cent above the levels of 1963.

2. The increases have been greatest in the more urbanized areas, and very modest in the predominantly agricultural districts.

Percentage Increase, 1964 over 1963

LEAST URBANIZED

Southwest	2.4
West Central	2.1
Northwest	1.0

MOST URBANIZED

Southeast	6.2
East Central	7.8

Table 2. Estimated Number of Farm Title Transfers per Thousand Farms, by Methods of Transfer, Year ending March 15, Minnesota, 1952-1964

Year	Voluntary Sales	Forced Sales (Foreclosures, Tax Sales, etc.)	Inheritance, Gift and All Other Transfers	Total All Classes
		number of transfers per thousand farms		
1964	28.2	3.0	13.3	44.5
1963	24.1	1.9	10 1	36.1
1962	29.3	1.9	10.4	41 6
1961	29.0	2 6	7.7	39 3
1960	34.5	2.7	9.9	47 1
1959	39.7	2.6	11.4	53 7
1958	35 6	3.5	14.7	53 8
1957	34.0	2.8	15.6	52 4
1956	31.1	6.4	12.9	50.4
1955	32.5	3.0	9.8	45 3
1954	27 1	1.2	11.5	39.8
1953	28.4	1.6	9.2	39.2
1952	31.4	2.2	10.8	44.4

* Compiled from the annual March estimates, published in "Farm Real Estate Market Developments," U.S Department of Agriculture.

COMMENTS

1. Although turnover by voluntary sales has increased from the low level of 1963, (the lowest level since 1926), the market is still very slow. For voluntary sales, turnover in 1964 was the third lowest for the past twenty years.

2. Turnover by voluntary sale at the rate of 28 per thousand farms (or roughly 2 3/4 percent) per year means that the average ownership tract would change hands by voluntary sale only once in thirty-five years.

Table 3. Percent of Tracts Purchased by Type of Buyer, by Districts, Minnesota, 1960-1964

District	Operating Farmer					Farm-Expansion Buyer					Investor Buyer				
	1964	1963	1962	1961	1960	1964	1963	1962	1961	1960	1964	1963	1962	1961	1960
	percent					percent					percent				
Southeast	47	48	58	58	54	37	36	28	26	35	16	16	14	16	11
Southwest	31	36	41	39	44	58	51	50	51	46	11	13	9	10	10
West Central	42	40	40	45	39	47	50	46	41	49	11	10	14	14	12
East Central	61	65	72	68	61	22	22	25	17	22	17	13	3	15	17
Northwest	19	18	27	39	27	73	78	64	57	64	8	4	9	4	9
Northeast	55	64	42	44	78	17	29	42	41	17	28	7	16	15	5
MINNESOTA	42	43	49	50	47	45	44	41	37	41	13	13	10	13	12

Table 4. Percent of Sales Made to Three Types of Buyers,
Minnesota, 1954-1964

	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954
Investor Buyer	13	13	10	13	12	15	17	19	16	14	16
Expansion Buyer	45	44	41	37	41	32	33	30	30	24	25
Operating Farmer	42	43	49	50	47	53	50	51	54	62	59

COMMENTS

1. Farm expansion buying is especially prominent in the Northwest and Southwest districts.

2. Purchases of whole farms for owner-operation are at an all-time low.

3. Percentage figures for the Northeast fluctuate greatly due to small number of farm sales.

Table 5. Classification of Sales Reported, by Method of Financing, by Districts, Minnesota, 1960-1964

District	Cash Sales					Mortgage Sales					Contract for Deed				
	1964	1963	1962	1961	1960	1964	1963	1962	1961	1960	1964	1963	1962	1961	1960
	percent					percent					percent				
Southeast	19	16	19	19	20	29	30	34	30	27	52	54	47	51	53
Southwest	17	20	18	20	21	42	45	45	42	40	41	35	37	38	39
West Central	16	17	15	22	22	46	34	39	35	40	38	49	46	43	38
East Central	30	24	23	27	26	30	35	35	22	24	40	41	42	51	50
Northwest	24	24	30	18	35	31	31	34	41	36	45	45	36	41	29
Northeast	36	28	16	23	22	37	50	31	13	26	27	22	53	64	52
MINNESOTA	20	20	19	21	23	36	37	39	33	33	44	43	42	46	44

Table 6. Proportion of Farm Sales Credit Financed, Minnesota
By Districts, 1956-1964

District	Year								
	1964	1963	1962	1961	1960	1959	1958	1957	1956
Southeast	82	84	81	81	80	81	80	76	80
Southwest	84	80	82	80	79	80	78	72	75
West Central	85	83	85	78	78	73	78	73	73
East Central	70	76	77	73	74	75	72	74	69
Northwest	76	76	70	82	65	57	62	72	64
Northeast	64	72	84	77	78	67	68	74	81
MINNESOTA	80	80	81	79	77	76	76	73	74

COMMENTS

1. The balance among cash sales, mortgage sales, and contract for deed financing has remained essentially unchanged for the past six years, with credit financing remaining high.

2. The most significant expansion in credit financing occurred in the West Central district, largely due to increased use of mortgage financing in that area of the state.

Table 7. Average Price Per Acre, Reported Farm Sales, Minnesota, By Districts, 1956-1964

District	1964	1963	1962	1961	1960	1959	1958	1957	1956
	DOLLARS								
Southeast	213	214	196	189	189	210	169	175	160
Southwest	234	222	229	226	240	243	234	217	207
West Central	150	136	140	130	136	129	115	108	100
East Central	86	86	76	89	69	73	78	65	58
Northwest	104	109	74	92	101	85	79	88	78
Northeast	52	48	30	38	50	61	52	39	40
MINNESOTA	178	168	161	165	161	173	155	144	139

COMMENTS

1. Sales prices are up from the levels of the last three years, especially in the Southwest and West Central Districts.

2. Sales prices in the Southwest are substantially below the estimated values for that district, as reported above in Table 1 (Sales price $234 per acre; estimated average value, $252 per acre). This supports the observation that the best farms rarely change hands by voluntary sale in the areas of highest land values.

Table 8. Comparison of Actual Sales Prices and Reporters' Estimates of Average Values per Acre, by Districts, Minnesota, 1962-1964

District	Average Price Per Acre in:					
	1964		1963		1962	
	Sales	Estimates	Sales	Estimates	Sales	Estimates
Southeast	213	206	214	194	196	192
Southwest	234	252	222	246	229	250
West Central	150	145	136	142	140	138
East Central	86	111	85	103	76	99
Northwest	104	115	109	114	74	104
Northeast	52	59	48	68	30	69
MINNESOTA	178	166	168	161	161	159

COMMENTS

1. In the Southeast the sales prices have been above the estimates for the past three years. In the Southwest the sales prices are below the estimates. This is consistent with the statement often made that the better farms in the Southwest may not be represented in the sales that do occur.

2. Sales prices and estimated values have been very close in the West Central District.

Table 9. Average Sales Prices per Acre of Improved and Unimproved Farm Land, by Districts, Minnesota, 1958-1964

District	Improved Land							Unimproved Land a/						
	1964	1963	1962	1961	1960	1959	1958	1964	1963	1962	1961	1960	1959	1958
	DOLLARS PER ACRE							DOLLARS PER ACRE						
Southeast	214	216	198	194	190	212	172	210	198	156	147	159	162	116
Southwest	238	228	232	231	245	246	236	211	176	203	192	209	208	208
West Central	155	138	143	134	143	133	120	122	109	117	112	109	103	84
East Central	89	88	77	90	73	74	80	49	48	68	79	33	35	47
Northwest	95	100	82	83	105	82	70	133	128	55	121	92	94	96
Northeast	46	52	40	39	53	69	54	NA	20	18	31	22	17	12
MINNESOTA	181	172	166	169	167	176	159	160	144	128	138	123	142	126

a/ Unimproved land is land without buildings or permanent structures.

Table 10. Price of Unimproved Farm Land as a Percent of Improved Land, Minnesota, 1958-1964

District	1964	1963	1962	1961	1960	1959	1958
				PERCENT			
Southeast	98	91	79	76	84	76	67
Southwest	89	77	87	83	85	85	88
West Central	79	79	82	83	77	77	70
East Central	55	55	89	88	45	47	59
Northwest	140	128	68	145	88	115	137
Northeast	NA	38	44	80	41	25	22
MINNESOTA	88	84	77	82	74	81	79

COMMENTS

1. Prices of unimproved farm land are typically low in relation to improved land in the Northeast and East Central districts, where type and condition of buildings has a strong influence on sales prices. Many buyers in the Northeast and East Central districts want homes, not farms. A good residence can add substantially to the sales price of the farm in these districts.

2. The opposite is true for the Northwest district, where land without buildings often sells for more than land with buildings. Buyers in this district want land for farm expansion. Buildings add little if anything to the sales prices received.

3. In the Southeast and Southwest districts, land without buildings sells for almost as much as land with buildings. In the Southeast in 1964, the average sales price for land with buildings was only 2 per cent above the price of bare land.

Table 11. Average Sales Price of House, and Lot, Towns Under 5000, by Size Classes, Minnesota, 1963

Population (1960 census)	Number of Reported Sales	Average Sales Prices
		(dollars)
1 - 500	110	7,200
501 - 1000	144	8,500
1001 - 1500	109	10,400
1501 - 2000	103	11,200
2001 - 2500	88	11,500
2501 - 3000	59	11,900
3001 - 3500	48	11,200
3501 - 5000	66	11,900

Table 12. Average Sales Price by Age of House, Towns Under 5000, Minnesota, 1963

Age of House in Years	Number of Sales	Percent of Sales	Average Sales Price
0 - 9	202	28	14,500
10 - 19	123	17	10,700
20 - 29	98	13	8,600
30 - 39	98	13	7,800
40 - 49	113	16	7,600
50 - 59	49	7	7,300
60 - 69	35	5	6,500
70 and over	9	1	3,800