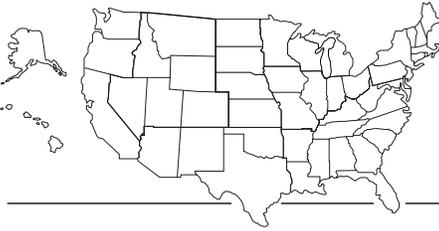


The LandReport

A Monthly Report for
the American Landowner



Newsletter

JUNE 2010 • LANDREPORT.COM



My Fellow Americans:

IT'S OFFICIAL. I cannot begin to list the number of brokers whom I've spoken with in the last few weeks that are coming out of the darkness and into the light. A long list of brokerages in a wide variety of markets has reported more closings in the first quarter of 2010 than throughout all of 2009. More closings equals less hypertension, and that's what 2010 is about: long-term optimism tempered with short-term realism.

FINALLY. Liquidity is returning to rural land markets. Not only are brokerages and associated businesses now generating much-needed cash flow, but the increasing number of transactions means a broad base of comps has now begun to develop, a key factor when enticing buyers and convincing sellers of real-time market conditions.

ARE WE OUT OF THE WOODS? I don't know about you but I can still smell a lot of pine needles. Non-existent credit markets, the BP Oil Spill, increased tensions in the Middle East and in the Korean Peninsula, and the European debt crisis are just a few of the factors that can give markets, and buyers, a bad case of the heebie-jeebies. Let's hope that the upside—unbelievable land values that turn back the hands of time five years—proves more compelling.

Buy Land!

Eric O'Keefe
Editor & Broker

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EDUCATION



SOUTH

LANDOWNER CONFERENCE SLATED FOR LATE JULY

One of the many repercussions of the global financial crisis is an across-the-board increase in the appeal of tangible assets. Yet generations of landowners already know the benefits of owning timberland, a solid hedge against inflation that not only appreciates but typically generates a revenue stream. If you've ever wanted to learn more about timber as an investment, consider attending the **2010 Magnolia Landowner Conference** at Southern Arkansas University in Magnolia on Saturday, July 24. Speakers will include leading experts on the timber market and the all-important housing market. A pre-conference tax workshop will be held on Friday, July 23.



PACIFIC

FOR SALE

Napa County Acreage

\$25 MILLION FOR MONDAVI ESTATE.

Wappo Hill, the 56-acre estate of winemaking pioneer Robert Mondavi, has been listed with Pacific Union International, a Christie's Great Estates affiliate. The asking price is \$25 million. No vineyards exist on the property, which sits just outside Yountville; however, the estate features an 11,500-square-foot main house designed by architect Cliff May, who also designed the iconic Robert Mondavi Winery. As might be expected, one of the many amenities found on the property is an underground wine cellar.



WEST

AUCTION

Colorado Ranchland

MONTANA RANCLAND. **Spring Creek Ranch** goes up for auction July 7. Originally listed for \$13 million, the 181-acre Bitterroot Valley property will be sold with a reserve that's 65 percent lower: \$4.5 million. In addition to the 10,000-plus-square-foot main residence, the property includes two guest homes, two barns, equestrian paddocks, and pastures. Best of all, the ranch boasts one and a half miles of Bitterroot River frontage.

CONCERGE AUCTIONS | *Luxury Home* AUCTION JULY 16

Teton Valley Ranch - Jackson Hole, WY
153 ACRES WITH 10,000SF RESIDENCE & MULTIPLE GUEST HOMES

TetonValleyRanchAuction.com | 866-640-7725

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POLICY



NORTHEAST

ABBEY APPOINTED ACTING DIRECTOR OF MMS

Secretary of the Interior Ken Salazar **announced** that Bureau of Land Management Director Bob Abbey will serve as acting director of the Minerals Management Service (MMS). Abbey will begin the process of managing the reorganization of MMS into three separate agencies. He will remain BLM director during this period but will turn over his daily management duties to deputy director Mike Pool. "Bob Abbey's recent leadership on onshore energy reforms is exactly the kind of experience we need as we continue to reform and begin to restructure MMS," said Secretary Salazar.



GREAT LAKES

LENDING

Failing Banks

FARM CREDIT TO AMEND LENDING

GUIDELINES? The Farm Credit Administration has proposed **an amendment** to its regulations that would allow Farm Credit System lenders to purchase from the FDIC some loans made by failing banks. Under the proposal, Farm Credit System lenders would be allowed to purchase loans made to farmers, ranchers, aquatic producers, or harvesters of aquatic products.



NORTHEAST

SUBSURFACE

Mineral Rights

MARCELLUS SHALE WORLD'S 2ND LARGEST GAS FIELD.

Landowners in Western New York, Pennsylvania, West Virginia, and Ohio are parked above one of the world's most substantial energy reservoirs. Researchers at **Penn State University** have determined that the amount of natural gas in the Marcellus Shale is enough to meet the demand of the entire world for three years. The exploration, drilling, and delivery of such enormous quantities of natural gas are expected to further increase land values, create thousands of new jobs, and generate substantial revenues for public coffers.



MIDWEST

AIR RIGHTS

Wind Energy

GE ANNOUNCES LAKE ERIE WIND

FARM. GE and Lake Erie Energy Development Corporation have entered into a long-term partnership to develop a 20 MW offshore wind project in the Ohio waters of Lake Erie. Targeted for completion in late 2012, the project will be located near Cleveland. The partnership will not only accelerate the deployment of offshore wind in the Great Lakes region but also complements the growing demand for onshore wind farms.

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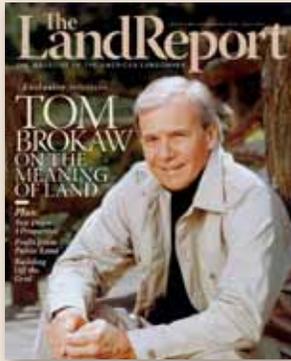
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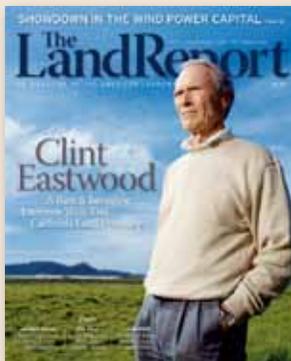
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SUBSCRIBE

FOLLOW US:



SOUTH

FOR SALE

North Carolina Timberland

TOP TIMBER OFFERING. American Forest Management Real Estate has been retained to sell 4,532± acres of well-managed loblolly pine timberland in **four counties in Eastern North Carolina**. The 17 parcels, which are being offered on an individual tract basis, range in size from 52

acres to almost 900 acres with pricing from \$110,559 to \$1,813,493. For detailed information, contact Kirk Richardson at (910) 309-6790 or Tom Margo at (704) 527-6780 ext. 314.



Corn Belt

OVERSEAS MARKETS STROKE DEMAND FOR CORN ETHANOL. Don't expect prices for top-tier farmland to crest anytime soon.

Disappointing sugarcane crops in India and Brazil have depleted sugar supplies and shifted stocks away from biofuels to consumer products.

GREAT PLAINS

BIOMASS

In the coming months, expect record exports of U.S.-produced corn ethanol to offset these shortfalls as well as bolster the price of domestic ethanol and keep farmland prices at all-time highs.



Oklahoma Farmland

AUCTION GINS \$2,100 PER ACRE.

662± acres located approximately 50 miles south of Oklahoma City in Pauls Valley sold for over \$1.4 million at auction. The property was divided into 34 parcels, 31 of which sold at absolute pricing; in all, 33 of the 34 parcels sold. The sale

SOUTHWEST

AUCTION

attracted registered bidders from Oklahoma, Texas, Arizona, Indiana, and New York. "The auction lasted just over two hours and was filled with enthusiastic bidding," said Craig King, president and CEO of J. P. King Auction Company, which handled the auction.

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