

The Hageman Realty Difference

To Learn More:



HISTORY. HERITAGE. HAGEMAN.

MEET OUR TEAM

When you choose Hageman Realty you get something unique. We work as a TEAM. You do not get just one agent you get ALL of us. All team members have special skill sets and different areas of expertise. In addition, we have added an auctioneer who is also a farmer, to our team. We evaluate each farm to determine the right method of sale to achieve the best price and to meet the clients needs and desires. We offer each client a customized marketing plan. Just as every client is different with various needs so is the land. Customizing each marketing plan to fit the needs of the client, and of the land is of the utmost importance in our sales process.

Our Sales Process



#1 Assess - Applying our expertise in agriculture, land sale data, and knowledge of local markets, we assess the value of your land to determine the most competitive pricing.

#2 Market - Hageman Realty specializes in highly effective marketing strategies. This includes advertising your farmland in multiple forms of print, internet, and social media platforms and utilizing our extensive network of interested buyers and investors.

#3 Close - We do the work and take care of the details to ensure a simple, seamless, and successful process.

METHOD OF SALE

EXCLUSIVE LISTINGS: Key benefits of an exclusive listing are the ability to control the process, which includes setting the price, negotiating with multiple potential buyers, and working with timing needs of those buyers. Another key benefit is the ability to bring all buyers into the process. Large institutional and investment buyers often have internal rules that often prevent them from buying at auction. Open listings have a shared commission structure which encourages other brokers to bring their interested clients.

AUCTION: A key benefit to the auction process is a known sale date, creating certainty if deadlines must be met. Another key benefit is urgency and competition created when multiple buyers are brought to the same location; especially if it is a high quality piece and multiple buyers with a very strong need or emotional desire to own the land are brought together.

Being deeply rooted in agriculture gives our team an edge in sales and management of farmland.

Sara Hageman Schenck, ALC

The REALTORS® Land Institute confers the Accredited Land Consultant (ALC) Designation only to its members who meet the rigorous knowledge and experience requirements. The ALC Designation is recognized throughout the industry as the pinnacle of achievement for land real estate professionals. Sara has put in the time, done the work and achieved this accreditation! It is a big benefit to our team as it provides her the opportunity to expand our connections and knowledge in real estate on a state, local and national level, which ultimately helps our team to better serve clients.



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18390 S. 480 W., Remington IN. 47977

Summer/Fall 2022 Newsletter

FAITH • FAMILY • FARMLAND

KEY EVENTS

INFLATION, INFLATION, INFLATION:

It seems every headline mentions it, and we haven't seen inflation like this since the late 70's and early 80's, so what does it mean to those of us invested in farmland? Let's look at it from the vantage point of fuel prices and demand and interest rates. First, here is a view of inflation since the 70s:



FUEL:

Prices, as we are all keenly aware each time we fill our cars and pickups, are at historic highs. Although it puts a squeeze on overall personal spending and miles driven, high oil prices have typically been good for agriculture because of the amount of biofuels produced from our crops, into ethanol, bio-diesel, and renewable diesels. These fuels all become increasingly competitive as crude oil increases in price. One area we think will be interesting to watch is the immense expansion of renewable diesel production capacity. According to the US Department of Energy, currently five plants produce renewable diesel in the United States, with a combined capacity of over 590 million gallons per year. Production is expected to grow in the near-term with 2 billion gallons of capacity at six plants currently under construction and expansion at three existing plants. This is more than a 4x increase in capacity that will happen in the very near term; there will be various feedstocks which will all come from farmland!

INTEREST RATES:

Interest Rates certainly have an impact on prices assuming some amount of borrowing/leverage. Take for example a 30 year mortgage. When 30 year mortgage rates bottomed out at 2.65%, the median home mortgage payment was just over \$1400/month. That same home at the current rate of 5.5% makes a mortgage payment of just under \$2000/month; a 40% increase. This causes either reduced expendable income for the homeowner, a drop in home values, or the need for increased homeowner wages to make up the difference. We are seeing a combination of the three.

FARMLAND RETURNS:

For Farmland, interest rates also make a big difference; if someone is borrowing money for the purchase. A majority of the purchases we are seeing are however CASH purchases. Farmland has historically been an excellent hedge against inflation, buyers with cash are much better off owning farmland than CDs or bonds. Unlike CD's and Bonds, farmland has both cash return provided by rental income and appreciation return. Here are some numbers to think about:

Over the last 25 years, the overall return to Indiana and Illinois farmland has been greater than 9%; this is according to USDA NASS' annual surveys. Appreciation has been 5.5 to 6.0% and cash returns have been 3.5 to 3.75%. Over the last 4 quarters the NCREIF Farmland Property Index reports a 26.7% return to Midwest farmland

Over that same time CD rates have fallen from around 4.7% to less than 0.5%. Also, over that time rates for 10 year treasuries have fallen from 6.5% to today's rate around 3%.

(sources: <https://quickstats.nass.usda.gov/>, <https://www.ncreif.org/>, bankrate.com)

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PURDUE AG REPORT FARMLAND VALUES AND RENT:

For our Indiana farmers and landowners, this report is surely the most anticipated of the year! Especially this year where large changes were expected. And it so; top Farmland Values in Indiana increased 30.9% between June 2021 and June 2022 to an average of \$12,808 per acre across the state. The range of values includes the top land class in the SW region at \$13,825/acre and at the low end, the poor class in the SE region at \$5,214/acre. During the same period Top Farmland rents increased 11.5% to an average of \$300 per acre. The range of values here include the top land class in the W Central region at 9% and at the low end, the poor land class in the SE region averaging 6.3% increase.

Although the averages correctly paint an overall picture of increases, it is interesting to note there are a wide range of value changes in different areas of the state; Farmland value increases range from a 41.9% increase in the SE region "poor" land class, to a 14.8% increase in the W Central region "poor" land class. Rent changes range from a 21.3% increase in the NE region "Top" land class to a 1.5% decrease in the SE region "average" land class. Hageman Realty references the Purdue Ag Report to report the average land price and values throughout Indiana. To learn more about your specific property, please contact us today to talk with our team. Scan QR code for full article:



FAITH, FAMILY, FARMLAND

In our last newsletter we talked about faith; to build on that, FAMILY is the foundation that allows faith to be strong, that allows farms to thrive for the current and future generations. Family provides the foundation for kids to grow and thrive, the support when times are hard, the encouragement to take risks and build, the accountability to stay on track, and provides community that brings so much joy to life. We are passionate about finding what and how we can help families do what's best for them and their land.

BROKERS NOTE

As Brokers we continue to be excited to see how well farmland works in people's portfolios and maybe more importantly their lifestyles, family legacies and enjoyment of it's productivity and beauty. Farmland ownership often spans generations, and when it does sell it marks a different season for that owner; it has been a great investment for them and becomes the beginning of a great long-term investment for the new owner. Depending on your situation, there are multiple great reasons to sell and or to buy. Below are some of our featured listings that are currently available. For more information, please visit our website and fill out a profile to get notified on listings of your interest.

Hinnerk Wolters
Broker



BANNON PROPERTY - PARKE COUNTY

- Rockville, IN
- \$2,083,500
- 208.35 Acres, 185.96 Tillable



MONTGOMERY COUNTY FARM

- Wingate, IN
- \$411,120
- 34.26 Acres, 33.85 Tillable



VIGO COUNTY FARM

- Lewis, IN
- \$950,575
- 89.94 Acres, 85.54 Tillable



IROQUOIS COUNTY EGG FARM

- Donovan, IL
- \$2,500,000/Options
- 110.62 Acres, 105 Tillable



LASALLE COUNTY INVESTMENT OPPORTUNITY

- Marseilles, IL
- \$750,000
- 23.08 Acres, 21 shovel ready subdivision lots



HENDRICKS COUNTY FARM

- Coatsville, IN
- \$2,053,670, Offered in 5 Tracts
- 143.56 Acres, 99.32.32 Tillable

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