

SOUTHWESTERN ONTARIO LAND VALUES

2021 Edition



Ryan R. Parker, B.Comm, AACI, P.App, P.Ag

(519) 709-3088

rparker@valcoconsultants.com



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OVERVIEW

Breaking news is readily available at our fingertips these days, and it seems like there is always a new development in the works. Some examples would be: the Leafs are good, Convoy is more than a good country song, and we are short on cereal, steel and fertilizer. However, it is also said that history repeats itself (slowly for the Leaf fans) and this has been the case with regards to the farmland market in 2021.

In 2011-2012 we had historically low interest rates, historically high crop prices and, as a result, historically high land values. Fast forward to 2021 and you guessed it, history has repeated itself. We are in an environment of very similar, if not better, interest rates and crop prices and this past year land values increased at a rate not seen since that 2011-2012 time period.

As I take stock of the farmland market, many of the factors that have been at play for at least the last decade continue to play a prominent role. The aforementioned interest rates and crop prices, as well as very good crop yields in successive years, livestock density and investor interest. However, one new element which was not as prominent in the past is the urban influence. Urbanites have flocked to rural areas since the start of the pandemic and many are buying small farms that used to be bought primarily by local farmers. This added demand has definitely had an impact on values.

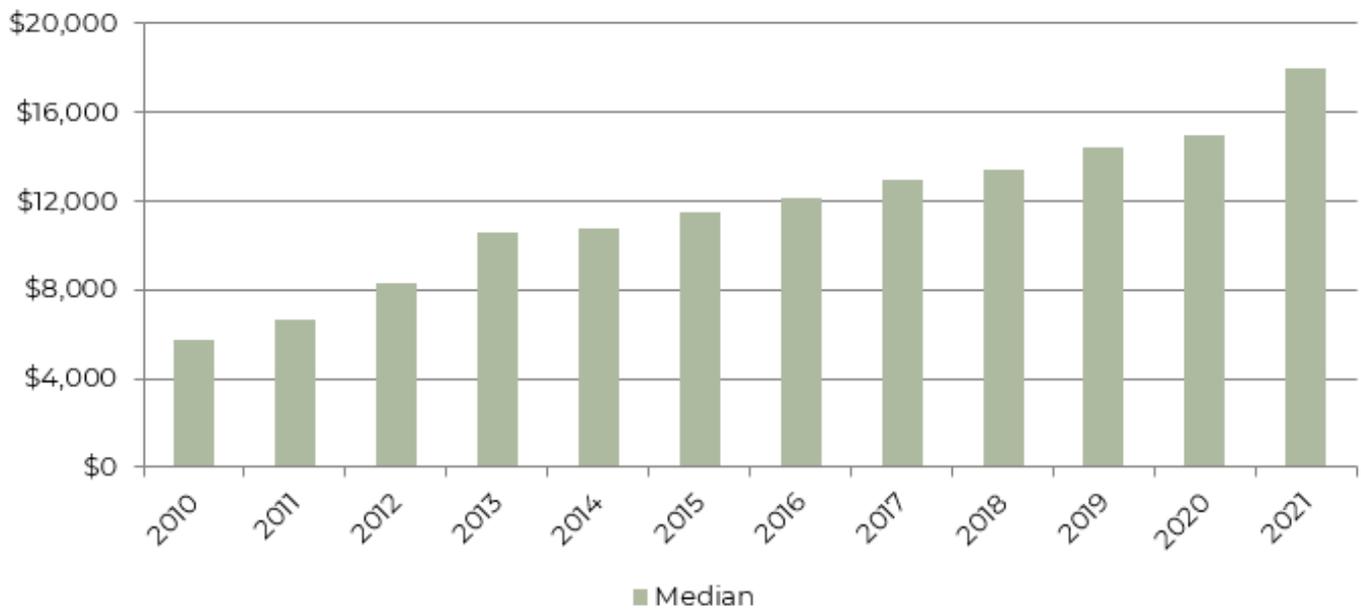
Looking into 2022, it appears like there is the potential for more new highs this Spring. Very little inventory and sky-high demand is going to put pressure on prices for the foreseeable future. In fact, the entire real estate market appears to be experiencing sustained tailwinds and this current inflationary atmosphere has only added to the demand for dirt.

Given these factors, I expect farmland values to continue to increase at an elevated rate in 2022. However, since history can be repetitive, it is perhaps important to remember that one of the other times in history where Canadian farmland values and inflation skyrocketed, the immediate aftermath for the industry was a fairly strong headwind.

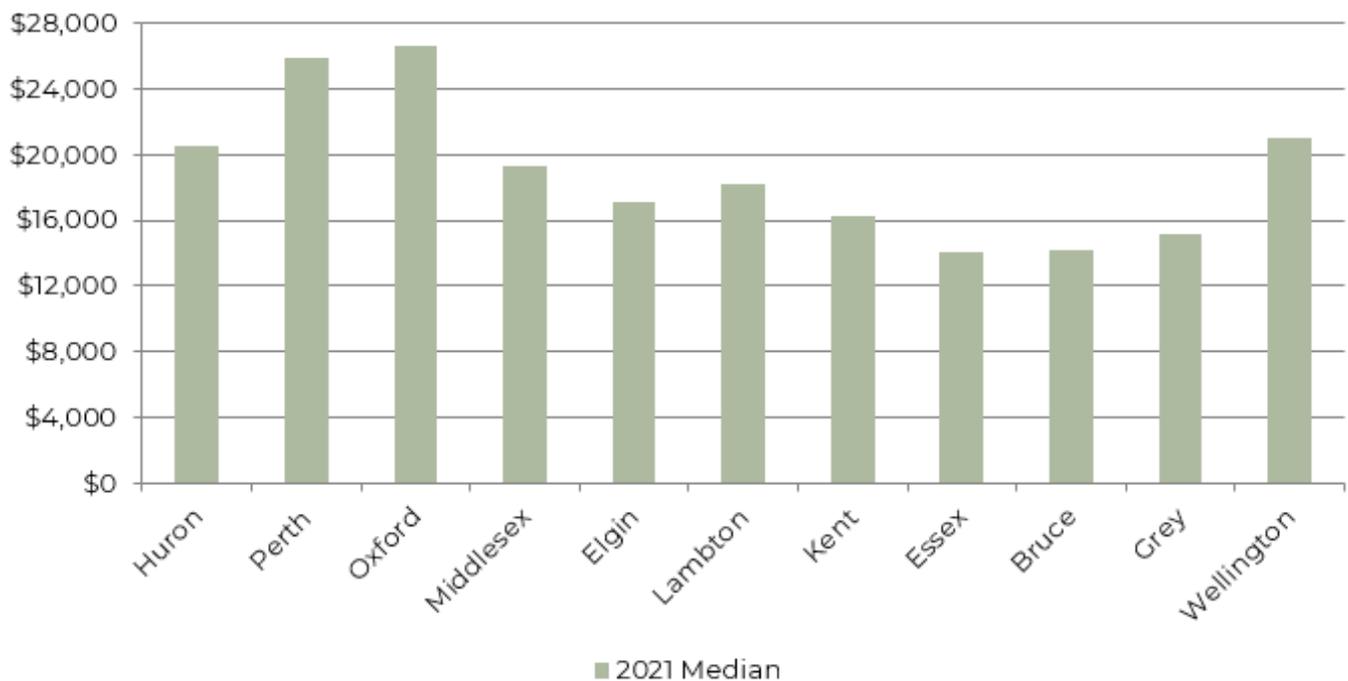
SOUTHWESTERN ONTARIO (11 COUNTIES)

Average 2020 to 2021 Change	25.63%
Average Annual Change from 2010 to 2021	12.08%
SW Ontario 2021 Median Land Value	\$17,953

SOUTHWESTERN ONTARIO LAND VALUES



The graph above compares the median land value for all 11 Counties studied each year from 2010 to 2021.



The graph above shows the median 2021 land value for each County.



CHANGE IN VALUES

The table on the left shows the average annual change for all 11 Counties. The table on the right shows the average annual change for each county from 2010 to 2021.

Years	Average Annual Change
2010 - 2011	19.60%
2011 - 2012	29.71%
2012 - 2013	20.85%
2013 - 2014	2.99%
2014 - 2015	5.75%
2015 - 2016	4.94%
2016 - 2017	9.73%
2017 - 2018	2.60%
2018 - 2019	6.02%
2019 - 2020	5.01%
2020 - 2021	25.63%

County	Annual Change 2010-2021
Huron	11.27%
Perth	10.33%
Oxford	9.64%
Middlesex	11.98%
Elgin	13.00%
Lambton	15.05%
Kent	9.60%
Essex	9.48%
Bruce	16.10%
Grey	14.77%
Wellington	11.61%



HURON COUNTY



OVERVIEW

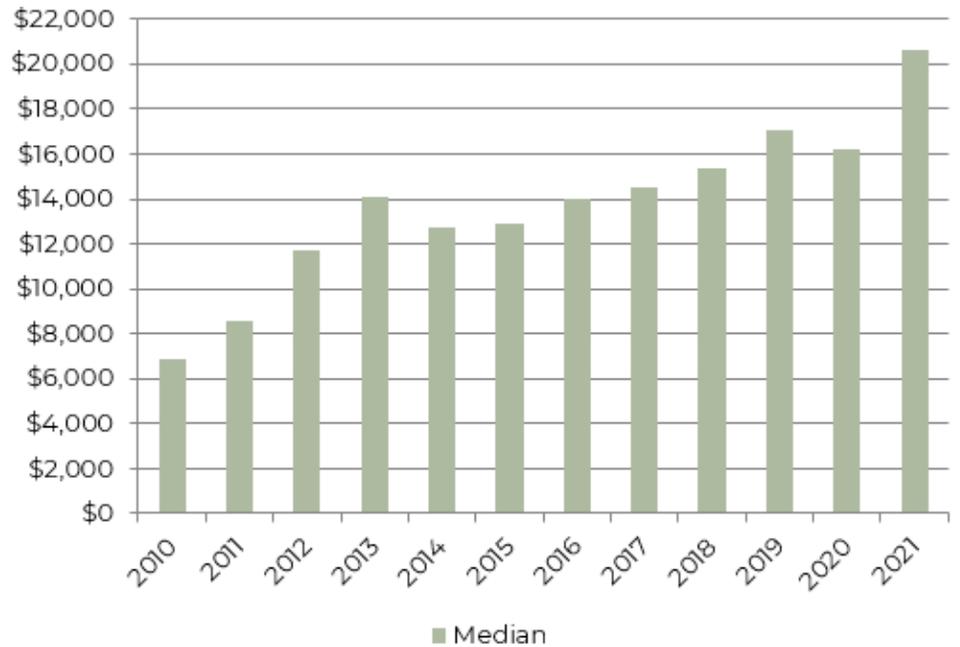
Average Change in Value	
2020 - 2021	26.99 %
2010 - 2021	11.27%

5 year Average Crop Yields (bushels/acre)	
Corn	170
Soybeans	51
Winter Wheat	91

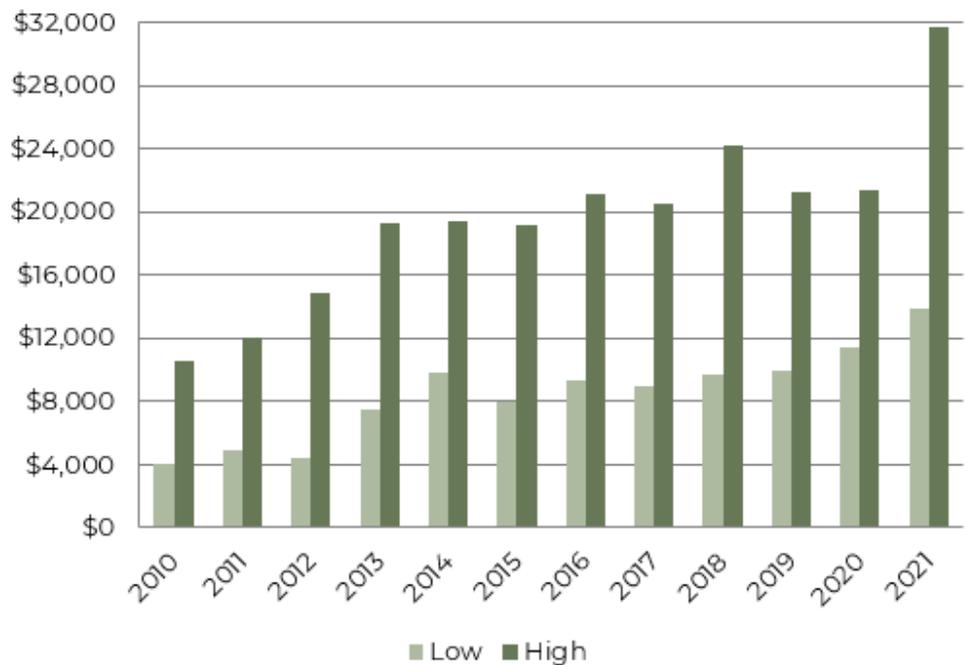
Source: OMAFRA

2020 Top Farm Cash Receipt	
Hogs	\$239,020,000

Source: OMAFRA



The graph above shows the median land values for Huron County each year from 2010 to 2021.



The graph above shows the low and high land values for Huron County each year from 2010 to 2021.



PERTH COUNTY



OVERVIEW

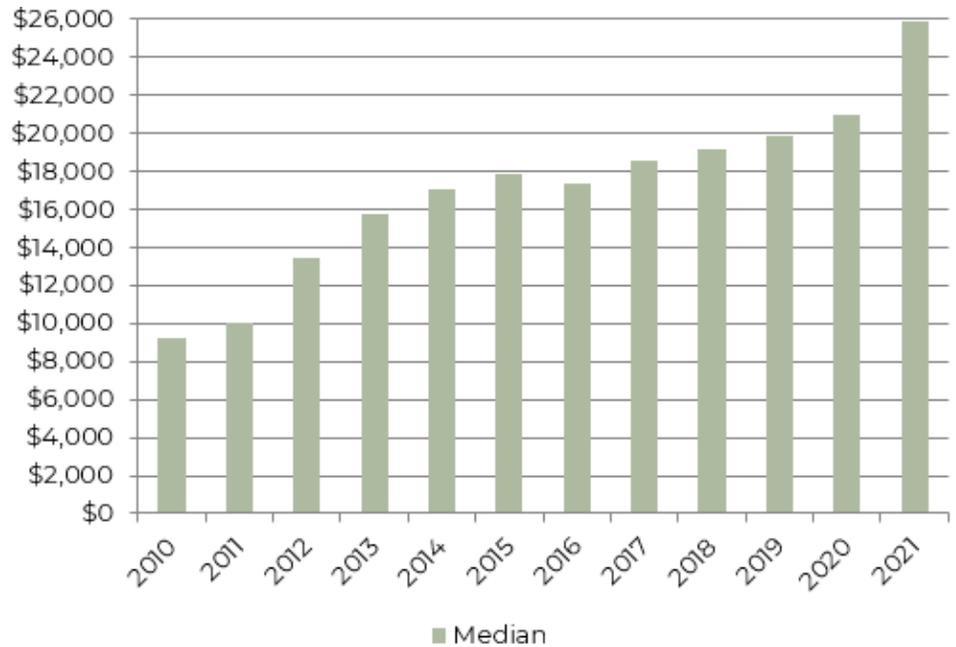
Average Change in Value	
2020 - 2021	23.71%
2010 - 2021	10.33%

5 year Average Crop Yields (bushels/acre)	
Corn	174
Soybeans	53
Winter Wheat	94

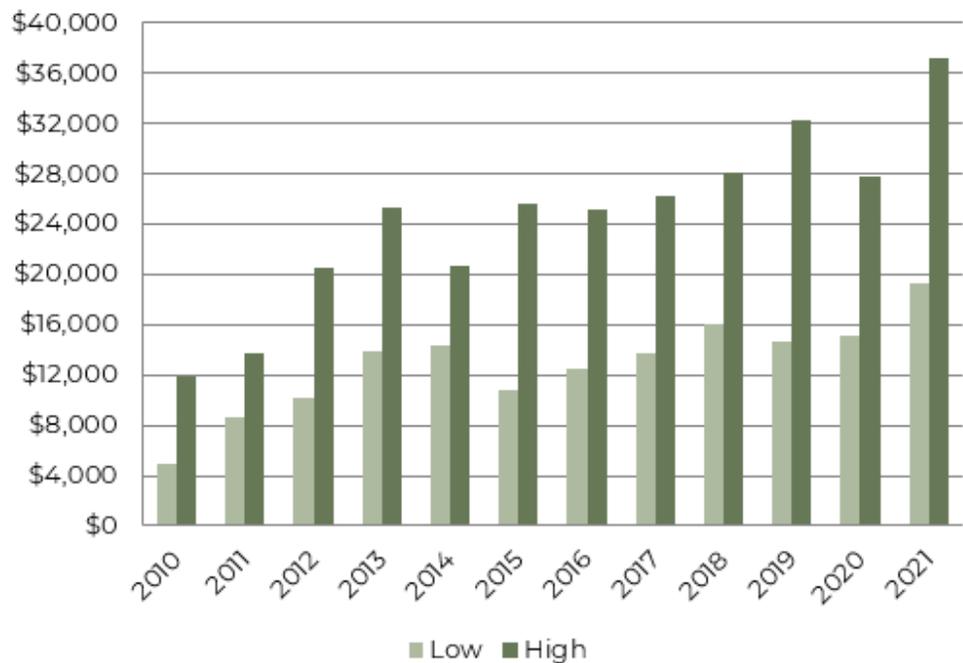
Source: OMAFRA

2020 Top Farm Cash Receipt	
Dairy	\$265,720,000

Source: OMAFRA



The graph above shows the median land values for Perth County each year from 2010 to 2021.



The graph above shows the low and high land values for Perth County each year from 2010 to 2021.



OXFORD COUNTY



OVERVIEW

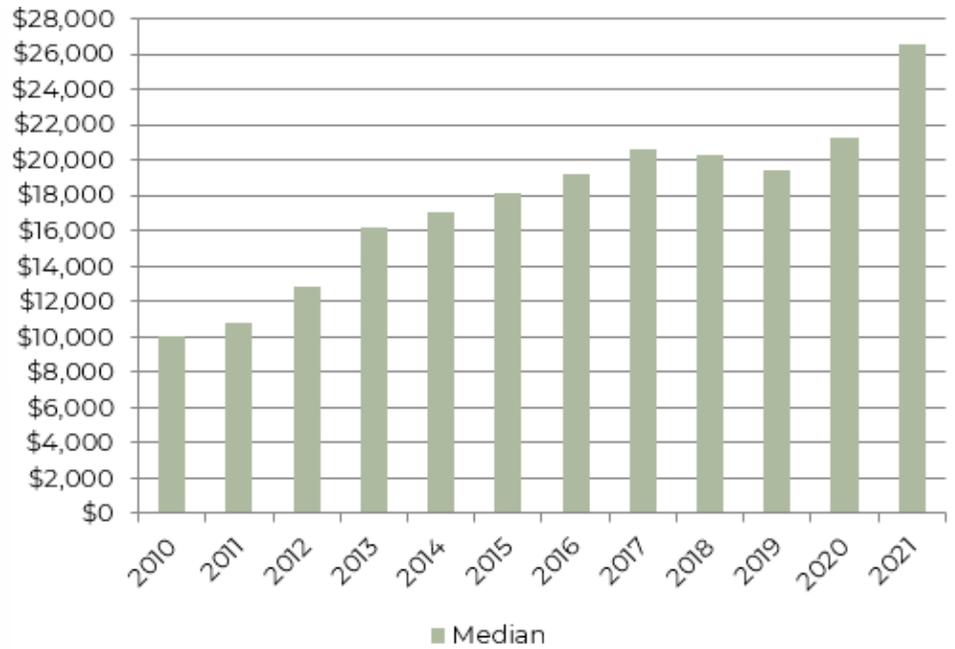
Average Change in Value	
2020 - 2021	24.99%
2010 - 2021	9.64%

5 year Average Crop Yields (bushels/acre)	
Corn	178
Soybeans	53
Winter Wheat	96

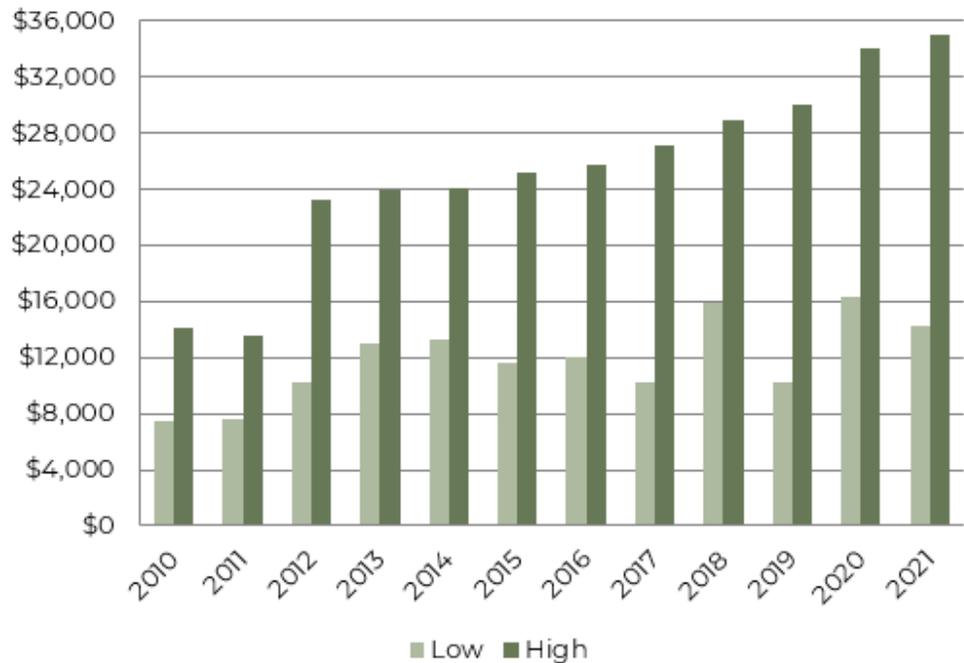
Source: OMAFRA

2020 Top Farm Cash Receipt	
Dairy	\$284,790,000

Source: OMAFRA



The graph above shows the median land values for Oxford County each year from 2010 to 2021.



The graph above shows the low and high land values for Oxford County each year from 2010 to 2021.



MIDDLESEX COUNTY



OVERVIEW

Average Change in Value

2020 - 2021	25.58%
2010 - 2021	11.98%

5 year Average Crop Yields (bushels/acre)

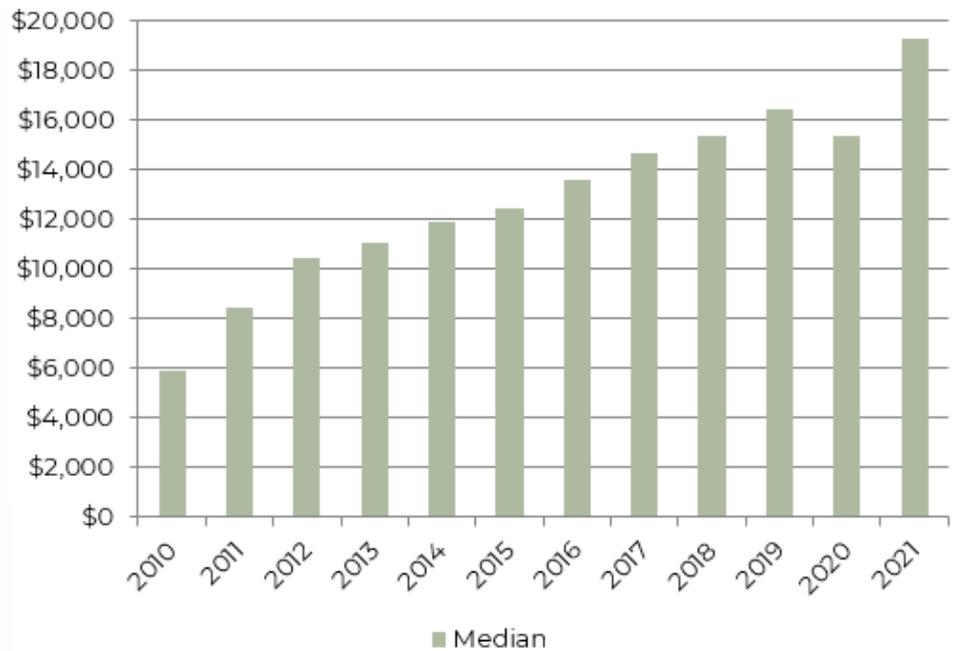
Corn	176
Soybeans	51
Winter Wheat	92

Source: OMAFRA

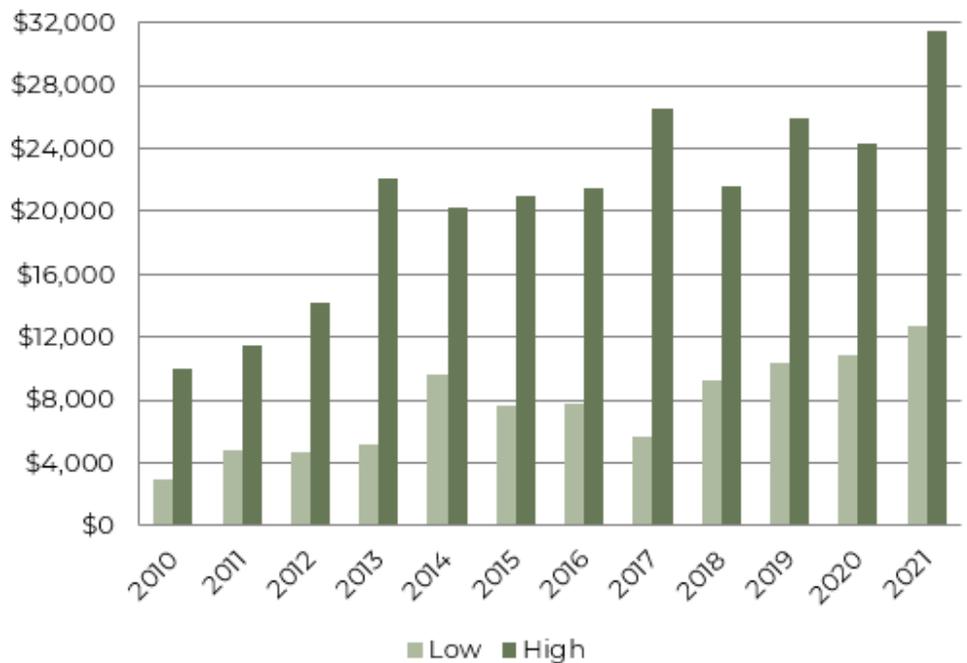
2020 Top Farm Cash Receipt

Soybeans	\$152,810,000
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Source: OMAFRA



The graph above shows the median land values for Middlesex County each year from 2010 to 2021.



The graph above shows the low and high land values for Middlesex County each year from 2010 to 2021.



ELGIN COUNTY



OVERVIEW

Average Change in Value

2020 - 2021	16.23%
2010 - 2021	13.00%

5 year Average Crop Yields (bushels/acre)

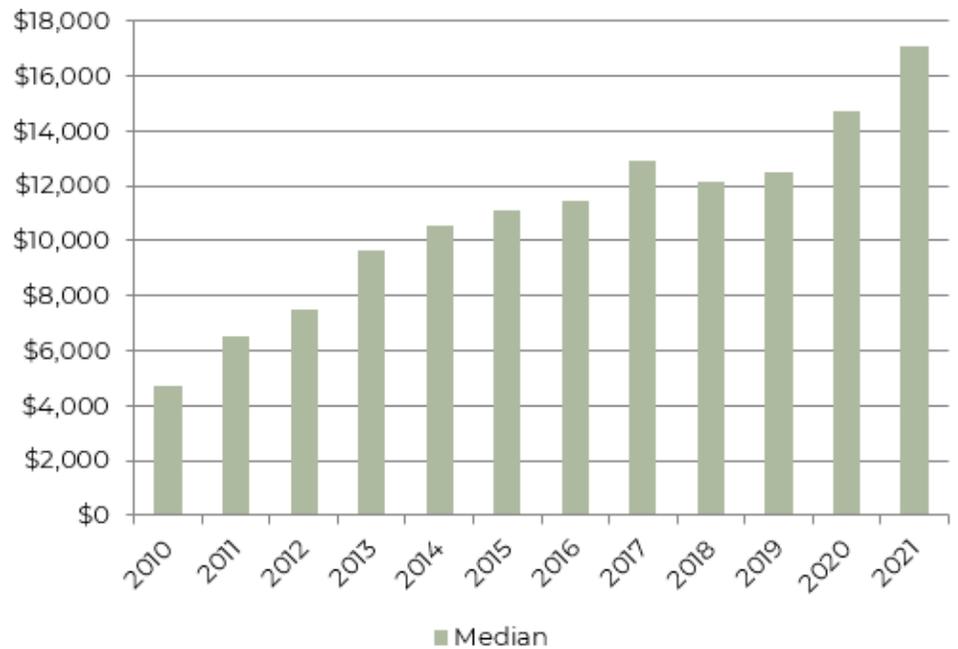
Corn	176
Soybeans	51
Winter Wheat	88

Source: OMAFRA

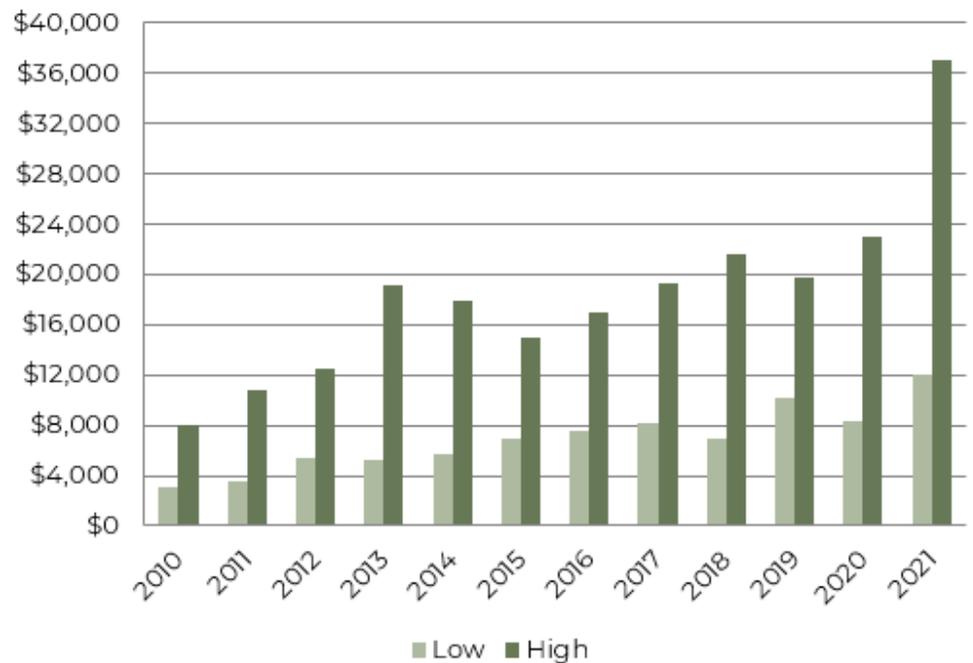
2020 Top Farm Cash Receipt

Corn	\$114,340,000
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Source: OMAFRA



The graph above shows the median land values for Elgin County each year from 2010 to 2021.



The graph above shows the low and high land values for Elgin County each year from 2010 to 2021.



LAMBTON COUNTY



OVERVIEW

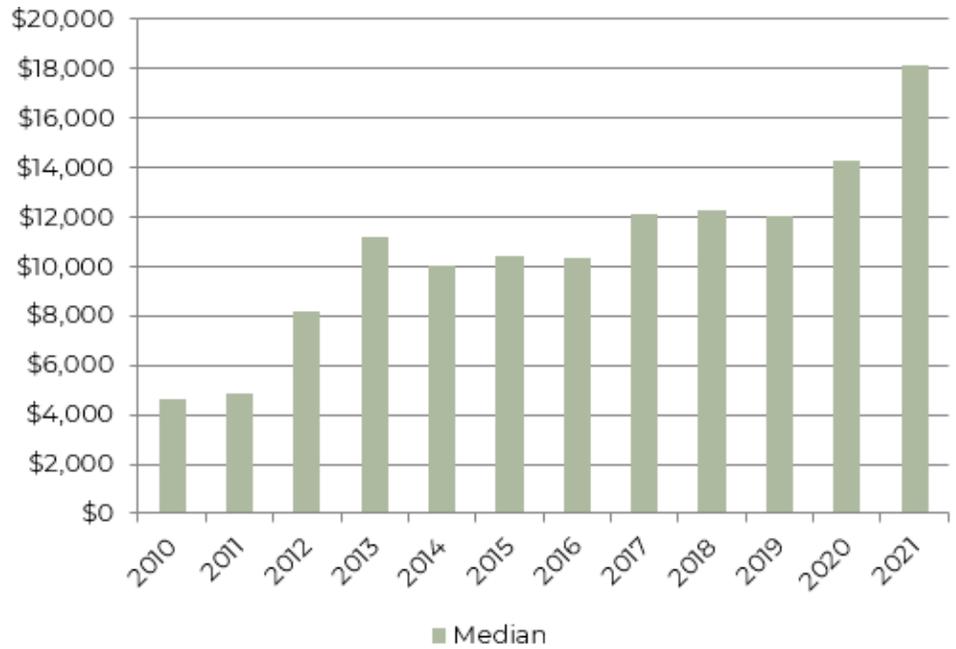
Average Change in Value	
2020 - 2021	27.13%
2010 - 2021	15.05%

5 year Average Crop Yields (bushels/acre)	
Corn	175
Soybeans	50
Winter Wheat	81

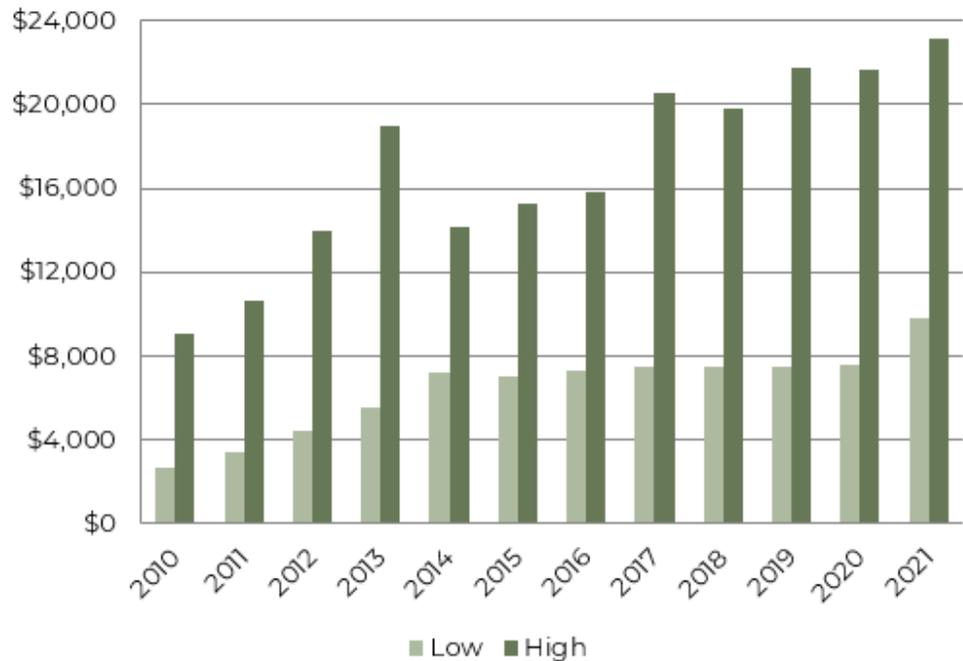
Source: OMAFRA

2020 Top Farm Cash Receipt	
Soybeans	\$168,840,000

Source: OMAFRA



The graph above shows the median land values for Lambton County each year from 2010 to 2021.



The graph above shows the low and high land values for Lambton County each year from 2010 to 2021.



KENT COUNTY



OVERVIEW

Average Change in Value

2020 - 2021	15.68%
2010 - 2021	9.60%

5 year Average Crop Yields (bushels/acre)

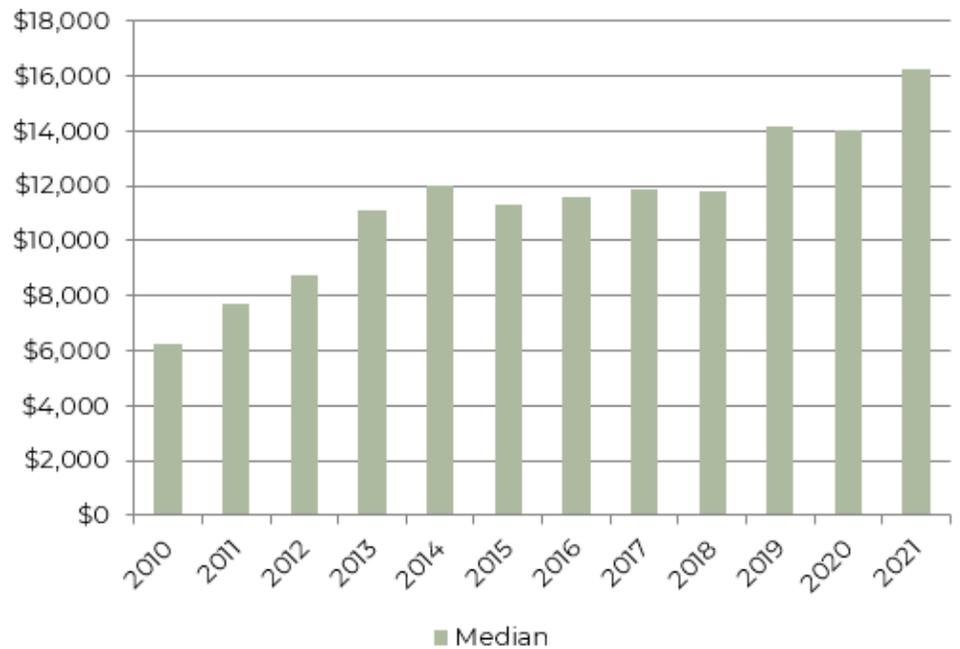
Corn	184
Soybeans	52
Winter Wheat	94

Source: OMAFRA

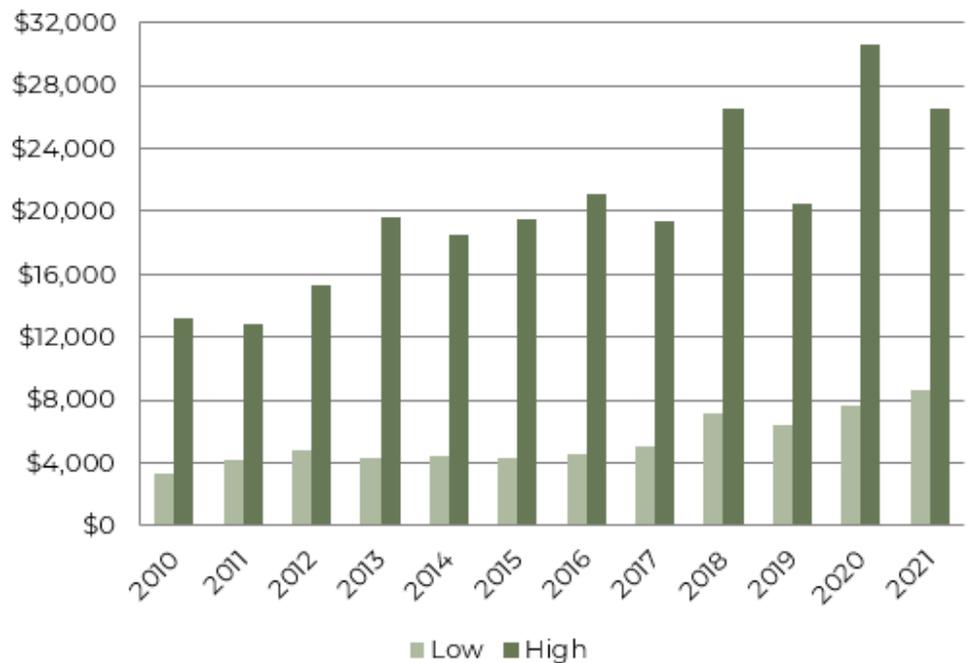
2020 Top Farm Cash Receipt

Field Veg	\$200,150,000
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Source: OMAFRA



The graph above shows the median land values for Kent County each year from 2010 to 2021.



The graph above shows the low and high land values for Kent County each year from 2010 to 2021.



ESSEX COUNTY



OVERVIEW

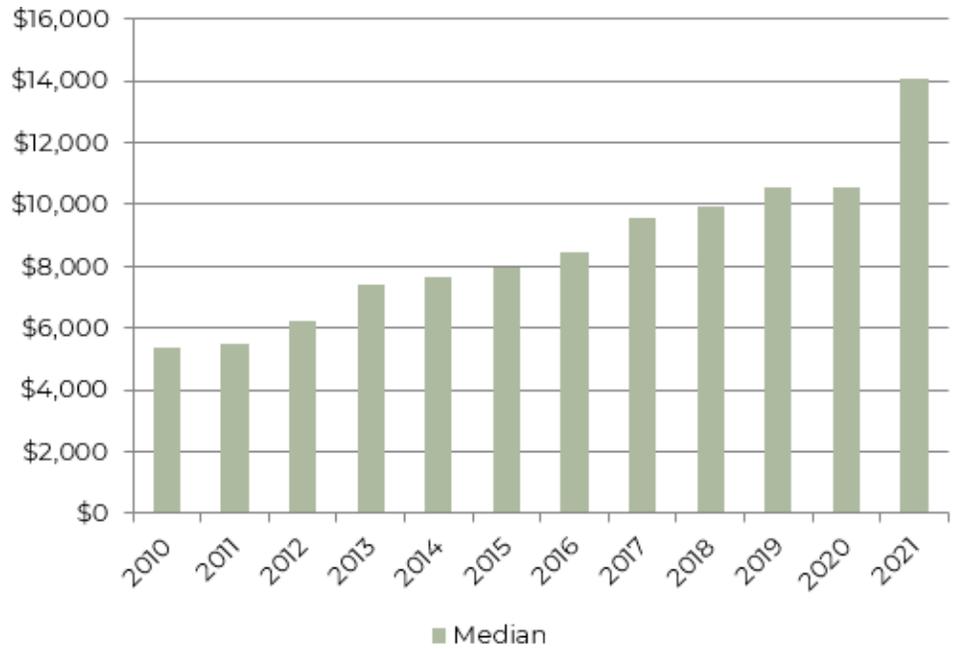
Average Change in Value	
2020 - 2021	33.15%
2010 - 2021	9.48%

5 year Average Crop Yields (bushels/acre)	
Corn	170
Soybeans	51
Winter Wheat	75

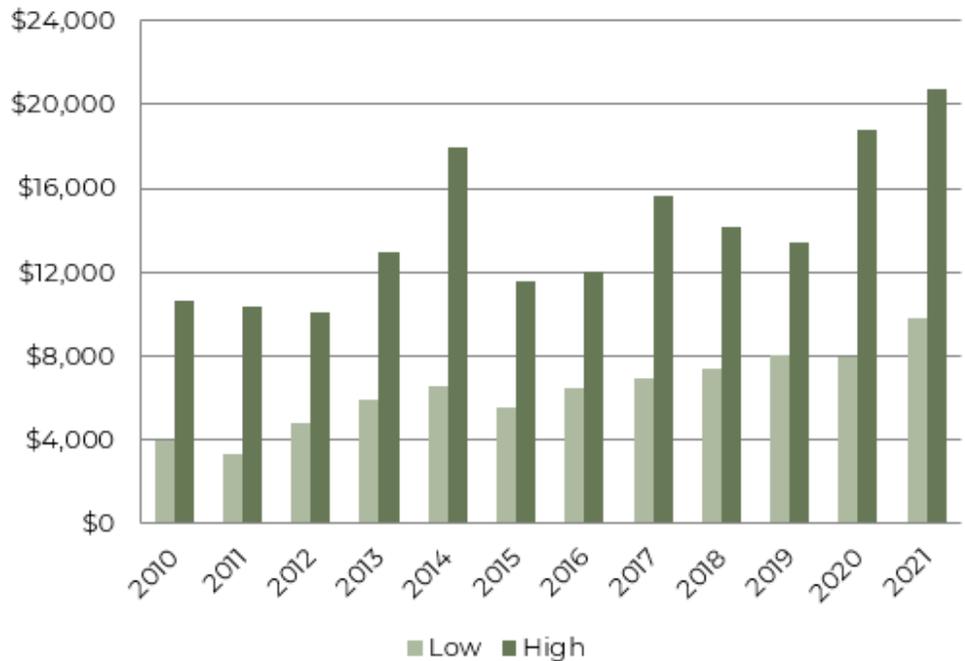
Source: OMAFRA

2020 Top Farm Cash Receipt	
Green H. Veg	\$872,980,000

Source: OMAFRA



The graph above shows the median land values for Essex County each year from 2010 to 2021.



The graph above shows the low and high land values for Essex County each year from 2010 to 2021.



BRUCE COUNTY



OVERVIEW

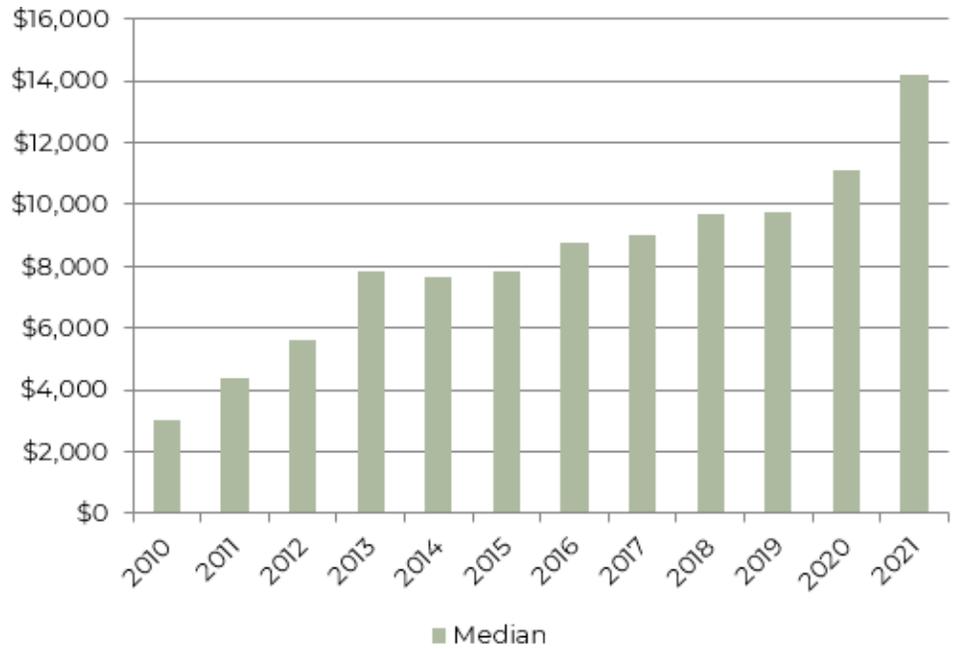
Average Change in Value	
2020 - 2021	27.70%
2010 - 2021	16.10%

5 year Average Crop Yields (bushels/acre)	
Corn	160
Soybeans	47
Winter Wheat	90

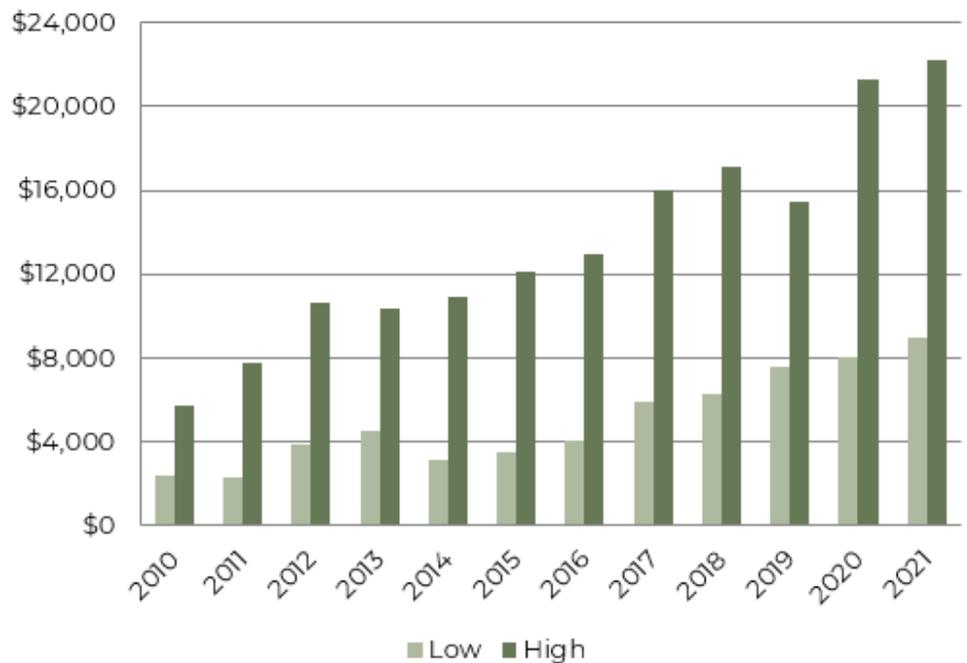
Source: OMAFRA

2020 Top Farm Cash Receipt	
Beef	\$189,010,000

Source: OMAFRA



The graph above shows the median land values for Bruce County each year from 2010 to 2021.



The graph above shows the low and high land values for Bruce County each year from 2010 to 2021.



GREY COUNTY



OVERVIEW

Average Change in Value

2020 - 2021	35.01%
2010 - 2021	14.77%

5 year Average Crop Yields (bushels/acre)

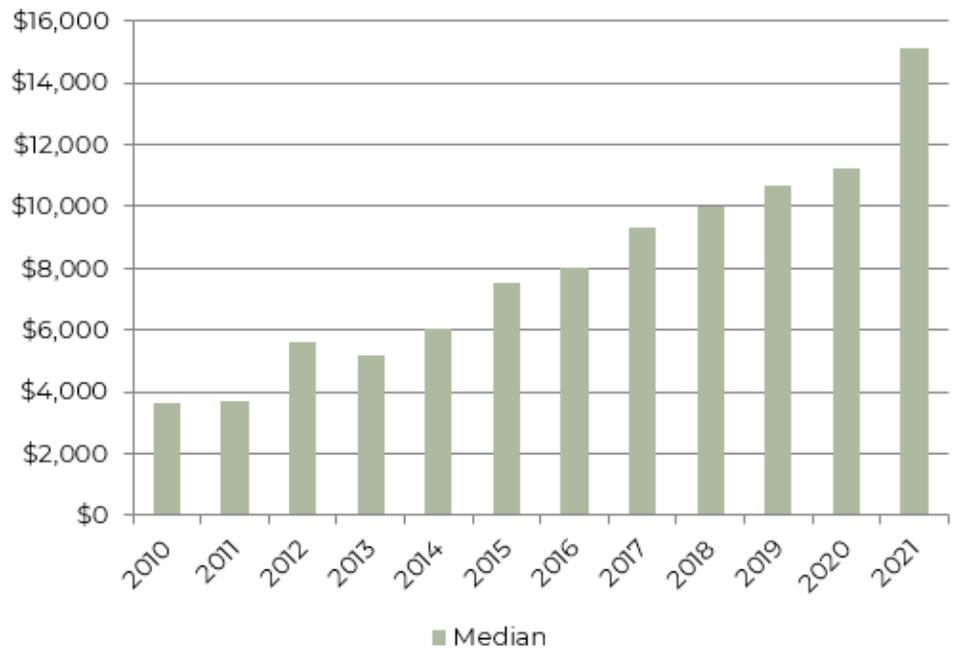
Corn	152
Soybeans	44
Winter Wheat	83

Source: OMAFRA

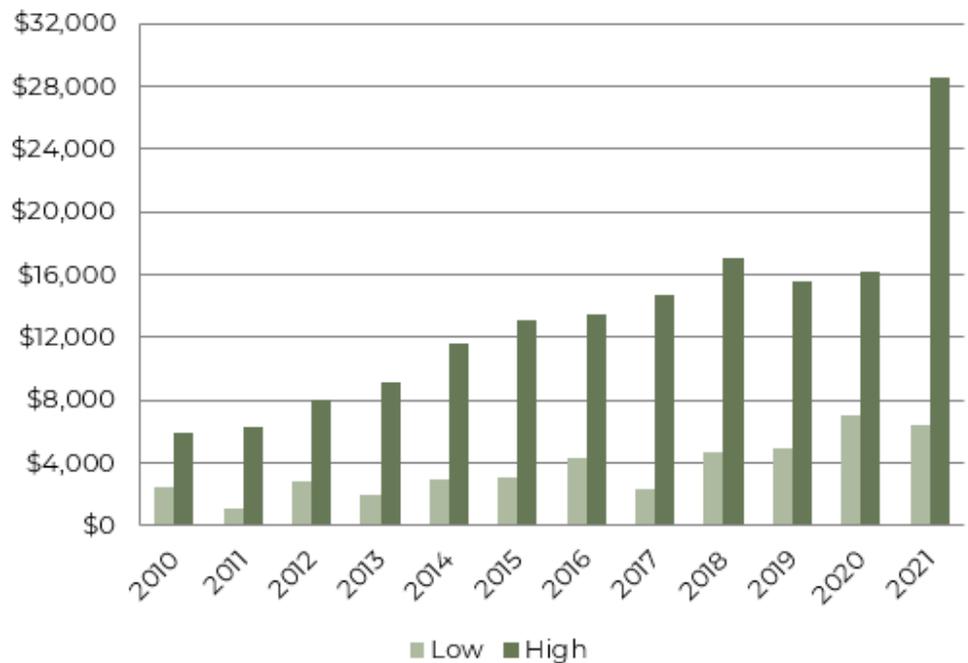
2020 Top Farm Cash Receipt

Beef	\$148,310,000
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Source: OMAFRA



The graph above shows the median land values for Grey County each year from 2010 to 2021.



The graph above shows the low and high land values for Grey County each year from 2010 to 2021.



WELLINGTON COUNTY



OVERVIEW

Average Change in Value

2020 - 2021	25.80%
2010 - 2021	11.61%

5 year Average Crop Yields (bushels/acre)

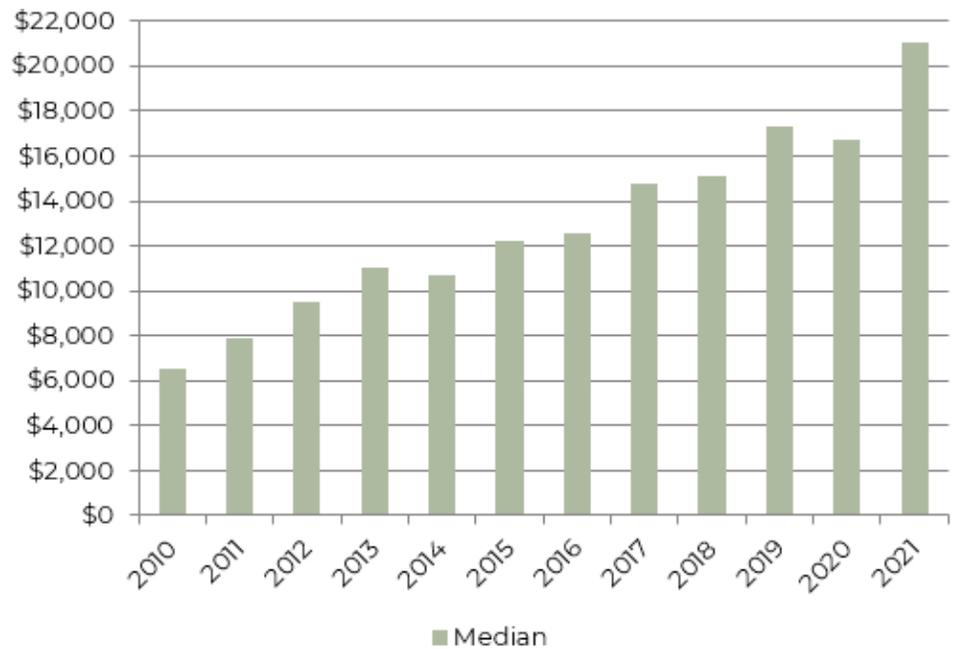
Corn	163
Soybeans	48
Winter Wheat	86

Source: OMAFRA

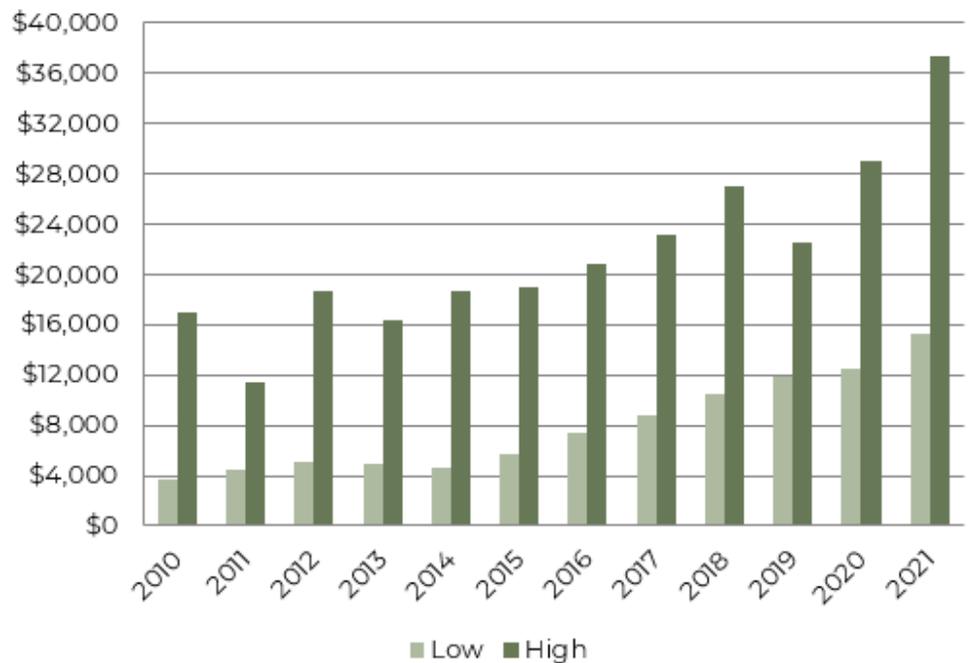
2020 Top Farm Cash Receipt

Dairy	\$216,780,000
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Source: OMAFRA



The graph above shows the median land values for Wellington County each year from 2010 to 2021.



The graph above shows the low and high land values for Wellington County each year from 2010 to 2021.



PARAMETERS

This study has been completed to provide information on agricultural land values in the general South-western Ontario region. The Counties of Huron, Perth, Oxford, Middlesex, Elgin, Lambton, Kent, Essex, Bruce, Grey and Wellington have all been analysed in this report.

Only sales that occurred in 2021 were selected for the 2021 study. The majority of the sales chosen had no building improvements (vacant land), with the exceptions being minimally improved properties (i.e. older house and shed) which have had the value of the improvements extrapolated. Also, the sales utilized were considered to be used solely for farming purposes. The sales have been analysed on a per tillable acre basis, as this rate is believed to be the most accurate reflection of the value of agricultural land.

In stating land values in this report, the median unit of measurement was used rather than the mean, as the median tends to better protect against outliers in the sales data. The same study was completed from 2010 to 2020, with those results also shown in this report.

DISCLAIMER

The information contained in this report was obtained from sources believed to be reliable. Certain information in this report has been accepted at face value; especially if there is no reason to doubt its accuracy. Certain empirical data required interpretive analysis pursuant to the objective of this report. However, I have not verified its accuracy and make no guarantee, warranty or representation regarding it. The specific sales data provided is subject to the possibility of errors, omissions, mistakes in calculation of total and tillable acre sizes, as well as error in reported sale price and/or sale date. Although an attempt has been made to find every pertinent sale in the areas described, it is not possible to confirm that this is the case.

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Ryan R. Parker, B.Comm, AACI, P.App, P.Ag

Partner at Valco Consultants Inc.

(519) 709-3088

rparker@valcoconsultants.com

