

Northern Hamilton County

2021 Land Sales



In 2021, the local housing market was loaded with stories of houses gathering 20 offers in the first couple days, and then selling for 10% over asking. Hamilton County land sales were not to be out done- as **the market for raw ground was hot.** Here's what happened throughout northern Hamilton County (meaning Carmel and Fishers areas were omitted from this look).



HIGHLIGHTS

3-4.99 Acres

There were just 9 sales of this size, and they averaged \$46,972. This was up big time from \$30,872 a year ago. The average list was 207K, with a final sale price of 193K. 4.11 acres was the average size, selling at 94% of list in 49 days on market. Surprisingly, the 49 days was twice the average time on market in 2020.

5-9.99 Acres

There were 18 sales in this group size, about the same as in 2020 and about twice that of 2019. Average list was \$271,683 with a final sales price of \$230,389. The 7.28 acre average worked out to an average price per acre of \$31,646. They sold at 94% of list and quickly- just 9 days on market on median (way, way quicker than last year). The average price was up about one-third over numbers from each of the past two years. That's a huge one-year jump!

10-19.99 Acres

There were 19 sales, with a median list of \$259,900 and final sales price of \$255,000. The average size was 10.8 acres with price per acre of \$23,611. The number of sales was similar to the past two years. The average price per acre saw huge movement- up 28%. These sold in a median time of 12 days; much faster than a year ago.

20+ Acres

There were 20 of these large sales, and they covered a wide range pricewise. The 20 sales were up considerably over the past two years. They averaged \$16,442 per acre; up about half from 2020. They also sold in 2/3 the time of a year ago- 48 days this past season.



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KEY TAKEAWAYS

Regardless of the number of acres, the four segments behaved in a fairly tight manner. They all sold for 2-7% off list. And in quick fashion- 9-49 days. As expected, Price/Acre decreased significantly as the number of acres enlarged. It paid to buy in volume! Price per acre ranged from a low of 16K on large tracts to 47K on the smaller estate size lots. However, Price/Acre increased over 2020 prices in all categories and ran in the 28-52% range of increase. *Those are huge numbers.*



Outlook for 2022

I don't claim to have a crystal ball--- and if you run into anybody who does I'd probably run from them! Here are some factors that we'll all have to weigh as we work through buying and selling land in 2022.

- Land inventory is in the 4-5 months supply range; which is almost balanced and a far cry better than the <1 month supply of homes on the market. That is a good thing.
- The extremely tight housing market will cause some home buyers to become land buyers. If they get frustrated looking at houses or losing out on too many bids, buying land and building may look like a very preferable option.
- Building costs are elevated considerably over pre-pandemic levels and there is a whole lot more upward pressure on building costs than there is downward pressure. That will affect some buyers who wish to build right away.
- Rising inflation will affect the budgets of many buyers; but possibly not so many in the income brackets buying Hamilton County land (or at least not as much).
- If the Fed follows through and raises rates that would flow through to construction and mortgage interest rates as well.
- Also, Fed rate hikes could cause a recession and/or major stock market correction. Obviously, a recession would cause a major slow down all around. And a correction would cause a diminishment of the wealth effect, causing some buyers to postpone plans.
- Prices realized by sellers in 2021 will motivate a good number of Hamilton County landowners to plant a "For Sale" sign. Now.
- And in the final analysis, one must keep in mind that when it comes to land, "they are not making any more of it". That will always motivate some people to buy now- irrespective of when they plan on building.

There are a host of factors to be considered and evaluated when buying land. Sometimes the list can be fairly simple, at other times quite complex. Regardless, I'm happy to lend my experience with whatever issues there are, in helping you make a sound decision when you're ready to find a lot or sell a piece of raw ground. Let me know how I can be of help.



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