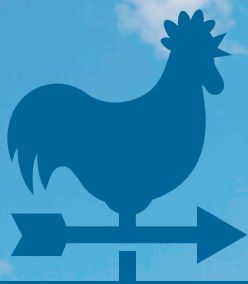


# FARM

REPORT 2014

RE/MAX<sup>®</sup>





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# EXECUTIVE SUMMARY

The price of farmland in most Canadian markets has either held steady or increased this year, following a period of strong year-over-year growth.

Mirroring the trend in residential and recreational property values, lower crop prices, floods and challenging winter weather conditions have failed to significantly impact the Canadian agricultural real estate market.

There is significant variation in price and productive capacity of farmland across Canada. Macroeconomic factors impacted prices to a degree; however, practical considerations such as the proximity to a processing facility or prospective buyer's existing operations drove individual transactions.

The real estate market in western Canadian markets remained strong, with prices in parts of British Columbia both the highest and lowest in the country. Dairy farms in the Chilliwack-Fraser Valley area sold for up to \$63,000 per acre, while bare land in Peace River North—which is closer to Yellowknife than it is to Vancouver—sold for between \$750 and \$1,550 per acre.

In Alberta, short supply left many family farmers ready and willing to make a deal at a moment's notice. Tile drained land sold for as much as \$10,000 per acre in southern Alberta, which represents a 20 per cent increase over the previous year. The value of scrubland and other non-productive land in Canada's most prosperous province also climbed, buoyed by demand from well-off urbanites seeking the tranquility of the countryside.

Demand was softer moving through Saskatchewan and Manitoba. Although challenging growing conditions jeopardized profitability for farmers, sale prices actually rose modestly to between \$950 and \$2,200 per acre. Listings have stayed on the market for months and in some cases, years.

While prices across Ontario have started to level off, the value of farmland in some pockets rose significantly. North of the Greater Toronto Area, agricultural land slated for development reached \$54,000 per acre. In Chatham-Kent, excellent soil quality boosted the price of farmland up to \$25,000 per acre—representing a surge of as much as 40 per cent over the previous year.

While this represented a boon for sellers, it was a barrier to expansion for some buyers. The rising prices led to a small migration of farmers, particularly Mennonites, northeast to areas including Quinte and Renfrew County where comparable land sold for between \$8,000 per acre and \$12,000 per acre.

Nova Scotia's Annapolis Valley experienced modest growth over the first nine months of 2014. The relatively small market has seen an increase in the number of vineyards, which have played a role in boosting prices to \$10,000 per acre in some areas.





**Prices for agricultural land across Canada** are leveling off following a stretch of record **year-over-year growth**



Farmland in Chilliwack-Fraser Valley (BC), popular among berry farmers, is double the price of fertile southwestern Ontario farms.



The Annapolis Valley region has experienced a growth in the number of vineyards over the past year.



Developers are paying up to \$54,000 per acre for land north of the Greater Toronto Area.



Unpredictable weather in the prairies did not impact prices in 2014.



Intense demand and competition in Alberta.



Markets in eastern Ontario have seen an influx of farmers from southwestern Ontario who are looking for high quality land at a more affordable price.





• BRITISH COLUMBIA •



## BRITISH COLUMBIA

### CHILLIWACK-FRASER VALLEY

- 1** *Exceptional yields have coincided with a minor fluctuation in values, but on average values are holding steady*
- 2** *Prices per acre are by far the most expensive in Canada—more than double those in southern Ontario*
- 3** *Dairy, poultry and berry farms all popular in this region*

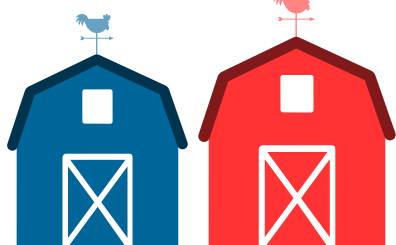
In the last 12 months, Chilliwack has had six sales: four bare land properties and two bare dairy farms. In 2014, farm prices have been holding steady. Prospective buyers can expect to see minimal change in bare land price per acre, which starts at \$41,000. Prices for bare dairy properties depend on the quality of land and existing buildings. Prices for bare dairy now reach \$63,000 per acre, which is an increase from last year. Chicken and dairy farms with quota continue to be in high demand. In particular, Chilliwack and the surrounding area are very popular due to good land value; property values are approaching record-setting territory.

Buyers in this region are typically existing owners planning to expand their operations. As such, days on the market have not changed significantly. Sales and prices in this region are expected to remain moderate.

#### PRICE PER ACRE

**2013**  
**\$40K-\$60K**

**2014**  
**\$41K-\$63K**



Demand for farmland in British Columbia's Fraser Valley continues to be very strong as inventory remains low. This year's crops—particularly blueberries—were exceptional. This has ignited interest in Fraser Valley farmland over the past few months. In the past year there has been minor fluctuation in farmland values, but on the whole these values are holding steady. Currently, there are 21 properties listed for sale, nine of which are blueberry farms and five of which are greenhouse farms. The remaining lands are a mix of dairy, bare land and poultry farms. These properties average 100 acres in size. Blueberry farmland continues to be highly sought after.

Source: RE/MAX Nyda Realty





• BRITISH COLUMBIA •

## PEACE RIVER NORTH

- 1 *Growing demand for agricultural land in Peace River North has resulted in a 10 per cent increase in price*
- 2 *Many transactions involve sellers retiring from farming*
- 3 *Boundary expansion in Fort St. John could cause values to skyrocket*

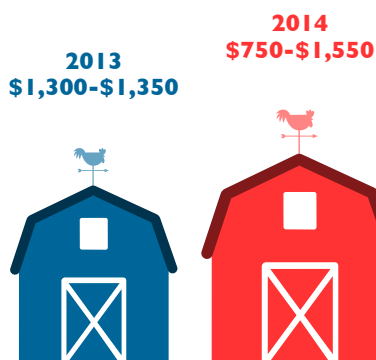
Demand for land in British Columbia's Peace River North has increased from previous years, but operational farm demand is in decline as more people are purchasing land for hobby and horse farms. This demand, met with a dip in supply, has resulted in an estimated 10 per cent increase in the price of farmland from previous years. Prices have steadily increased since spring, but the number of sales has dipped due to a lack of inventory.

larger plots of land should look farther from the city, as the price drops significantly on properties beyond the city border.

Prospective buyers looking for land with good soil quality and a house can pay up to \$650,000 per quarter (or 160 acres). Prices range up to \$250,000 for a quarter section of bare land, while a quarter section of predominantly bush ranges up to \$120,000. Average days on the market for these properties have decreased minimally in the past year. This has been accompanied by a closer list-to-sale price ratio.

Buyers in this region are typically new operations moving in. In many cases, retiring veterans are selling their land and relocating closer to the city. Farm prices are expected to continue increasing in this region due to an increase in demand and a shortage of land.

### PRICE PER ACRE



Fort St. John, in particular, is in the midst of a boundary expansion plan. This could result in as many as nine quarters (or 1,440 acres) of land becoming part of the city for both residential and commercial uses. If recognized as part of the city, this land will exponentially increase in value, benefiting many retiring farmers who have held land in the region for many years. Buyers looking for

Source: RE/MAX Action Realty





# ALBERTA

## CENTRAL ALBERTA

1

*High demand and low supply continue to define central Alberta's agricultural real estate market*

2

*Well-financed farmers are eager to expand existing operations*

3

*Demand for recreational land increasing the price for marginal-quality farmland*

Values for farmland in central Alberta continue to be very strong as listings remain scarce. This trend often benefits sellers. While the price of wheat and other agricultural commodities has dropped off, strong prices from previous years still fuel the market and contribute to a lingering demand. A significant number of well-financed farmers looking to expand their operations continue to drive the market.

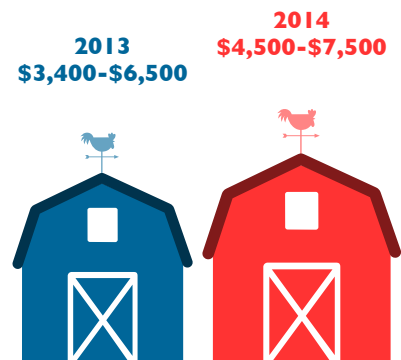
Many transactions are private and can escalate into bidding wars, not unlike those in Canada's hot residential markets. Prime agricultural land in central Alberta can sell for anywhere from \$4,500 to \$7,500 per acre, with most transactions falling in the \$6,000 to \$6,500 per acre range for 160-acre—or quarter section—parcels. Although these values are outside many potential buyers' comfort zones, those who want to be players in this market have little choice.

While demand for agricultural land has historically been high, a rapidly improving beef market will increase the price of grassland, which typically sells by the quarter section and starts at approximately \$1,100 per acre. Grazing cattle will not be the only ones roaming central Alberta's grasslands—more and more people are drawn to these parcels for recreational purposes, putting more upward pressure on prices. Parcels with the right combination of forest, hills, creeks and other natural features can sell for upward of \$500,000 per quarter section, making it difficult for beef operations to compete. These values speak to the robustness of the province's economy and to the frontier mentality drawing ordinary Albertans onto the land.

Central Alberta's tight seller's market is expected to continue for the foreseeable future. Farmland listings during this market cycle are expected to remain scarce. Provided the fall harvest is plentiful, demand will continue to outstrip supply. Even if the harvest does not hold up, a wholesale sell-off of land is not expected.

Many farmers considering retirement or leaving active farming have the financial means to retain their land holdings. Farmers who were once asset-rich and cash-poor are now able to comfortably retire or ride out any blips in commodity prices, leaving them with little motivation to sell.

### PRICE PER ACRE



Source: RE/MAX Real Estate Central Alberta





• ALBERTA •

## SOUTHERN ALBERTA

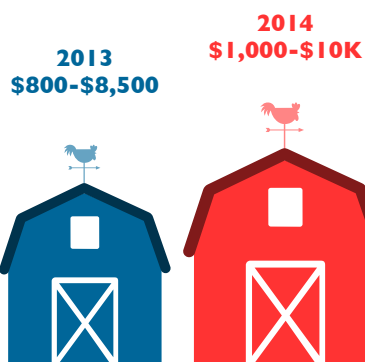
- 1 *Above-average yields and low inventory contributing to seller's market*
- 2 *Many established family farmers have the means to purchase land*
- 3 *Favourable environment for sellers expected to continue for the foreseeable future*

Potential purchasers in Alberta's fertile south find themselves in a market characterized by low inventory and intense competition among fellow buyers. Buoyed by above-average yields and favourable prices for commodities including wheat and canola, many owners have found little incentive to sell. Those few who have listed their properties have been greeted by potential purchasers eager to pay a premium. Southern Alberta's seller's market is expected to continue through to the beginning of 2015, although prices are expected to level off should predicted yields not materialize or commodity prices fall.

capital"—sells for between \$8,000 and \$10,000 per acre with dryland prices increasing to \$3,000 per acre north of Lethbridge and grassland approaching \$1,000 to \$1,500 per acre. Dryland is quickly becoming the most popular category of farmland among purchasers, most of which are family farmers. The majority of transactions recently involve parcels of land under 160 acres.

With the increasing use of technology and mechanization of farming, the price of land is regarded as simply one input cost that factors into running a successful business. Many farmers in the area approach a transaction with the financial means to pay for land outright, and those who require financing are able to access credit from Farm Credit Canada or the Agriculture Financial Services Corporation, a provincial crown corporation.

### PRICE PER ACRE



Source: RE/MAX Real Estate - Lethbridge





• SASKATCHEWAN •



## SASKATCHEWAN

### NORTHWEST/ CENTRAL WEST SASKATCHEWAN

- 1 *Lower commodity prices and tighter lending criteria lead to lower sales volumes*
- 2 *Modest price increases signify a departure from the enthusiasm of 2013*
- 3 *Uncertainty about the harvest is causing hesitation among buyers*

The number of sales in northwest and central west Saskatchewan has declined over the past 12 months, affected by lower prices for commodities including wheat and canola, and by tightened restrictions on the part of lenders. These two factors have changed the atmosphere among buyers, resulting in a marked shift compared with the aggressive buying in the previous year. Some pockets have sustained last year's brisk pace and prices on the whole have increased by \$150 per acre compared with the same period last year.

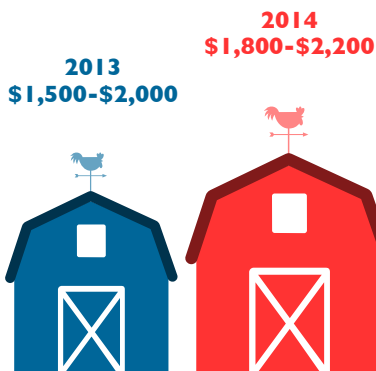
Farmland in Saskatchewan is attractively priced when compared with other markets

in Canada. Potential buyers find available land listed for around \$1,800 per acre in the northwest and up to \$2,200 per acre in the central west region with some small packages approaching \$2,800 per acre for Regina clay land. Sections ranging from 160 to 640 acres have sold within 30 to 60 days, if priced competitively, although some optimistic sellers find their properties languishing in the listings for months due to high list prices.

Many buyers are established family farms looking to expand their operations. Tighter lending criteria has made it more difficult to purchase, and some lenders are asking for 25 per cent cash down payments as opposed to securing loans based on the value of existing assets. As a result, buyers often settle on smaller parcels.

Uncertainty about this year's harvest is leaving some potential buyers on the fence. Grasslands are predicted to sustain substantial interest among buyers on account of high cattle prices—a trend that will continue as long as cattle prices hold.

#### PRICE PER ACRE



Source: RE/MAX of the Battlefords





## • SASKATCHEWAN •

### EAST CENTRAL SASKATCHEWAN

- 1 *East central Saskatchewan boasts some of Canada's least expensive farmland*
- 2 *Sale prices have increased by 10 per cent over the past 12 months*
- 3 *Modest market expected as investors are reluctant to make quick deals*

Saskatchewan is Canada's value capital when it comes to farmland, with pasture lands and lighter soils priced as low as \$950 per acre. While cultivated lands have reached \$2,550 per acre, the \$1,150 per acre to \$1,350 per acre range has proven to be the strongest segment for 2014.

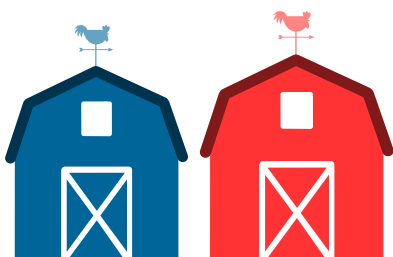
larger farming groups, however, still appear to have an appetite for paying a premium in order to set up operations in new areas.

On the whole, sale prices have increased by 10 per cent over 2013, although the market is expected to moderate as the year progresses and investors are more careful with their dollars. Many buyers in east central Saskatchewan are purchasing parcels to add to their existing operations, finding increased efficiencies when their holdings are around the 20 quarter—or 3,200 acres—mark. While many of these buyers are established family farmers, Asian-Canadians have entered the market as well. These buyers often rent out the land for the short term with the intention of taking over operations a few years down the road. Tighter lending criteria have impacted certain potential buyers although others—established farmers or investors—have not been fazed.

#### PRICE PER ACRE

**2013**  
**\$850-\$2,500**

**2014**  
**\$950-\$2,550**



After a drier start to the year, storms and floods washed out roads and turned fields into small lakes in east central Saskatchewan. The subpar start to the growing season and the possibility of less than stellar harvest could put strain on many farmers here. Properties remained on the market longer in 2014 than in 2013, with some listings on the market in excess of six months. Grain prices, which have decreased substantially, have also affected the farm market, though properties on the lower end of the price spectrum have caught the attention of buyers. Established





• MANITOBA •



## MANITOBA

### SOUTHWEST MANITOBA

1

*Demand for farmland in southwest Manitoba has risen steadily over the past five years*

2

*Market expected to remain steady amid lower commodity prices*

The price of farmland in southwest Manitoba has risen from approximately \$1,000 per acre five years ago to between \$1,500 and \$1,600 per acre, with some sellers testing the waters at the \$2,000 per acre mark. However, prices for the area's most common commodities, which include wheat, barley, oats and canola, have decreased by 30 per cent over the past 12 months. Prospective sellers hope that the value of their land will reach \$3,000 per acre, a price more common in areas to the east.

Many sellers are approaching retirement age with no children willing or able to take over the family business. The majority of prospective buyers comprise local farmers who are willing to wait for a deal as opposed to new entrants to the market. The result is that most farms remain on the market for at

least 12 months, an increase over previous years. Deals are typically closed within the first few months of the year and it is rare for any transaction to be finalized after May 1. European buyers contributed to demand in the past, but their influence declined with the rise of the Canadian dollar against the euro, which began in 2010 and peaked in 2012 and 2013.

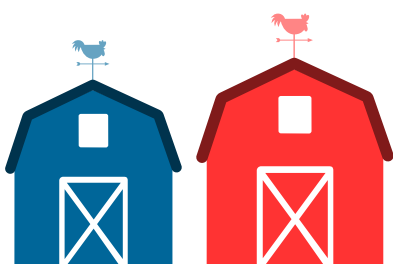
While government financing programs for young buyers exist, they offer few incentives for the average farmer, who is more likely to rely on a commercial lender.

The market is expected to remain steady in the near future, with no spike in either the number of sellers or new entrants to the market. While the price of crops does affect the demand and price for farmland, it generally takes six months to a year for the real estate market to respond. Experienced buyers look at long-term trends before making a purchase.

#### PRICE PER ACRE

**2013**  
**\$1,350-\$1,600**

**2014**  
**\$1,500-\$2,000**



Source: RE/MAX Valleyview Realty





# ONTARIO

## WINDSOR-ESSEX

1

*Prices in Windsor-Essex remained steady in 2014*

2

*Area factory closure has motivated owners to shift from tomato crops to corn, beans and wheat production*

3

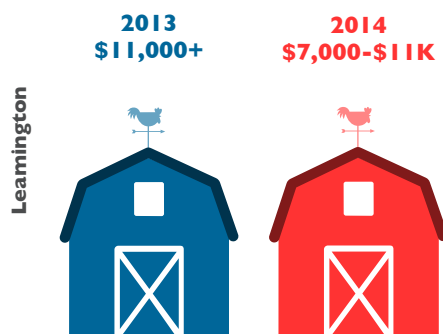
*Stable demand and limited supply has meant properties do not last long on the market*

The market for farmland in the Windsor-Essex region has experienced little change over the past 12 months. Steady demand and a lack of supply continued to define this part of Ontario, which is a gateway between eastern Michigan and the rest of the province. The past two years saw only three sales of farmland that did not contain a building or a structure and a handful of sales of properties with an attached structure. More and more, sellers are severing dwellings from land, choosing to sell a farmhouse on a one-acre lot separately from workable land. Additionally, the closure of a large ketchup factory in nearby Leamington has motivated farmers to pursue other cash crops. This change did not noticeably impact farm sales in 2014.

Bare land in the Lower Essex region continues to sell for \$6,500 to \$8,500 per acre, with plots that exchanged hands in 2014 ranging between 40 and 50 acres on average. Typically, sellers have been receiving nearly their asking price as buyers pursue cash crop land for corn, beans and wheat. The overwhelming demand and lack of supply has properties being picked off the market almost as quickly as they are put up for sale. These market conditions have resulted in an increase in private sales, without the involvement of a realtor.

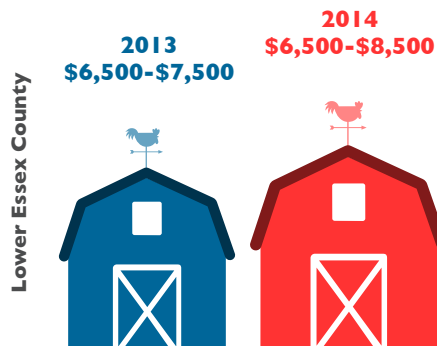
The Windsor-Essex region has experienced a trend of younger generations moving away to pursue higher education. As such, sellers are often older generations moving out of farming and into retirement. On the other hand, buyers in the Windsor-Essex region are farming veterans. The region rarely sees new farmers move in, rather, it sees existing farmers expand by buying more property. The market is not expected to change significantly over the coming months. It will continue to be characterized by stable demand and a lack of supply.

### PRICE PER ACRE



Source: RE/MAX Preferred Realty Ltd.

### PRICE PER ACRE



Source: RE/MAX Preferred Realty Ltd.





• ONTARIO •

## CHATHAM-KENT

- 1 *High demand for high quality land has caused prices to rise by as much as 100 per cent in some areas*
- 2 *Properties of all qualities are selling fast, often between three and six months*
- 3 *Demand and prices in the area are expected to remain strong*

Agricultural land in Ontario's Chatham-Kent region is in high demand. Situated near the Windsor-Detroit border, this fertile corner of southwestern Ontario boasts a diversity of types of soil and some of Canada's most expensive farmland. High quality land in Dover Township and Chatham Township, typically used to grow tomatoes, cucumbers and other vegetables, sold between \$18,000 and \$22,000 per acre. Some owners of this high quality land were affected by the closure of the Heinz plant in nearby Leamington. Those farmers who lost their contracts with the ketchup giant were able to adapt, however, quickly switching to other crops.

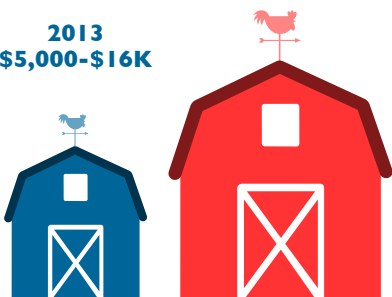
\$7,000 per acre mark. Even marginal quality land sells quickly. At one point, sellers could expect listing periods of between three and six months. Today, reasonably priced land can attract a lineup within a very short period of time. One 150 acre farm in Lambeth sold two weeks after it was listed.

Prices in Chatham-Kent are on the rise, jumping by nearly 40 per cent on average and as much as 100 per cent in the Lambeth area. Potential purchasers are drawn by very good crops, low interest rates and Farm Credit Canada incentives for young people. The majority of buyers are farmers with operations in the area, seeking to add to holdings of between 300 and 500 acres. The most frequently sold parcels ranged from 50 to 75 acres. The market in Chatham-Kent is expected to remain robust in the near term, although prices are expected to level off, particularly as yields level off.

### PRICE PER ACRE

**2014**  
**\$7,000-\$22K**

**2013**  
**\$5,000-\$16K**



Prices in Raleigh Township to the south, where wheat is more common, ranged between \$12,000 and \$15,000 per acre. In northern Lambeth, where the clay soil does not drain as well, prices were around the

Source: RE/MAX Chatham Kent Realty





## HURON COUNTY

- 1 *Year-over-year price increases plateaued by mid-2014 amid weaker crop prices*
- 2 *Many buyers are family-owned operations seeking to expand*
- 3 *Hobby farms are becoming more difficult to finance*

A cold and snowy winter failed to slow demand for farmland in Huron County. Although January 2014 began slower than the previous year, demand started to pick up in February. The price of land continued its three-year upward trend before flattening halfway through the year. Price per acre reached \$15,000 at one point and some higher prices were recorded approaching Perth County. However, these highs softened by five to 10 per cent amid some hesitance brought on by weaker crop prices. Even so, properties in Huron County are going for more than farms in neighbouring Middlesex County.

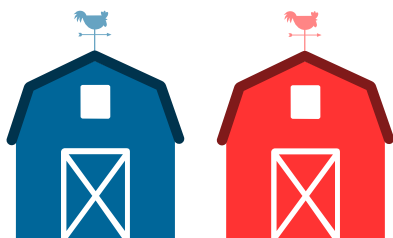
sizable family operations looking to expand existing holdings. Some smaller farms are being purchased by new farmers and buyers looking to adopt the country lifestyle. Listing times are relatively short compared with other regions across Canada. Well-marketed and competitively priced farms have sold in the range of three to six weeks, a slight increase over 2013.

Commercial banks and Farm Credit Canada continue to play an important role in financing deals. Since the beginning of 2014, more than one transaction fell through based on the ability to secure financing. Hobby farms, where more than half of the value is derived from buildings on the land, are more difficult to finance. Demand in future months is expected to be steady, though prices are likely to remain flat or drop slightly in the medium term.

### PRICE PER ACRE

2013  
N/A

2014  
\$13.5K-\$15K



Land for cash crops such as soybeans, corn and wheat is less expensive and more popular here than land used for dairy, feather or farms. Most sales are in the 100-acre range with small family farmers looking to sell when prices are high and



## LONDON-ST. THOMAS

- 1 *Market held strong through the winter and farms continue to sell within one month*
- 2 *Foreign investors are looking to buy land with development potential*
- 3 *Lenders have been less enthusiastic about financing hobby farms*

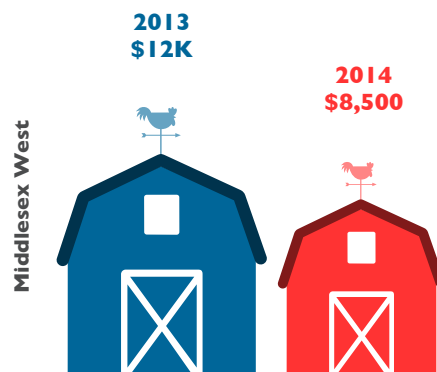
Demand for farmland in Ontario's lush London-St. Thomas area has held strong in 2014 despite the long winter. While sales were comparatively modest in January, the market picked up by February and sales rose as buyers continued to outnumber sellers. Edging Lake Huron to the north and Lake Erie to the south, the London-St. Thomas area is comprised of Middlesex County, Elgin County and Lambton County and is situated along Highway 401 between Toronto and Detroit, Canada's busiest corridor. Farms in this area sell for between \$8,000 and \$15,000 per acre, with the higher prices usually reserved for livestock operations in the region's north. However, land between \$8,000 and \$12,000 sold most briskly, with many purchasers adding parcels of around 100 acres to existing cash crop operations. Corn, wheat and soybeans are the most common cash crops, with soybeans proving to be most profitable in 2014.

Foreign investors continued to demonstrate some interest in acquiring farmland for the purpose of renting it out. This type of investment, however, became less and less profitable as sale prices approached \$10,000 per acre. The trend has led investors to shift focus slightly onto properties with future development potential on the outskirts of cities and along the Highway 401 corridor—as opposed to productive farmland.

In general, farms in the London-St. Thomas area sell relatively quickly. The average property is on the market for one month or less, with six weeks being the upper limit. Retiring farmers make up the majority of sellers. Some of the smaller properties are being purchased either by hobby farmers or by new entrants to the farming business. Lenders have been more reluctant to finance hobby farms since more than half of their value is derived from the buildings on the land.

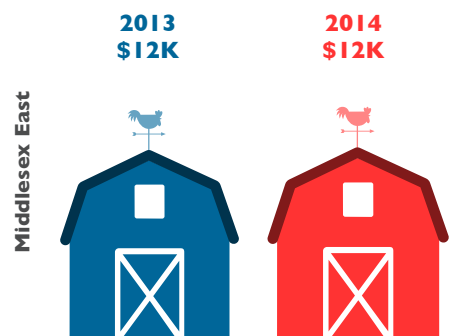
Tender and auction sales became notably less effective in the latter half of 2014, resulting in unsold properties. While demand will continue to be strong for the foreseeable future, prices are expected to remain steady or trend downward.

### PRICE PER ACRE



Source: RE/MAX Centre City Realty Inc.

### PRICE PER ACRE



Source: RE/MAX Centre City Realty Inc.



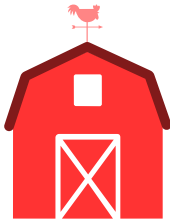
## PRICE PER ACRE

Lambton North

2013  
\$11K



2014  
\$10K



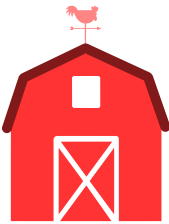
Source: RE/MAX Centre City Realty Inc.

Lower Essex County

2013  
\$7,500



2014  
\$7,000



Source: RE/MAX Centre City Realty Inc.

Elgin County East

2013  
\$10K



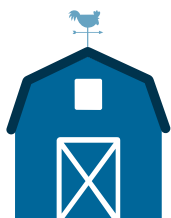
2014  
\$10K



Source: RE/MAX Centre City Realty Inc.

Elgin County West

2013  
\$8,000



2014  
\$8,000



Source: RE/MAX Centre City Realty Inc.



• ONTARIO •





· ONTARIO ·

## WOODSTOCK-STRATFORD

- 1** *Challenging weather conditions have led to increased days on market, but no significant change in land prices*
- 2** *Sales of dairy and feather farms drove price increases, while cash crop properties have leveled off*
- 3** *Buyers are looking for proximity to highways, processing facilities and existing infrastructure*

A harsh winter in the Woodstock-Stratford area caused a significant decrease in activity among both buyers and sellers. Prices are nevertheless holding steady. Land is selling between \$14,000 and \$20,000 per acre, while dairy and feather farms are selling for higher prices on account of the buildings and other infrastructure on the land. The most popular price point is in the \$15,000 to \$16,000 range, as purchasers scoop up land offloaded by retiring farmers to add to their own operations. Proximity to highways and processing facilities can also boost sale prices.

Flat prices for crops, which include corn, wheat and soybeans, are having an impact as well. While prices have not dropped, many

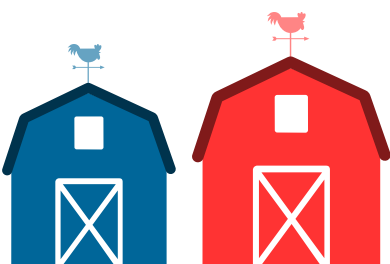
listings remain on the market longer than they would have a year earlier. Buyers are looking for convenience and feel no incentive to make a move unless it is truly the right property. For many, the right property, whether for a cash crop or dairy farm, is around 100 acres. Hobby farms ranging between 15 and 50 acres are popular in the Woodstock-Stratford as well.

While tighter lending criteria have affected the market to a degree, sustained low interest rates will continue to draw buyers. A positive harvest could boost prices, but an early frost could undercut recent momentum.

### PRICE PER ACRE

**2013**  
\$15K-\$18K

**2014**  
\$14K-\$20K



Source: RE/MAX a-b Realty Ltd.





• ONTARIO •

## KITCHENER-WATERLOO

- 1 *Prices in Kitchener-Waterloo are leveling off as demand drops*
- 2 *Properties are staying on the market longer due to lack of demand*
- 3 *Hobby farms lead the way in sales volumes*

Demand for farmland in the Kitchener-Waterloo region declined between January and August 2014 compared with the same period in 2013. Prices per acre remain among the highest in Ontario, with farms selling between \$14,000 and \$18,000 per acre. The average listing period is between 90 to 100 days—an increase over the previous year. The Kitchener-Waterloo region is a juxtaposition of high tech companies and old world Mennonite charm. In its rolling rural sections, horses and buggies share the roads with tractors. In the summertime, Mennonite families can be seen working the fields or selling food, quilts or furniture at the regional farmers' market.

financed quota farmers. Some Mennonite families unable to afford the land here are relocating to other parts of Ontario.

Hobby farms have led the way in sales volume, with properties between 15 and 50 acres priced for under \$1 million selling relatively briskly. These purchasers are mainly well-to-do city residents wanting to move to the country and either rent the land to local farmers or invest in horses and stables. This category of farm continues to be in demand, with shortages predicted for the near future. Interest rates as well prices for commodities grown in the area, which include corn, soybeans and wheat, have affected sales for larger farms. The proximity to urban centres continues to play a role in price. Cash crop farms outnumber livestock, dairy and feather operations, although the latter sell more quickly and are usually accompanied by more confident lenders.

### PRICE PER ACRE

2013  
\$15K-\$18K

2014  
\$14K-\$18K



Potential buyers in Waterloo have seen prices hold steady, although the right property has been known to elicit competition, particularly among well-





· ONTARIO ·

## BRUCE COUNTY

- 1 *High demand has tapered off as buyers and sellers differ on price*
- 2 *Unpredictable weather and uncertain harvest is causing buyers to hesitate*
- 3 *Potential buyers of hobby farms are finding it difficult to secure financing*

Throughout fall 2013 and into spring 2014, farmland in Bruce County was in high demand, with a high volume of sales. However, the region has seen its sales volume soften since spring as buyers and sellers differ on the price point. In some cases, sellers are asking for \$9,000 to \$10,000 per acre while potential buyers are seeking to pay between \$6,500 and \$8,000 per acre. Many properties are sold through traditional means, although there has been a rise the number in private sales.

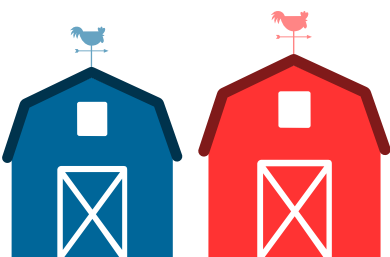
the fall season, but an early frost would be detrimental to crop maturity.

Tighter lending criteria have also made it more difficult for farms to change hands. The demand is there for smaller parcels, but buyers have been unable to secure financing for many types of farms, including hobby farms. This has hindered the hobby farm sales market. Successful buyers are typically existing operations looking to expand in the area.

### PRICE PER ACRE

**2013**  
\$5,000-\$9,000

**2014**  
\$6,500-\$10K



Bruce County is known for cash crops such as corn, wheat and soybean and livestock operations such as dairy, beef and hog. Prices have plateaued in this market and commodity values are a big reason for this. The late spring and unpredictable weather conditions have led to less than stellar production. Wheat production has been average and local farmers are optimistic for

Source: RE/MAX Land Exchange Ltd.





• ONTARIO •

## GREY COUNTY

- 1 *Average prices have increased by nearly 20 per cent*
- 2 *Prices for certain types of land have more than doubled in three years*
- 3 *Farmers migrating to Grey County to get a better price for comparable land quality are driving demand*

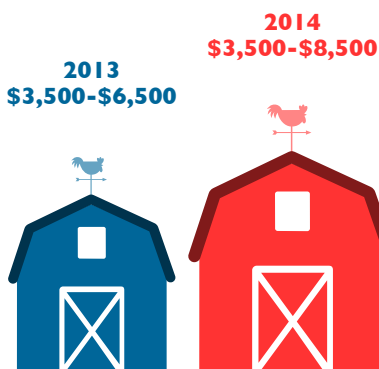
The market for agricultural properties in Grey County has been very strong in the past 12 months. There were over 75 sales in the first eight months of 2014, with properties ranging in size from 10-acre hobby farms to 200 acres for dairy farms that included milk quota. The majority of properties sold were between 50 and 100 acres. The price per acre ranged between \$3,500 and \$8,500, depending on soil quality, amount of workable land, type of existing farm activity and the condition of structures on the property. Population growth and ongoing urban sprawl continued to play a role in the rise of land prices.

Farmers growing corn, grains and beans are making land more productive by buying inferior farmland, clearing it and improving it with tile drainage. In Grey County, pasture land is being transformed into crop land;

however, there is also a demand for high quality pasture fed livestock, which this region is well known for. There has been an influx of farmers selling their properties in southern Ontario regions at high prices and purchasing in Grey County, where land is currently not as expensive. This has increased the value of land substantially—a trend that is expected to continue. Average prices increased by nearly 20 per cent from the previous year and total sales have increased by over ten per cent.

Low interest rates and Farm Credit Young Farmer Loans, deferred payments, equipment loans and renting farm equipment continue to entice farmers to purchase property. Existing incentive programs assist younger family members to purchase the “home farm” at fair market value from their parents. Demand for farmland in Grey County is expected to remain steady throughout 2014. Scenic and peaceful Grey County is just being discovered and high quality, workable farmland, dairy farms, hobby farms and country retreats continue to be highly sought after.

### PRICE PER ACRE



Source: RE/MAX Grey Bruce Realty Inc.





• ONTARIO •

## SOUTH SIMCOE

- 1 Demand for agricultural land is strong as farms near the Greater Toronto Area sell to developers
- 2 Many buyers are established farmers seeking to expand existing operations
- 3 Demand and prices expected to increase for the foreseeable future

function and price and average 100 acres in size. In Oro-Medonte, farms are selling for \$6,000 to \$8,000 per acre. In Springwater, located one kilometre north of Barrie, land per acre has sold for up to \$54,000 for development, and \$10,000 to \$12,000 for farmland. In Essa, farmland sells for \$12,000 to \$20,000 per acre. As smaller operations move out of the area and larger operations absorb the land, existing dwellings are being severed from plots and sold as separate units, often on a single acre of land. These surplus farm dwellings are popular for horse farms and small riding arenas.

Demand for farmland in this region continues to increase as supply decreases. This demand is expected to stay steady in the coming months. Innovation in farm equipment is allowing farmers to plant and harvest more acres per day and dairy farms now have robotics to milk the cows. As such, farmers are able to maintain bigger plots of land.

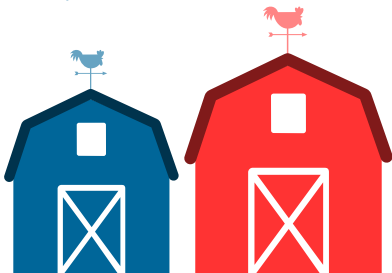
South Simcoe lies north of Toronto along Highway 400 including Barrie, Tottenham, Innisfil, Springwater and Bradford. In the past year, demand for farmland in this region has been extraordinary due to re-locations from developing areas. Recently, owners in Simcoe County have grown their operations significantly, buying smaller pieces of land from farmers moving out of the region to areas where land is cheaper. Popular crops in this area include soybeans, corn, wheat and hay and livestock operations such as dairy and poultry. Increasingly, farmland closer to Toronto, Bradford, Bolton and along Highway 400 is being sold to developers.

Nine farms have sold in 2014, compared to six sales in 2013. Currently, there are 20 properties listed for sale in South Simcoe, two of which are not considered workable farm properties. These properties range in

### PRICE PER ACRE

2013  
\$11K

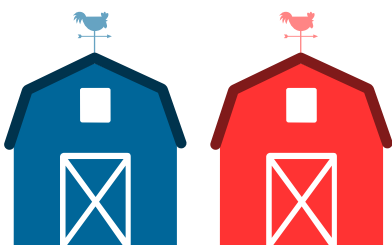
2014  
\$10K-\$16K



Source: RE/MAX Chay Realty Inc.

2013  
\$25K

2014  
\$25K



Source: RE/MAX Chay Realty Inc.





• ONTARIO •

## QUINTE

- 1 *High quality land at an affordable price provides excellent value amid soft commodity prices*
- 2 *Many buyers are established farmers seeking to add to existing holdings*
- 3 *Market is expected to be stable over the next 24 to 36 months*

Prince Edward County and the Quinte area, nestled halfway between Toronto and Ottawa on the shores of Lake Ontario, present an excellent value proposition for potential purchasers. Cash crop farmers here find their land achieves nearly the same yields as in southwest Ontario at less than half the cost. This advantage has helped owners withstand the weaker sales volumes and lower prices experienced over the past 12 months for commodities like corn, wheat and soybeans. High quality farmland sells for \$6,500 to \$7,500 per acre, while land of a more modest quality sells for around \$4,500 per acre, depending on how much of it is worked. Scrub land, more suitable for hobby farms than cash crops, sells for \$1,500 per acre.

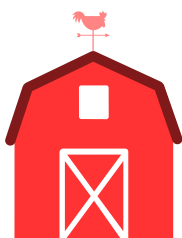
conditions led the market to become saturated. Out of 16 farm sales over the past two years, only three of those occurred in 2014—two cash crop farms and one hobby farm. Cash crop farms for sale are typically between 150 and 300 acres. These established farms are being added to existing operations, which can range from 4,000 to 8,000 acres. Farms with only land usually sell faster than properties where there is value in buildings, though 30 months is considered to be a reasonable listing period in this part of Ontario.

Other purchasers include people who have sold their farms in southwest Ontario at a relative premium, as well as those with an interest in vineyards and wineries. While marginally higher Farm Credit Canada rates have caused potential buyers to take a second look at their books and ensure they are able to service their debt, demand in India and China for Canadian cash crops over the next ten years is expected to bring stability to the farm real estate market. This stability is expected to result in a buoyant, balanced market over the next two to three years.

### PRICE PER ACRE

2013  
N/A

2014  
\$1,500-\$7,500



Prices for farmland in Quinte have softened relative to two years ago, when excellent

Source: RE/MAX Quinte Ltd.





• ONTARIO •

## STORMONT, DUNDAS AND GLENGARRY COUNTIES

- 1 *Prices increased in 2014 due to a shortage of available land*
- 2 *Highest prices in the area are closest to the Ontario-Quebec border*
- 3 *Cash crop farmers are expected to continue to grow operations, further driving demand*

Extraordinary demand and a shortage of available farmland have led to an increase in farm prices in Stormont, Dundas and Glengarry counties. These factors have resulted in more private sales in the region. Although the type of land ranges widely, the three counties are known for cash crops and dairy, chicken and pig operations. In this region, more farmers are transitioning away from dairy farming and instead are pursuing cash crops such as corn and soybeans.

western part of the region, land is selling for \$7,000 to \$10,000. Higher prices are found closer to the Ontario-Quebec border. Among other factors, the land near the border is widely known as some of the best farmland in the province.

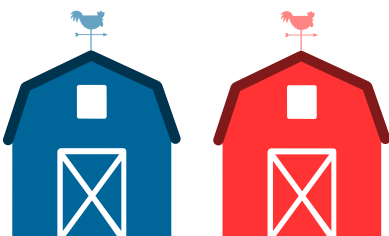
Buyers in the area are almost always existing farmers expanding their operations. The transition from dairy farming to cash crops requires more land, so owners are pursuing any quality land they can get their hands on. Among this group in particular, the need for more land to sustain operations has grown in the past year. The size of available farms ranges drastically throughout the region.

The market in Stormont, Dundas and Glengarry is expected to follow a similar pattern through the end of 2014. The shortage of available land will continue to influence rising prices and cash crop farmers will continue to pursue expansion.

### PRICE PER ACRE

2013  
N/A

2014  
\$7,000-\$17K



Price per acre has jumped dramatically over the past five years due to the immense shortage of available land and it has continued to increase in 2014. This year, tile drained land has been selling for \$7,000 to \$17,000 per acre. However, prices vary in the three counties around Cornwall. In the





## • ONTARIO •

### OTTAWA VALLEY

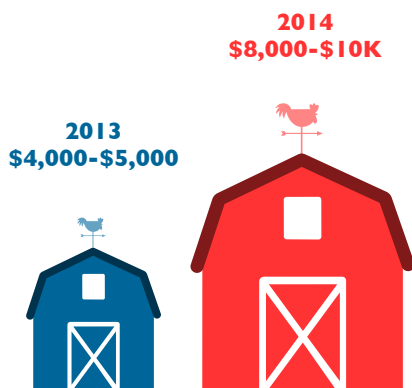
- 1 *Tile-drained land is selling briskly despite soft commodity prices*
- 2 *Area properties provide excellent value with less expensive prices for comparable quality to other parts of Ontario*
- 3 *Mennonites from southwestern Ontario are relocating to the region and establishing small communities*

Land in the Ottawa Valley is among the least expensive in Ontario, with farms selling for between \$4,000 and \$4,500 per acre in the Renfrew and Cobden areas. At this price point, potential buyers can either enter the market or add to their existing holding for a more modest expense compared with what it would cost in other parts of Ontario. The most common selling price for tile-drained land is marching upward toward \$4,000 per acre despite a soft market for the commodities grown here—wheat, corn and soybeans. Farmers in the Ottawa Valley, not far from the nation's capital, are also diversifying into the organics and agri-tourism market. Moving toward the Ottawa and West Carlton areas, prices for tile-drained land rise to between \$8,000 and \$10,000 per acre, reaching up to \$12,000 in the North Gower, Winchester, St. Isidore, Casselman and Maxville areas.

Farms sell relatively quickly with listing periods of roughly 30 days. Properties stay on the market longer if a seller is perceived to be overly optimistic with price, or if the land is seen to be of marginal quality. New purchasers in the market are Mennonites from southwestern Ontario drawn to the area by a lower price for comparable quality land. While some transactions involve realtors, some are private sales. Buyers are demanding farms between 100 and 200 acres, and prefer properties containing only land as opposed to land and buildings. Around 80 per cent of buyers are acquiring land to add to existing operations. The quality of the land itself is comparable with more expensive regions in Ontario, which is why this tile-drained, productive land is expected to climb to \$6,000 per acre over the next several years.

Lending criteria continue to be agreeable to potential buyers. In this part of Canada, commercial banks—as opposed to Farm Credit Canada or provincial programs—are the primary lenders. Demand for land is expected to continue to be robust. The value and quality of the land in the Ottawa Valley will continue to draw purchasers regardless even if commodity prices remain flat.

#### PRICE PER ACRE



Source: RE/MAX Metro City Realty Ltd.





• NOVA SCOTIA •



# NOVA SCOTIA

## ANNAPOLIS VALLEY

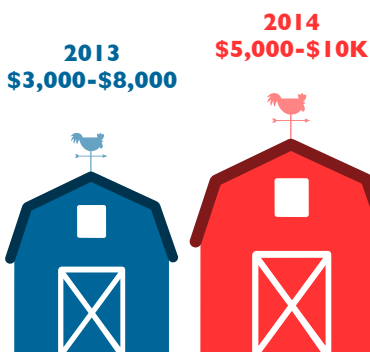
- 1 *Prices for crops grown in the region have held steady over the past 12 months*
- 2 *Region has experienced a growth in the number of vineyards*
- 3 *A balanced market is expected, with increased demand in some areas*

Demand for farmland and selling prices in Nova Scotia's Annapolis Valley have held steady over the past year. Agricultural properties sold between \$5,000 and \$6,000 per acre in this relatively small market. Sale prices reached the \$10,000 per acre mark, reinforcing the reality that there is always demand for high quality farmland in this part of the province, and even shortages in some areas.

plots 50 acres or larger, with hobby farms being around 20 acres. Over the past 12 months, there were five farm listings and one sale.

This region is known for growing fresh fruit and vegetables. Vintners have found the land to be suitable for growing grapes, leading to the establishment of new vineyards and the expansion of existing operations. Some prospective buyers in the region are simply looking for acreage and tend to already reside in Nova Scotia. This interest is boosting demand for properties with forest or agricultural land. The market for agricultural land is expected to be stable for the foreseeable future.

### PRICE PER ACRE



Price is generally dictated by the quality of the land but can also be influenced by its proximity to the existing landholdings of a potential purchaser. Average days on the market varied among the three counties in the Annapolis Valley—Hants County, Kings County and Annapolis County. Typical agricultural properties are usually sold in

Source: RE/MAX Advantage



## CANADIAN FARMLAND - PRICE PER ACRE BY MARKET

| Market  | 2012 Price Per Acre | 2013 Price Per Acre | 2014 Price Per Acre |
|---|---------------------|---------------------|---------------------|
| <b>BRITISH COLUMBIA</b>   |                     |                     |                     |
| Chilliwack-Fraser Valley  | \$40,000-\$60,000   | \$40,000-\$60,000   | \$41,000-\$63,000   |
| Peace River North   | \$1,250             | \$1,300-\$1,350     | \$750-\$1,550       |
| <b>ALBERTA</b>  |                     |                     |                     |
| Central Alberta   | \$2,000-\$4,500     | \$3,400-\$6,500     | \$4,500-\$7,500     |
| Southern Alberta  | \$800-\$6,500       | \$800-\$8,500       | \$1,000-\$10,000    |
| <b>SASKATCHEWAN</b>   |                     |                     |                     |
| Northwest/central west Saskatchewan                                   | \$800-\$1,500       | \$1,500-\$2,000     | \$1,800-\$2,200     |
| East central Saskatchewan   | \$800-\$2,000       | \$850-\$2,500       | \$950-\$2,550       |
| <b>MANITOBA</b>   |                     |                     |                     |
| Southwest Manitoba  | \$1,200-\$1,500     | \$1,350-\$1,600     | \$1,500-\$2,000     |
| <b>ONTARIO</b>  |                     |                     |                     |
| Windsor-Essex County  |                     |                     |                     |
| <i>Leamington</i>   | \$7,000-\$10,000    | \$11,000+           | \$7,000-\$11,000    |
| <i>Lower Essex County</i>   | \$5,000-\$5,500     | \$6,500-\$7,500     | \$6,500-\$8,500     |
| Chatham-Kent  | \$4,000-\$15,000    | \$5,000-\$16,000    | \$7,000-\$22,000    |
| Huron County  | N/A                 | N/A                 | \$13,500-\$15,000   |
| London-St.Thomas  |                     |                     |                     |
| <i>Middlesex East</i>   | \$10,500            | \$12,000            | \$12,000            |
| <i>Middlesex West</i>   | \$7,500             | \$12,000            | \$8,500             |
| <i>Elgin County East</i>  | \$8,500             | \$10,000            | \$10,000            |
| <i>Elgin County West</i>  | \$6,500             | \$8,000             | \$8,000             |
| <i>Lambton North</i>  | \$9,500             | \$11,000            | \$10,000            |
| <i>Lambton South</i>  | \$5,900             | \$7,500             | \$7,000             |
| Woodstock-Stratford   | \$15,000            | \$15,000-\$18,000   | \$14,000-\$20,000   |
| Kitchener-Waterloo  | \$11,000-\$15,000   | \$15,000-\$18,000   | \$14,000-\$18,000   |
| Bruce County  | \$5,000-\$8,000     | \$5,000-\$9,000     | \$6,500-\$10,000    |
| Grey County   | \$3,000-\$6,000     | \$3,500-\$6,500     | \$3,500-\$8,500     |
| South Simcoe  |                     |                     |                     |
| <i>Barrie/Tottenham/Innisfil</i>                                      | \$8,000-\$10,000    | \$11,000            | \$10,000-\$16,000   |
| <i>Bradford</i>   | \$20,000            | \$25,000            | \$25,000            |
| Quinte  | N/A                 | N/A                 | \$1,500-\$7,500     |
| Stormont, Dundas and Glengarry  | N/A                 | N/A                 | \$7,000-\$17,000    |
| Ottawa Valley   |                     |                     |                     |
| <i>Renfrew/Cobden</i>   | N/A                 | \$3,000-\$5,000     | \$4,000-\$4,500     |
| <i>Ottawa/West Carleton</i>   | N/A                 | \$4,000-\$5,000     | \$8,000-\$10,000    |
| <i>North Gower/Winchester/<br/>    St. Isidore/Casselman/Maxville</i> | N/A                 | \$8,000-\$12,000    | \$10,000-\$12,000   |
| <b>NOVA SCOTIA</b>  |                     |                     |                     |
| Annapolis Valley  | \$3,000-\$8,000     | \$3,000-\$8,000     | \$5,000-\$10,000    |



# FARM

## REPORT 2014



### • CONTACTS •

#### BRITISH COLUMBIA

##### CHILLIWACK-FRASER VALLEY

**Bryan VanHoepen** | 604-858-7179  
RE/MAX Nyda Realty

##### PEACE RIVER NORTH

**Trevor Bolin** | 250-785-5520  
RE/MAX Action Realty

#### ALBERTA

##### CENTRAL ALBERTA

**Ken Poffenroth** | 403-350-0971  
RE/MAX Real Estate Central Alberta

##### SOUTHERN ALBERTA

**Allan Fox** | 403-327-2221  
RE/MAX Real Estate - Lethbridge

#### SASKATCHEWAN

##### NORTHWEST/CENTRAL WEST SASKATCHEWAN

**Wally Lorenz** | 306-446-8800  
RE/MAX of the Battledords

##### EAST CENTRAL SASKATCHEWAN

**Ray Nordin** | 306-783-6666  
RE/MAX Blue Chip Realty

#### MANITOBA

##### SOUTHWEST MANITOBA

**Ian Anderson** | 204-764-2443  
RE/MAX Valleyview Realty

#### ONTARIO

##### WINDSOR-ESSEX COUNTY

**Kathy Talbot** | 519-564-1766  
RE/MAX Preferred Realty Ltd.

##### CHATHAM-KENT

**Rick Strain** | 519-352-2840  
RE/MAX Chatham Kent Realty

##### HURON COUNTY

**Ron Steenbergen and Phil  
Spoelstra** | 519-667-1800  
RE/MAX Centre City Realty Inc.

##### LONDON-ST. THOMAS

**Ron Steenbergen and Phil  
Spoelstra** | 519-667-1800  
RE/MAX Centre City Realty Inc.

##### WOODSTOCK-STRATFORD

**Kevin Williams** | 519-572-2293  
RE/MAX a-b Realty Ltd.

##### KITCHENER-WATERLOO

**Richard Steinmann** | 519-885-0200  
RE/MAX Twin City Realty Inc.

#### BRUCE COUNTY

**Eian Farrell** | 519-396-8444  
RE/MAX Land Exchange Ltd.

#### GREY COUNTY

**Wendy McKee** | 519-371-1202  
RE/MAX Grey Bruce Realty Inc.

#### SOUTH SIMCOE

**George Atkinson** | 705-722-7100  
RE/MAX Chay Realty Inc.

#### QUINTE

**Ron Norton** | 613-399-5900  
RE/MAX Quinte Ltd.

#### STORMONT, DUNDAS AND GLENGARRY

**Frank Prevost** | 613-938-8100  
RE/MAX Cornwall Realty Inc.

#### OTTAWA VALLEY

**Ross Peever** | 613-433-1133  
RE/MAX Metro City Realty Ltd.

#### NOVA SCOTIA

##### ANNAPOLIS VALLEY

**Donna Conrad** | 902-679-0700  
RE/MAX Advantage