

REPUBLIC REPORT

2nd Quarter of 2024



REPUBLIC  RANCHES LLC
Our Legacy is in the Land

LETTER FROM THE PARTNERS

Dear Readers,

The second quarter of the year saw modest gains in the number of farm and ranch transactions in Texas. The total transactions for the quarter were the most since the second quarter of 2023. That said, the numbers are still well below the longer term trend lines.

Currently, the land markets seem to be hampered by several factors; interest rates remain higher than in recent years and future rate moves are uncertain, election uncertainty provides some market participants a reason to wait, the strong stock market and high yielding low risk fixed income options offer attractive alternatives for capital placement and importantly we still have not “made up for” the compressed volume during the Covid run. Some predictors that this market activity should be rebuilding are strong oil prices for the past three quarters, modest increases in some market segment inventory levels, and, anecdotally, we are seeing some asking prices being reduced to more realistic levels.

We still believe that we will see transaction levels begin to reach back up to our long term trendlines in Texas farm and ranch sales at some point in this calendar year, likely during the fourth quarter with 2025 being stronger than 2024.

Jeff Boswell, Principal & Partner

Bryan Pickens, Principal & Partner

Charles Davidson, Principal & Partner

John Wallace, Principal & Partner

Mark Matthews, Principal & Partner

Republic Ranches' Statewide Activity 2024





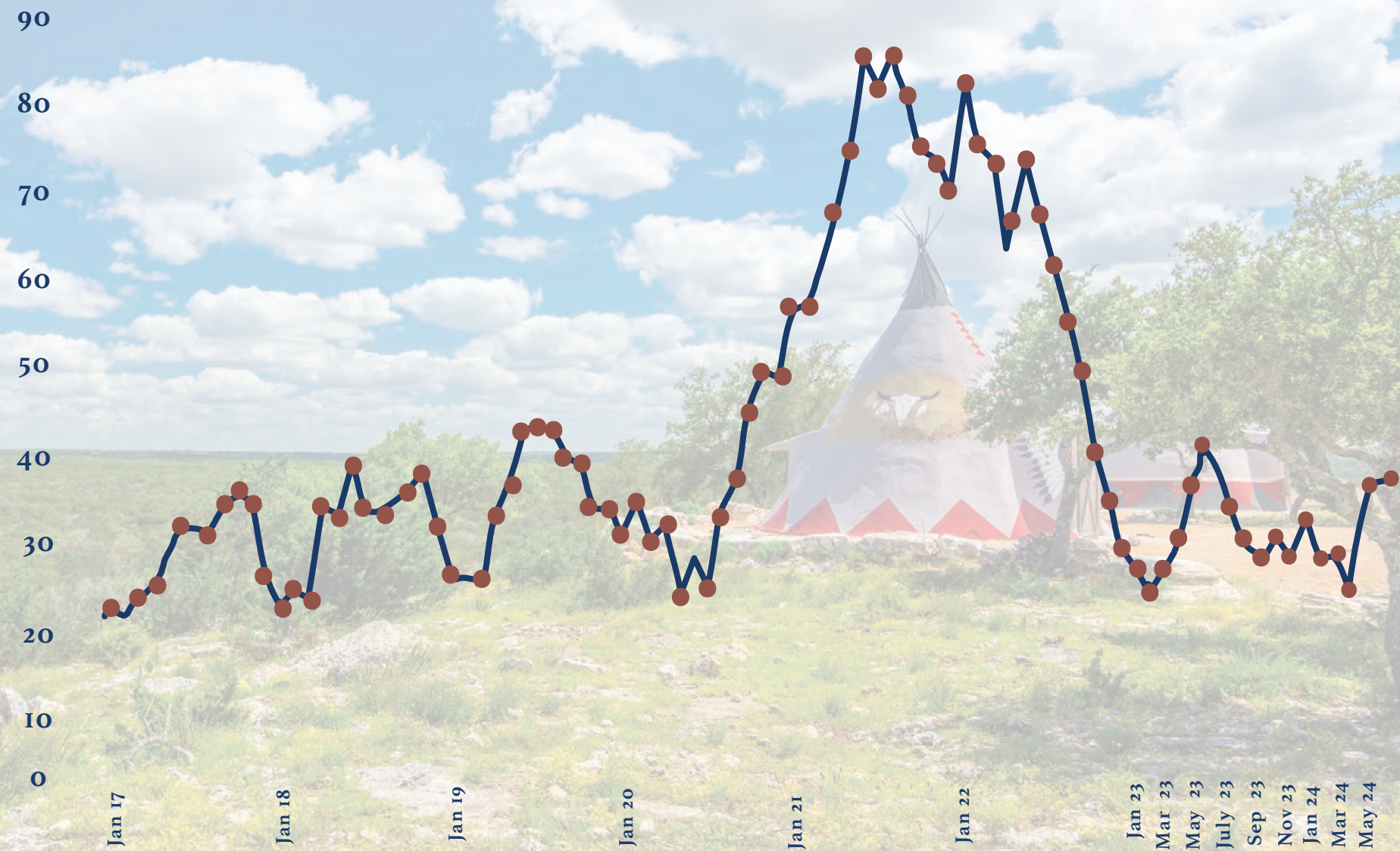
Rocky Top Ranch / Burnet County

TEXAS LAND MARKETS REPORT

SECOND QUARTER 2024 SUMMARY

The second quarter of the year saw a nice uptick in total transactions with overall numbers increasing by 50%. While all three ranch categories increased in the second quarter vs. the first quarter, the small-tier ranches led the way overall.

Texas # Sales All Ranch Categories *Three Month Moving Average*



Sourced: Land.com Comparable Sales Program

QUARTERLY NEW LISTINGS SELECT 25 COUNTIES

1800
1600
1400
1200
1100
1000
900
800
700
600

1st 2018 2nd 2018 3rd 2018 4th 2018
1st 2019 2nd 2019 3rd 2019 4th 2019
2st 2020 2nd 2020 3rd 2020 4th 2020
1st 2021 2nd 2021 3rd 2021 4th 2021
1sr 2022 2nd 2022 3rd 2022 4th 2022
1st 2023 2nd 2023 3rd 2023 4th 2023
1st 2024 2nd 2024

New Listings —

Sourced: Land.com Comparable Sales Program

INVENTORY LEVELS

New listings were the highest for the past four quarters, although still below the new listings for the second quarter of 2023. Still a fairly good increase overall. Ranches for sale over 1,000 acres in the state continue to remain very steady at subdued levels.

SALES BY THE NUMBERS

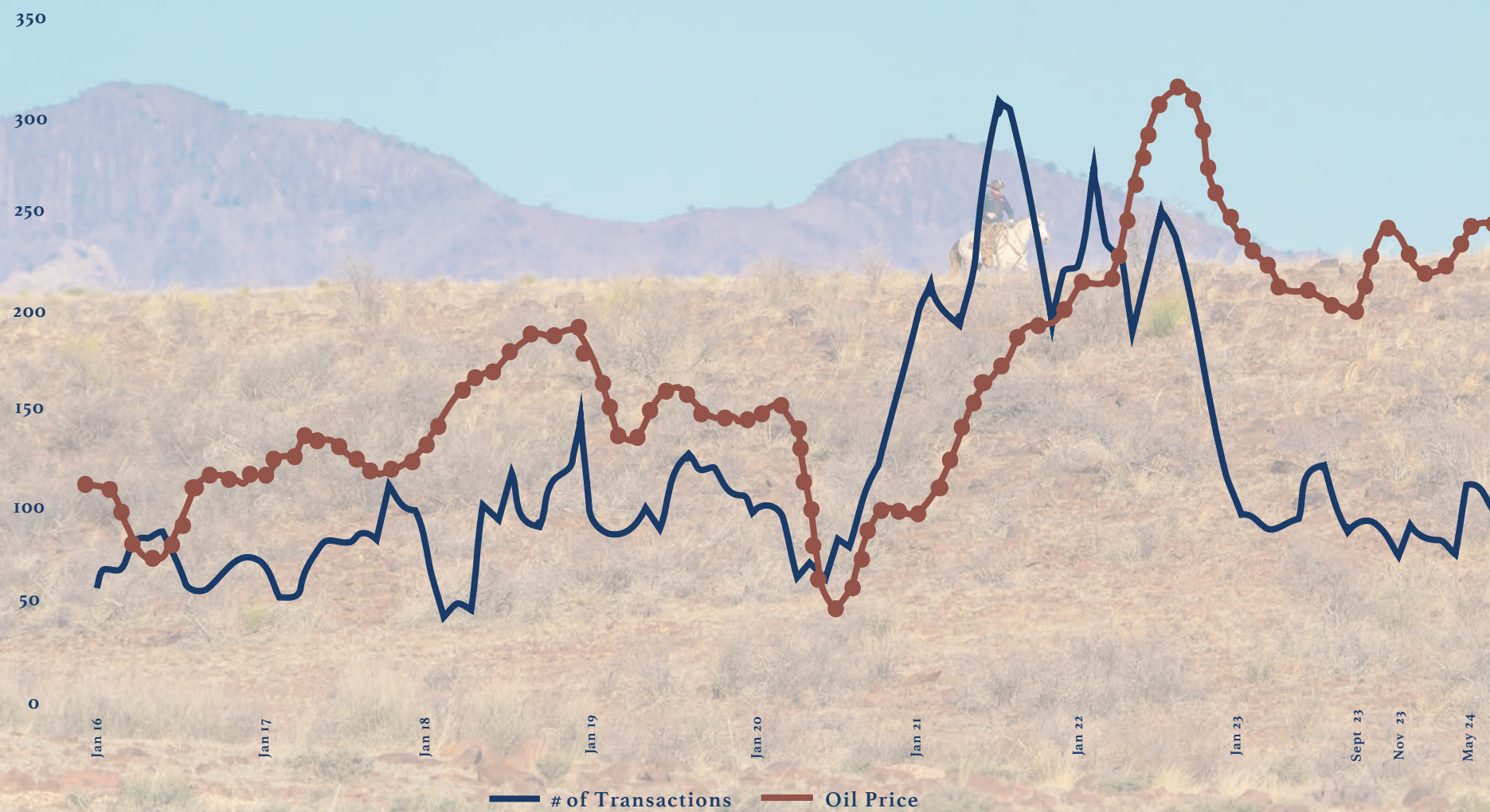
Large tier ranches were up 35% for the second quarter vs. the first quarter. But they are still below longer - term averages.

TEXAS RANCH TRANSACTIONS Large Tier Ranches *Three Month Moving Average*



Sourced: Land.com Comparable Sales Program

Mid-Tier Ranches *Three Month Moving Average*



Sourced: Land.com Comparable Sales Program

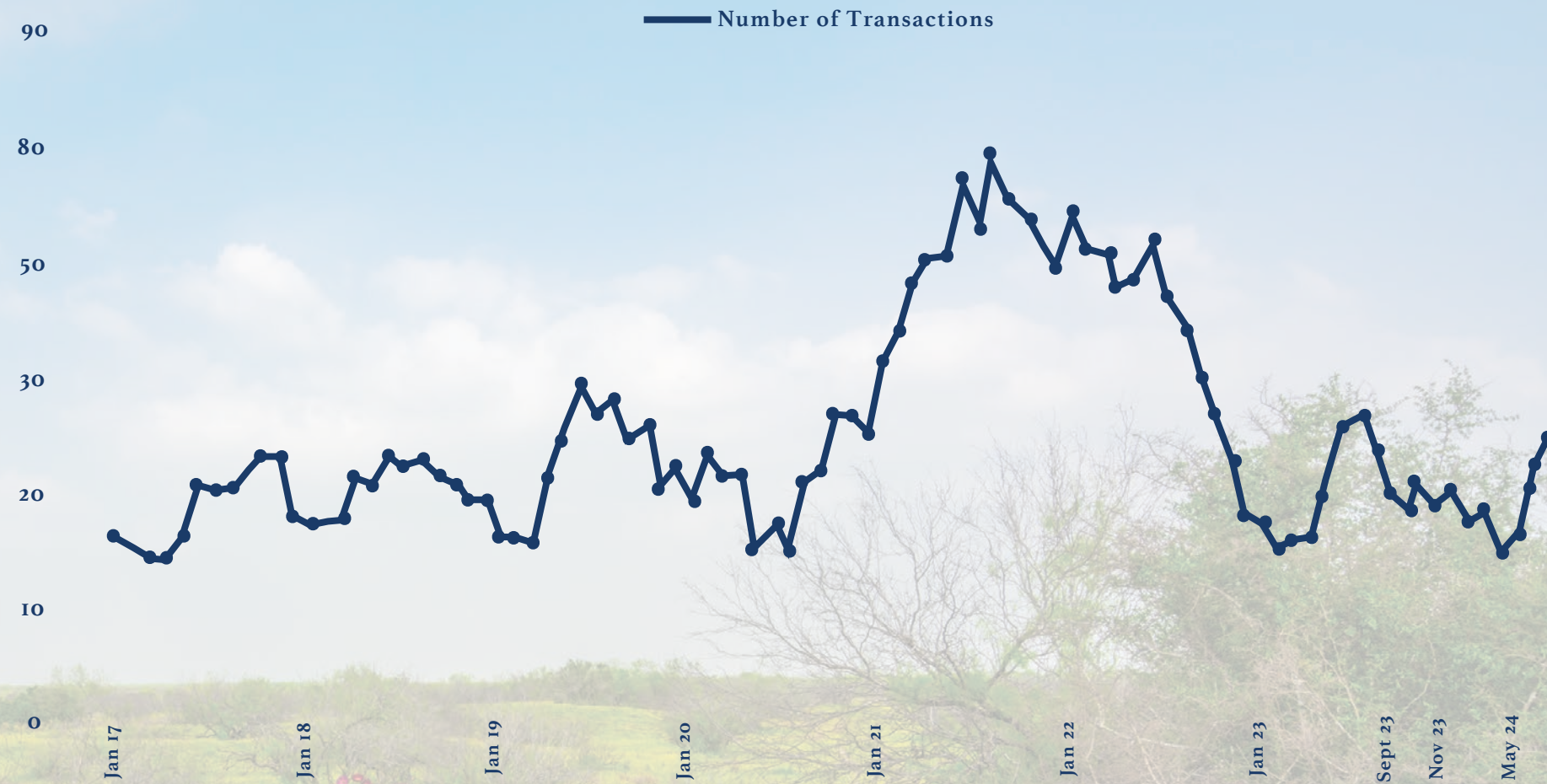
TEXAS RANCH TRANSACTIONS Mid-Tier Ranches

The mid-tiers saw an increase of 26% for the quarter over the first quarter. Again, they are still below longer-term averages for transactions in a quarter.

TEXAS RANCH TRANSACTIONS Small Tier Ranches

Small tier ranches saw the largest increase coming in 62% above the first quarter. While this is a significant increase, small tiers are below historic averages as well.

Small Tier Ranches *Three Month Moving Average*

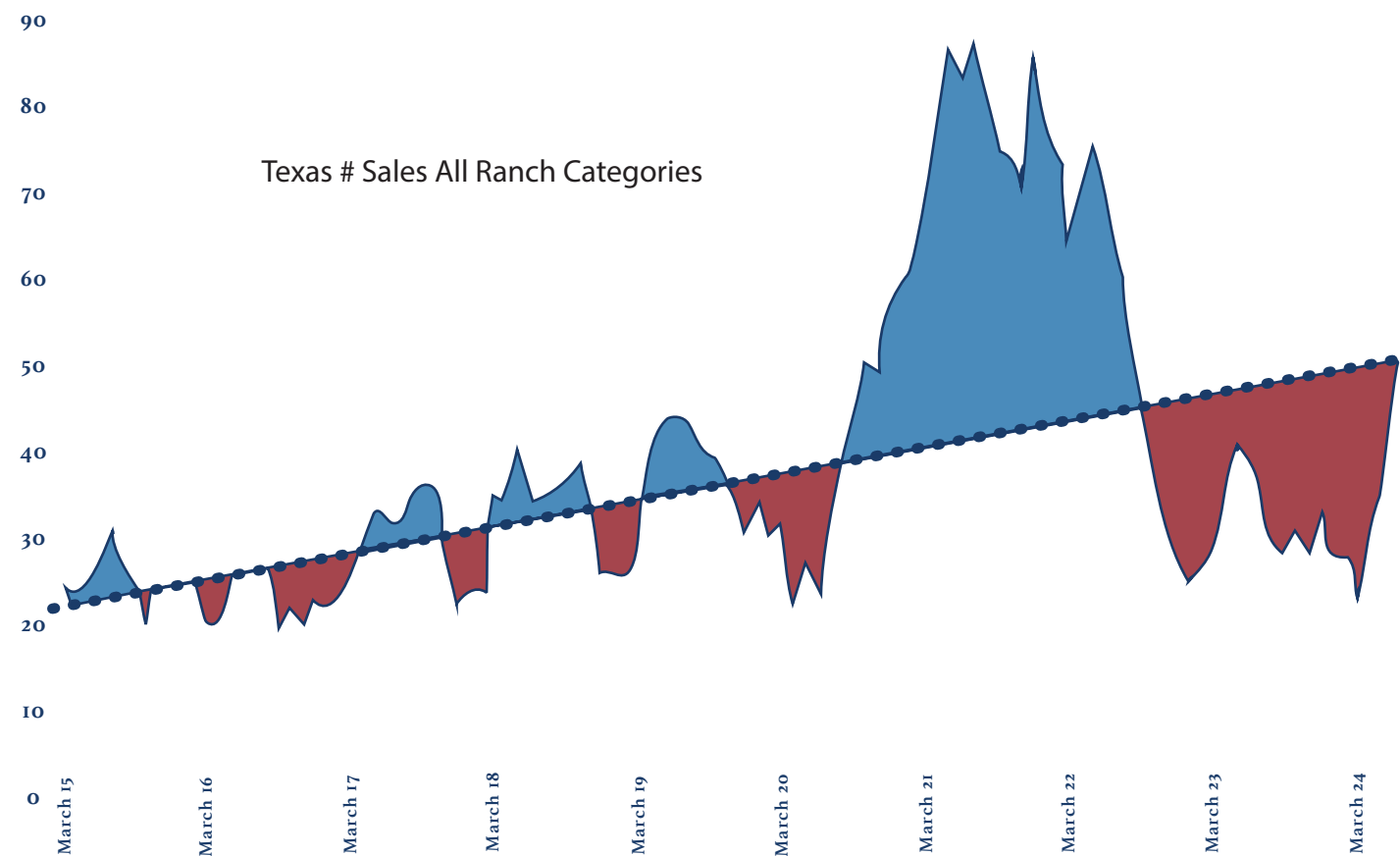


Sourced: Land.com Comparable Sales Program

WHAT DOES IT ALL MEAN

As predicted in the last report, we did see transaction numbers increase during the second quarter; however, below what we had anticipated. One of the factors for the slow sales we have been discussing for some time was having the Covid buying period “bring forward” transaction activity during the 2020 - 2022 run. Before the extraordinary increases in sales transactions during Covid, we had established a pretty well-defined trend line of farm and ranch transactions in Texas that was trending upward with the increased population and economic activity in Texas. Below, we have graphed the line as it was trending prior to Covid and showing how transaction volume tended to revert back to this trend line over time.

If we simply look at how many sales were above the trend line during the Covid run and how many sales have been below the trend line since the slow down we are likely looking at another 3-4 months of slower sales before all the of the “bring forward” sales have been washed out and we should return back to the trend line. While a rather simplistic way to look at the data, we believe it holds merit. This would suggest that we will “return to normal” at some point in late October or November.



CULTURE & COMMUNITY

Is it Chiltepin, Chilipitin or Chili “piquin”?

In South Texas communities there has been a battle brewing for generations on how to pronounce and spell the name of this native pepper (not to mention more granular discussions around species and sub-species). Ranchers and pepper bellies from all counties of South Texas have their own long held beliefs on what is correct regarding the Texas State Native Pepper.

Regardless of the spelling, and much less argumentative, are the many ways to enjoy the Chiltepin. Fresh off the bush, dried and ground for a light dusting, dry carried and crushed over your meal, or in a vinegar based sauce? Whether cooking with it or garnishing a dish, there are many ways to appreciate this native Texas pepper. It has quick to the punch spice with a diminishing heat that provides relief that is addictive and hard to beat.

Interested in learning more about this hot topic?

[Click here.](#)



Tales From Our Team

-- Go Outside --

Do you remember the carefree days of childhood, when being outside from sunrise to sunset was everything? We would roam barefoot, exploring the outdoors and learning valuable life lessons was what you received in the open air. However, a recent statement by Dr. Casey Means on a popular health and fitness podcast revealed a shocking statistic: *"The average American spends 93.7% of their time indoors."* This fact is disheartening, especially considering how much time is consumed by screens and mainstream media.

Personally, I find solace at the ranch, where the allure of creation outweighs the temptation to check my phone. Instead of being glued to screens, my family and I eagerly gather around the farmhouse fence in the darkness to witness the beauty of the Comanche moon rising. As the dark red moon gradually appears on the horizon, time seems to stand still, and the world's worries gradually fade away under the moon's radiant glow.



Experiencing these moments for oneself is one thing, but sharing them with loved ones, free from the distractions of this broken world, fosters curiosity and strengthens bonds. As our team brainstormed for this article, recollecting our favorite ranch memories, we felt inspired and hopeful that they would encourage others to slow down and embrace their inner curious, carefree child-like spirit once again.

We have so many memories from this past year that flood my mind. We picked tubs of sweet dewberries as a family, learned about screech owls as we hung nesting boxes around the ranch, found the perfect climbing tree, and my son and daughter wore out their Paw Patrol fishing rod catching bluegill. My favorite memory was spending the weekend "*roughing it*" with the kids, camping under the branches of a sprawling live oak tree, listening to a pack of coyotes howling in the night while a distant train rumbled by. As we laid there bundled up in our sleeping bags every moment was etched into our memories. My kids still talk about that late winter's night when we all experienced the ranch in a different way.

-Tallon Martin, Partner

In our family it has been important from generation to generation to ensure that we do our part to conserve wild places and wild things. We feel that the best way to do so is to get our kids in the outdoors. One of our favorite ways to spend time at the ranch is to gather at a special spot and have what we call a "Brush Lunch". Excitement fills the air and we gear up for a long drive and a nice lunch on the ranch. It's not all about the food, it's about the activities before and after. For the kids it's climbing trees, exploring caves, and playing in the water while dad starts a fire and begins to prepare brush lunch. The lessons learned in the outdoors are a foundation for our kids and the family time spent is invaluable in today's world. The primitively cooked meal is just a bonus!

-Ross Studer, Partner & Sales Associate





The most foundational memories I have growing up all happened outdoors. Whether at the ranch, during vacation or on summer camps and camp outs, everything good and defining happened under open skies. As you age, the passion only grows - but through a changing lens. A fundamental shift happens when you get to relive these experiences through the eyes of your children. Sharing these memories with the next generation reinvigorates that passion and brings that juvenile appreciation back into focus.

While the public opportunities to get outdoors are infinite, there is something rooted in the memories that take place on the land you call your own. Land ownership is a passion forward investment and the highest paying dividends are lifelong memories and foundational experiences with family. Driving the same ranch roads, casting in the same pond and sitting on the same porch never grows old. All of our kids were on the ranch within weeks of their birth and even though sometimes difficult, it is critically important to us that their lives are built on the foundation of being outdoors in God's creation.

- Mitchell Eads, Broker Associate



Growing up in Houston but spending every weekend at the ranch where my grandparents lived formed a foundation for my life that I could not replicate staying in town on the weekends. It shaped who I am personally as well as what I decided to do with my career choices. I vividly remember the stepping stones I was given growing up. It started with a pellet gun around the house, then I graduated to a .22 - but could not go past the cattle guard. Then came learning to drive the truck to the back of the ranch and sitting in the stand by myself. My children are on the same path on the same ranch I grew up on as the 5th generation that some 63 years after my great grandfather acquired. I won't lie, we fight the screens just like everyone else. But, when we get to our ranch, our personal farms or to our friends' ranches, our children's carefree nature comes alive. They spend their time chasing critters from grasshoppers to deer all over the place while being free and learning along the way. The experiences we share outside can not be replicated anywhere but in the wildlands God created, and we will use them to the fullest.

-Rob Grainger, Broker Associate

When we turn off the blacktop onto the ranch road, the kids in the back seats immediately ask, "Can we get unbuckled?" This marks the start of a wonderful weekend. It's heartwarming to see the kids enjoying the country life without screens, fully immersing themselves in the outdoors. They absolutely love the ranch—running through the grass, playing in the lake, and especially fishing.

Fishing at the ranch is one of our favorite activities. The kids have the best time when they're in the boat, eagerly waiting the next bite. The excitement really kicks in when we back the boat into the water. Once the kids are in their life jackets, we're ready to go. No one asks for mom's phone or to watch a show on the iPad. They are fully engrossed in the water and everything happening around them.

After we've caught a few fish, their attention turns to the fish in the livewell instead of the ones in the lake. It's fun to watch all three of them trying to catch the fish by hand. As a family of five, I can't imagine what we would do without the ranch. We spend many weekends there every year and after Thanksgiving and Christmas, we head to the ranch for as long as possible.

-Drake Heller, Partner





Contact Us:
888-726-2481
info@republicranches.com
republicranches.com

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