

A Reprint from *Tierra Grande*



Nothing stays the same forever. Not even rural Texas. Across the state, expansive rural lands are being sliced and diced into smaller tracts. Some places that were rural have become suburbs almost overnight.

Dr. Charles E. Gilliland, rural land expert with the Real Estate Center at Texas A&M University, says that no part of the state is immune to the trend. Statewide, the size of property transferred in the typical transaction was 140 acres in 1993. In 2003, the typical size was 100 acres.

"Today's market is telling large landowners that it wants smaller properties," Gilliland says. "Landowners dividing their acreage into smaller tracts for sale is a natural response to the marketplace."

In the Rio Grande plains, a land market area that includes Laredo, the average-size tract shrank from 700 acres in 1999 to 442 acres in 2003. In the land market area surrounding Houston, the average tract size dropped from 51 to 30 acres during those years.

Although on a much different scale, even the wide open spaces of West Texas are becoming fragmented. In 2002, oilman T. Boone Pickens and Dallas business partner Jim Parks bought a 65,000-acre ranch north of Abilene and subdivided it into ten smaller ranches to sell to recreational buyers. It was the sixth working ranch Pickens converted to recreational use since 1991.

Gilliland, who has been tracking land prices and values based on sales data since 1984, says that the strong desire for

By Ellissa Brewster

recreational land has been pushing up rural land prices all over the state. From 1993 to 2003, the median price per acre swelled from \$503 to \$1,100. As prices rise, smaller tracts become more attractive to buyers.

The median price of a representative tract in the land market area surrounding San Antonio rose 34 percent in 2001. It was up 14 percent the next year, and from 2002 to 2003, the price went up another 19 percent.

Troubles Ahead

Fragmentation does not just affect rural landscapes and rural lifestyles. Clearing land and covering it with buildings or concrete means less land for growing food, possible problems with water runoff and water resources, greater demand for public services in rural areas and loss of wildlife habitat.

Dr. Neal Wilkins, a wildlife biologist with the Wildlife and Fisheries Sciences Department at Texas A&M University, says rural real estate agents he speaks to about fragmentation recognize this as a problem. He says they know that wildlife and recreational resources are where their money is coming from now and in the future.

Since 1994, the dominant motive for buying tracts of ten acres or more has been for recreation, including hunting and fishing, according to Real Estate Center data. In 2003, by far the greatest percentage of buyers (68 percent) listed hunting and fishing as a "very important" motive. The second most important motive was "other recreation."

When land becomes too fragmented it can lose value. Gilliland says, "There is a point of diminishing returns, which is sometimes reached by mistake. It is when the character of the land changes."

For example, sometimes a large tract is subdivided into tracts that are too small, creating an unattractive rural subdivision. How small is too small varies. Twenty-five-acre tracts are not big enough for deer hunting. When tracts are that small, a deer hunter is practically looking into his neighbor's property while sitting in a deer stand.

Population, Prosperity Fuel Trend

Residential developers are not the only ones divvying up land. Rural landowners and developers are selling ranchettes — tracts too small to be working ranches — to urban dwellers. This trend has become so common that Texas Cooperative Extension has developed several educational programs to help "newbie" ranchette owners manage their resources.

The Texas Department of Agriculture's Family Land Heritage program is one of the ways the department is encouraging families to hold on to their land. Each year, the department honors farms and ranches that have been in continuous

agricultural production by the same family for a century or more. Yet the department's registries, which list these farms and ranches, also document the gradual fragmentation of the

Texas countryside. As land is passed from generation to generation, tracts often become smaller and smaller.

Gilliland says, "Fragmentation as we are seeing it happen in Texas is a reflection of prosperity and population growth. So if you want to stop fragmentation, which of these would you stop?"

"Foreverland"

Some environmental groups encourage landowners to commit to conservation easements. These freeze current land uses, usually forever. Gilliland says that these arrangements create new problems.

"Some control of land use decisions is granted to a trustee who assumes a legal obligation to ensure that landowners comply with restrictions in the easement. In other words," Gilliland says, "owners give some control of their land to the trustee."

The federal government rewards landowners who put their land into perpetual conservation easements with an income tax deduction. However, the deduction is only valuable to landowners with large incomes.

"In practice, the loss of their decision-making authority may be more than landowners wish to tolerate," Gilliland says (see "Land Locked: Controversial Conservation Easements Last Forever" at <http://recenter.tamu.edu/pdf/1545.pdf>).

The American Farmland Trust is lobbying for a state Purchase of Development Rights (PDR) program. With a PDR, landowners are compensated for their development rights. At present, there is no statewide PDR program, but private and public groups, such as conservation groups or water authorities, sometimes join forces to buy development rights.

No doubt, many landowners will not want to make a decision that will limit choices for all future generations that own the land.

"Other ways to prevent fragmentation could involve reducing the holding costs [property taxes] for landowners or giving tangible incentives to landowners that would make it easier to hold onto land," Gilliland says.

"At some point," he says, "land may become so fragmented in Texas that it will be hard to find large contiguous tracts. Then the economic pressure may be reversed. If there is more money chasing large properties, large tracts could bring more per acre than the small tracts." ❖



JIMMY AND JACKIE WEIMER (previous page) are the third generation to work the family farm in Bexar County. San Antonio's expanding suburbs have turned their rural land into suburban property in high demand by developers.

Brewster (ebrewster@recenter.tamu.edu) is an assistant editor with the Real Estate Center at Texas A&M University.

Family Ties

One year ago, Jimmy Weimer could stand in his driveway and as far as he could see stretched an expanse of flat farmland and vast sky. Now, just beyond the field that Weimer plows, rooftops and privacy fences stand in long lines like sentries. The houses are built five to the acre — just a few paces apart.

Weimer lives and works on 135 acres, a portion of the land his grandfather bought in 1893. He wears Red Wing boots with the steel toes showing through the leather. In his chest pocket he packs a thin screwdriver, a screw starter and a magnet for finding small tractor parts when they fall in the dirt. When Weimer is not repairing tractors he is riding one, growing fields of Hay Grazer alfalfa or oats to feed his cattle.

Weimer's ties to the land are intertwined with its past. When his grandparents came to Helotes Creek, they faced Indians and rattlesnakes. The family managed without electricity, running water, indoor plumbing or screens on the windows.

In 1910, Weimer's grandparents poured and molded concrete blocks one at a time and from them built one half of a house up on a hill. For the other half, they used block and tackle, man and mule power, to move a small frame house. The two parts became one home, in which Weimer and his wife, Jackie, and two of their sons live today.

On the Weimers' gate hangs a Family Land Heritage Program plaque, which commemorates the family's history of agricultural production on the land.

The noise of hammer guns is fading now that the first phase of 900 homes immediately behind the Weimers' property line is almost completed. A second phase is underway a little farther away.

"When my grandparents came here, this was so far removed from anything, this area here, they could have never envisioned anything like this," Weimer says.

It is hard for Weimer to imagine it too. For three generations, the family lived in a tight-knit community, where everyone knew everyone and almost everyone was related. Now the neighbors are strangers.

"I never felt like I could ever really belong anywhere else, the way we do here. But I hardly recognize anything anymore when I drive out the front gate."

The Weimers feel they have become victims of a common type of land fragmentation, urban sprawl.

"You've got to realize that where we are, we are under a lot of pressure," says Jimmy, who is 60.

The Weimers have had developers knocking on their door, wanting to buy their land, which lies south of the Hill Country and west of San Antonio, for the past several years. Developers covet the flat farm land because it is well-suited for building. The cost of land preparation is low; utilities are easy to install, and there are no rocks to contend with.

But it is not just pressure from potential buyers that the Weimers are facing. Although their family has owned the land

for three generations, they have begun to feel that the City of San Antonio and Bexar County would prefer they go away. They have battled both entities over rules and regulations, annexation and property taxes.

They wonder what will be next. Will they be prohibited from burning brush, applying fertilizer or spraying for weeds or insects? What penalties will they face if their cattle get out of the pasture?

The Weimers are feeling shell-shocked by the dramatic changes happening around them.

People tell Weimer he should sell. Maybe he could get a million dollars or more for the place, they say, but he says that does not mean much to him. What would he do? Where would he go? He says at his age, he already has just about everything he wants.

Weimer thinks about his grandfather's struggle to come to Texas from Germany, and the hardships his grandparents endured.

"Now we're the third generation that has been on this place. I feel like I can't be the one to throw it all away. But I fully expect that if Jackie and I manage to live here until we die, the kids are going to sell it."

One of his married sons who lives on the place has bought land elsewhere and is moving away. He says he just cannot live the way he wants to here. ♣





MAYS BUSINESS SCHOOL

Texas A&M University
2115 TAMU
College Station, TX 77843-2115

<http://recenter.tamu.edu>
979-845-2031

Director, Dr. R. Malcolm Richards; **Associate Director**, Gary Maler; **Chief Economist**, Dr. Mark G. Dotzour; **Communications Director**, David S. Jones; **Associate Editor**, Nancy McQuiston; **Assistant Editor**, Kammy Baumann; **Assistant Editor**, Ellissa Brewster; **Art Director**, Robert P. Beals II; **Graphic Designer**, JP Beato; **Circulation Manager**, Mark W. Baumann; **Typography**, Real Estate Center.

Advisory Committee

Tom H. Gann, Lufkin, chairman; Douglas A. Schwartz, El Paso, vice chairman; Joseph A. Adame, Corpus Christi; David E. Dalzell, Abilene; Celia Goode-Haddock, College Station; Joe Bob McCartt, Amarillo; Catherine Miller, Fort Worth; Nick Nicholas, Dallas; Jerry L. Schaffner, Dallas; and Larry Jokl, Brownsville, ex-officio representing the Texas Real Estate Commission.

Tierra Grande (ISSN 1070-0234), formerly *Real Estate Center Journal*, is published quarterly by the Real Estate Center at Texas A&M University, College Station, Texas 77843-2115. Subscriptions are free to Texas real estate licensees. Other subscribers, \$20 per year. Views expressed are those of the authors and do not imply endorsement by the Real Estate Center, Mays Business School or Texas A&M University. The Texas A&M University System serves people of all ages, regardless of socioeconomic level, race, color, sex, religion, disability or national origin. **Photography/Illustrations**: JP Beato III.