President’s Comments

Welcome to the REALTORS® Land Institute Iowa Chapter Fall Newsletter. As your newly appointed president, I am looking forward to continuing our group’s commitment to education and professionalism while pursuing opportunities for increased participation in collaboration and networking activities. Below I will outline upcoming education opportunities and events available to our members.

In the past year our chapter offered the most progressive education schedule we have had in recent history. We hosted three required ALC classes in Land Investment Analysis, Land 101 and Tax Deferred 1031 Exchanges. We also hosted a great tax law class in conjunction with the Iowa Association of REALTORS® Summer Meetings in Okoboji. We are continuing our effort to assist our Iowa Chapter members in obtaining their ALC designation by providing the brand-new Transitional Land Real Estate Transactions on December 8. Class will be hosted in Nevada and seats are still available. We will work to add at least one ALC class in 2019 and will again work with ASFMRA to host our Joint Spring Seminar on March 13, 2019.

Our annual meeting and dinner will be held in conjunction with the Spring Seminar complete with a social event, dinner and cowboy auction. This year’s National Land Conference will be held in Albuquerque on March 3-6. We had great attendance at last year’s Nashville conference and hope to see the same support from our chapter this year. I would also like to add a summer social event allowing all members a chance to get together between the typically busy spring and fall time periods.

I am excited to announce that our board decided to waive all Iowa Chapter membership fees for 2019. We would like to further grow chapter membership/participation and believe this will be a great way to strengthen both. We encourage all members to attend our education, social and networking events and will work ensure beneficial inclusion for each colleague.

The leadership team consisting of myself, President Elect David Thien, ALC and Vice President Ryan Kay, ALC will soon be meeting to discuss our plans for the upcoming year and would welcome any comments or suggestions for improvement.

Thank You,

Travis Smock
New RLI Iowa Chapter Leadership

New officers were installed on September 11, 2018 during the Iowa Chapter Board and Membership meeting. Our new leadership team will work hard to advance the mission of the Realtors Land Institute Iowa Chapter while focusing on growth and member engagement.

Kyle Hansen congratulates new RLI Iowa Chapter President, Travis Smock

2018-19 RLI Leadership Team
Travis Smock, President
David Thien, President-Elect
Ryan Kay, Vice President

Registration is Open for NLC 2019

Save the date for RLI's can’t miss conference for land pros who are serious about growing their business, more confidently assisting clients, and closing more deals.

NLC is the premier industry event for land real estate agents and professionals to share ideas, see the latest innovations, and gain expertise to head back to their businesses with new inspiration.

Join us in Albuquerque, NM as we celebrate RLI’s 75th anniversary year at NLC19! Registration and information is available on the RLI website: www.rliland.com/national-land-conference
RURAL REAL ESTATE FINANCING EXPERTISE LIKE NO OTHER.

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AGRICULTURE WORKS HERE.
A Lender’s Perspective on Iowa Farmland

The following is excerpted from a presentation made by Alan Erickson, Farm Services of America (FCSAmerica) regional vice president for central Iowa.

Demand is high for Iowa farmland at a time when the commodities grown on that land are in high supply and at a relatively low price. Many factors are driving this dynamic, including a low supply of quality farmland. To further explain today’s market forces, I want to share some insights into the buyers, drawing on what I know – the customer-owners at Farm Credit Services of America.

Buyers, specifically local buyers, generally share two very important characteristics:
- Stability in their balance sheets.
- Strong asset equity.

This is no easy feat. Farmers are, after all, in an unusually long and deep downturn that requires tough choices, some involving reduced rather than expanded acres. But good financial decisions and marketing, coupled with strong yields, have allowed a majority of our customers to break-even or make a profit in even these tough times.

Local capital and relatively low interest rates have ensured continued demand and competition for farmland. Eighty-five percent of farmland purchases are made by local buyers, according to FCSAmerica’s agricultural real estate database, which tracks an average of 4,000-plus transactions each year. The ratio of local to outside buyers hasn’t changed significantly during the current cycle, evidence of both the financial strength of farmer-buyers and stability in Iowa farmland values.

Our customers generally are financing their land purchases with one of two approaches:
- Subsidizing the purchase using collateral from other “owned” land assets. This is a cost-of-operation decision.
- Using a cash injection that ensures the new land will cash flow on its own. This a return on investment (ROI) decision.

FCSAmerica counseled using the boom of 2008 to 2012 to position our customers for opportunity in tough times. One example of this: Our sustainable lending practice, which limited borrowing to reduce the risks associated with unsustainably high land prices and to protect owner equity. We wouldn’t – and can’t – take credit for the successful operations many of our customers have built. But we do take pride in financing the land purchases that their success has made possible.
The REALTORS® Land Institute - Iowa Chapter is pleased to announce the results of our September 2018 Land Trends and Values Survey. The REALTORS® Land Institute is an affiliate of the National Association of REALTORS® and is organized for REALTORS® who specialize in farm and land sales, management, development and appraisal. Participants in the survey are specialists in farmland and are asked for their opinions about the current status of the Iowa farmland market.

Participants were asked to estimate the average value of farmland as of September 1, 2018. These estimates are for bare, unimproved land with a sale price on a cash basis. Pasture and timberland values were also requested as supplemental information.

The results of these surveys show a statewide average decrease of cropland values at -1.7% for the March 2018 to September 2018 period. Combining this decrease with the 2.9% increase reported in March 2018 indicates a statewide average increase of 1.2% from September 1, 2017 to September 1, 2018.

The nine Iowa crop reporting districts showed variability in average farmland values. The districts varied from 0.7% increase in the NE district to a 3.9% decrease in the West Central district since March 2018.

Major factors contributing to current farmland values continue to include: commodity price levels, limited amount of land on the market, tariffs and world trade agreements, and increasing interest rates. Other factors include: tight operating capital, alternative investments, cash on hand, and yields.
**Unleashing Your Social Media Strategy — Free Webinar**
October 24 | Noon CT | Jessa Friedrich, MBA, Wendy Johnson, ALC, and Drew Ary, ALC.

Social media has completely shaken up the way we market to clients and prospective clients, and this stands especially true for land real estate pros!

Are you using social media in your professional marketing mix? Are you using it to its full potential? Join us as we get together to share how to best use social media as part of an integrative marketing strategy to:

- Gain brand recognition and trust in your local market.
- Market properties through social channels to gain and close more deals.
- Build long-lasting relationships with your clients.

Pre-registration is required on the RLI website: www.rliland.com/education/register-now?id=60

**New RLI Iowa Chapter Website**

Our new RLI Iowa Chapter website is ready! This new website will be more user friendly and allows us to register for classes and renew membership online.

Check out the new website at www.RLiiowachapter.com. We are in the process of rolling over the old www.rlifarmandranch.com to the new website. Please update your saved links.

You can access the Farm and Ranch MLS on the homepage of our new website. Let Traci know if you have any issues with the new website.

**Take The 2018 RLI Land Markets Survey**

Every year, the REALTORS® Land Institute (RLI) and the National Association of REALTORS® (NAR) Research Group work together to create an unprecedented and comprehensive Land Markets Survey report for land and real estate professionals.

RLI encourages all real estate agents conducting land transactions to participate in the survey and forward it to their fellow land professionals to increase responses and ensure its accuracy in representing the actual state of the land market each year.

The results will be released and a complimentary copy sent to all participants in January 2019. For more information about this survey, contact RLI at 800-441-5263. The deadline to participate in this year's Land Markets Survey is November 16! Take the survey through this link.
Not an RLI Member? Join Today!

Benefits of Membership Include:
- Educational Opportunities
- Land Trends and Values
- Legislative Updates
- Industry Awards
- Networking Opportunities
- Land MLS

Membership Requirements:
All Iowa Chapter Members are required to be a member of:
- National REALTORS Land Institute ($445 annually)
- A local board of REALTORS: Fees vary by region

Questions? Contact:
Traci Schermerhorn
RLI Iowa Chapter Executive Director
traci@rlifarmandranch.com
515.633.7993

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Peoples Company

PrePresident-Elect:
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Thien Farm Management

Vice President:
Ryan Kay, AFM
Hertz Farm Management

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Troy Louwagie, ALC
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Traci Schermerhorn
RLI Iowa Chapter

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Northeast Regional VP:
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Farmers National Company

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Scott Henrichsen
Hertz Farm Management

Southeast Regional VP:
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Central Regional VP:
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