



Farmland Value Trend Newsletter

2020

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Specialists in the Business of Agriculture

In this issue...

Alberta Farmland Value Trend - 2020.....3

Saskatchewan Farmland Value Trend – 2020...4

Serecon News Highlights for 2020.....5

The data within this newsletter should be utilized for informational purposes only. The figures provided do not represent an appraised value of any specific property or properties. It is advised that the data contained herein should not be relied upon for any analysis outside of this newsletter. We expressly deny any liability relating to the misappropriation of the information herein. This document was published in March 2021.



Alberta Farmland Value Trend - 2020

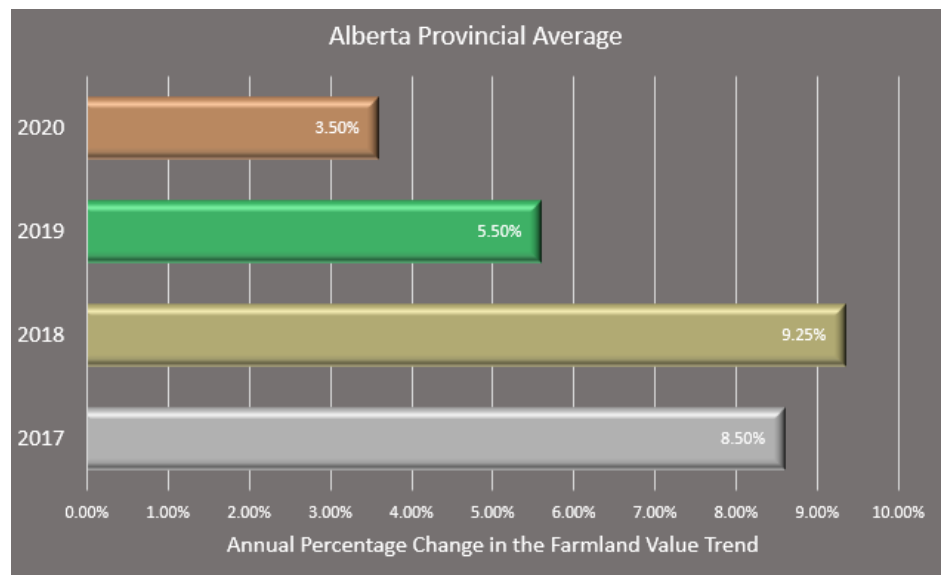
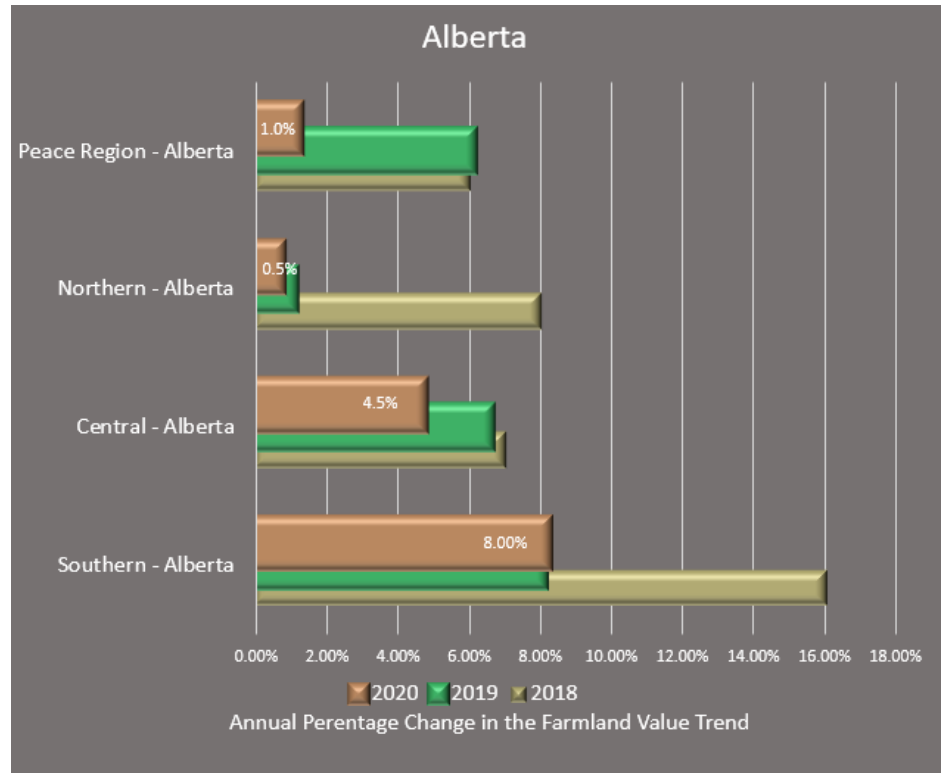
The farmland value trend in Alberta for 2020 was higher in the southern portion of the province compared to the northern portion. **As a whole, the indications across Alberta show an annual increase of approximately +3.5% on average across the province.**

The Peace Region and northern Alberta experienced very small appreciation rates overall with many areas indicating a flat or stable land value trend. Challenging weather conditions have caused problems for area farmers. Excess moisture has limited production and limited returns, if any, in many parts of the Peace Region and northern Alberta.

Southern Alberta once again experienced the largest gains in farmland values on average. The appreciation rate of 8% in that region was largely driven by the continued demand for irrigated farmland throughout numerous irrigation districts.

Farmland in central Alberta experienced a modest gain in appreciation as a whole although some areas experienced notably high gains while other areas were stable.

As a whole, the upward farmland value trend across Alberta continued in 2020 compared to 2019, but the appreciation rate fell from prior years.





Saskatchewan Farmland Value Trend - 2020

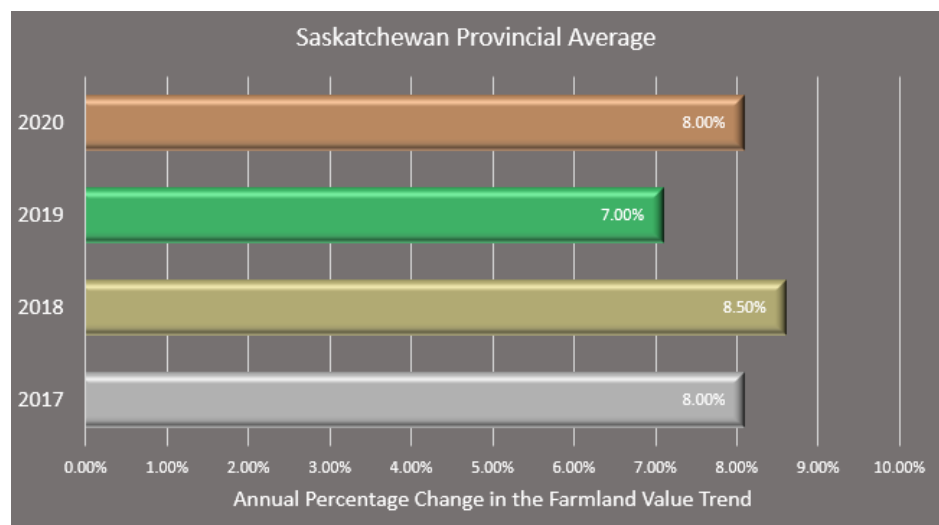
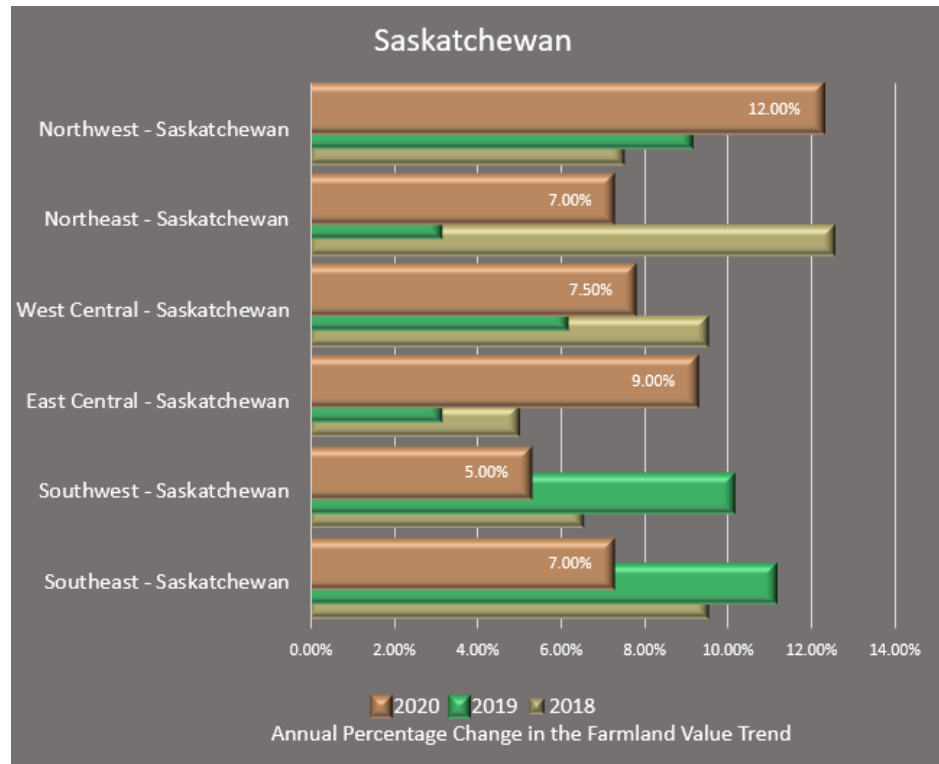
Farmland values in the Saskatchewan continued a fairly steady appreciation rate in 2020 overall compared to prior years. **As a whole, the indications across Saskatchewan show an annual increase of approximately +8% on average across the province.**

Three of the six regions of Saskatchewan experienced appreciation rates of +7% to +7.5% for 2020; these regions include the northeast, west central and southeast portions of the province.

The northwest and east central regions experienced higher gains in appreciation; with +12% and +9% gains, respectively.

The southwest region experienced the lowest gains in 2020 at 5% after a high appreciation rate in 2019.

As a whole, the farmland value trend across Saskatchewan experienced similar appreciation rates in 2020 in comparison to prior years.





Serecon News Highlights

Appraisal Coverage

Our accredited appraisers, with AACI designations, cover a lot of ground and see a lot of properties. On nearly a daily basis, at least one of our appraisers is on the road inspecting properties or assets throughout western Canada. We regularly complete appraisal projects in BC, Alberta, Saskatchewan, and Manitoba although we also periodically have projects in northern Canada, Ontario and even the United States.

In Alberta and Saskatchewan specifically, Serecon has completed more than 4 million acres of farmland and ranchland appraisals from the start of 2015 to mid-2020. The properties appraised, including buildings and improvements, have a total appraised value of more than \$11 billion.

Agricultural Equipment & Machinery Appraisals

In addition to real estate appraisals, Serecon also completes agricultural equipment and machinery appraisals for a wide variety of clients. Traditional farming assets such as tractors, combines & harvesters, seeders & carts, tillage equipment, loaders, feeding equipment, etc. are regularly appraised. Other agricultural assets such as grain handling equipment & grain bins, trucking, earth-moving equipment, irrigation equipment, etc. are also valued for many clients.

Divorce Appraisals - Farm Assets

Unfortunately, divorces happen; and when they happen with farmers or agricultural property owners, the farm assets need to be appraised to assist with the property settlement matters which may include separation, corporate restructuring, or sale of the assets. The valuations often consist of current appraisals, retrospective or historical appraisals, real estate appraisals, equipment appraisals and business appraisals.

In order to ensure a fair settlement, it is important to seek professional advice from appraisers who know agriculture and who complete full research and analysis of the given marketplace. Moreover, it is important to hire an expert who provides an objective and unbiased analysis in order to provide a fair valuation that is not beneficial to one side versus the other. Our agricultural appraisers and business valuers have completed many appraisals throughout western Canada over the years and thus have the experience and expertise to complete the divorce appraisals. Specifically, our consultants focus entirely in the agricultural industry and we track asset values on a daily basis. We are often hired jointly by both parties to the divorce, or we may work for one side or the other. In any event, our appraisers do not sway to either party but instead, our duty is to the courts which provides an equitable and impartial process to our appraisals. Lawyers will often hire Serecon on behalf of the divorcing parties, but we have also worked for individuals. Either way, our clients see the merit of our services when hundreds of thousands or millions of dollars in asset value are involved.



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Pulse Fractionation Modelling

Over the past year, our Specialists in the Business of Agriculture have conducted several in-depth analyses focused on the pulse fractionation sector in western Canada. This is an emerging sector for western Canada and Serecon is excited to be involved. In addition to developing business plans outlining the operational elements of running a fractionation facility as well as the marketing plans for moving the finished products, our team has developed a solid understanding of the expected cash flow of various sized wet and dry fractionation plants. With this knowledge our team is able to provide clients a solid idea of the expected return on investment from these operations.

Estate Appraisals

Family members, executors, lawyers, and accountants regularly seek farm and agricultural appraisals from Serecon for estate and/or probate purposes. Our seven AACI certified appraisers on staff have the experience and expertise to provide comprehensive appraisals for such clients. Given that our focus is entirely on land and rural properties, we understand and analyze the agricultural factors impacting the value of the given property to ensure that the needs of the estate are met by determining fair market value through an unbiased standpoint.

Our estate and probate appraisals regularly include both farm real estate assets and farm equipment assets. In addition, numerous dates are often involved. Thus, we have the background and knowledge to properly appraise the current and historical or retrospective market value of properties.

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