

Property Values & Livestock Farming – The Whole Story

An analysis by the Coalition to Support Iowa’s Farmers

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Part II --

Editor’s note: Do livestock farms affect the value of nearby land and residences? The answer is a provocative “yes,” but not nearly for the reasons trumpeted by those opposed to the growth of livestock farming in Iowa. That’s the conclusion of a six-month analysis conducted by the Coalition to Support Iowa’s Farmers (CSIF).

In the second of a three-part series, we explore the specific impacts of a new livestock farms on communities and neighboring property values, including a case study involving a hog farm constructed in 2007 near La Porte City. The series concludes with a review of conflicting claims made by property values studies conducted in eight states, including Iowa.

Part II – Claims unfounded

(WATERLOO, IA – Jan. 6, 2009) To what extent does a livestock farm affect neighboring property values? That was a question *Waterloo-Cedar Falls Courier* staff writer Matt Wilde wanted to answer.

In a story published May 18, 2008, Wilde examined the validity of arguments made prior to the construction of two 1,200-head hog barns near La Porte City, a town of 2,300 people located in southern Black Hawk County.

“Opponents predicted the facility would devastate the community,” Wilde wrote. “They said the stench would hurt property values, damage the environment and ruin the health and quality of life of residents.

“While not everyone agrees, 18 months after community leaders and residents condemned the project, sources now say it has had little impact on the area.”

La Porty City officials and real estate agents told Wilde that the hog barns constructed by brothers Victor and Mike Lawrinenko have had virtually no impact on property values or sales. In fact, land near the barn commanded a much higher sale price *after* the hog barns were constructed.

For example, one opponent of the livestock farm predicted prior to the farm’s construction that the value of some nearby property would plummet 88 percent. However, information provided by the Benton County Assessor’s Office found that an acreage located less than one-half mile north of the site and purchased for \$22,500 in

2006 prior to the hog farm's construction sold in April 2008 for \$55,000. The owner says the odor is negligible at best.

A larger piece of property also located near the hog farm, which includes pasture and timber, was purchased in 1990 for \$11,200. It sold in June 2007 – several months after the hog farm was constructed – for \$235,000.

Back in Hardin County, Randy Jennings of Iowa Falls has been in the realty business for nearly 30 years. He admits being surprised that property located near hog barns hasn't been devalued.

“It seems like the value of property is really determined on a case-by-case basis where the location is a one-of-a-kind situation,” he said. “I've been somewhat surprised by the acreages that have sold that have been in pretty close proximity to a confinement and they seem to sell pretty good.

“For as much livestock as we have in Hardin County, it doesn't seem to be the overriding issue,” Jennings added. “Acreages are attractive and the prices have been good. It doesn't seem to be standing out as a big issue with us. If I could be more critical I probably would be.”

In Sioux County, just like Hardin, agriculture thrives. The northwest Iowa county leads the state in ag receipts and total livestock numbers. Dairy, beef feedlots and hog barns flourish as do the bustling towns of Sioux Center and Orange City.

Realtors Ben Jans and Del Beyer have more than 50 years of combined experience in the real estate business. They say a good acre of farmland will bring more than \$8,000 and acreages disappear quickly, especially those located near hard-surfaced roads.

Neither could recall a situation when a livestock farm negatively impacted the sale of an acreage.

“People know that we're a place for agriculture and livestock,” says Jans. “Sure, you may occasionally smell some hogs or cattle, but farmers do a good job of managing the manure and getting it knifed in shortly after it's been applied to the ground.

“When all is said and done, the interest in buying property remains strong and we expect it to remain strong.”

Beyer agrees. When land and farmsteads come up for sale, they don't stay listed for very long.

“People know how important farming is to our economy and towns. Agriculture's our bread and butter,” he says. “We haven't seen any downward trend in residential property values due to livestock farming. Interest remains strong and it looks like it will remain that way.”

Coming next: Part III – Studies in eight states examining property values and livestock are inconclusive