

PULSE RESULTS

Pulse: Stability of Land as an Investment Lends Strength to Market Demand

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According to the **LANDTHINK Pulse** results, 43.3% of our audience indicated that the current strong demand for rural land is being fueled by its stability as an investment, offering financial returns over the long term. The coronavirus (COVID-19) pandemic has dramatically increased market volatility across the globe and is pushing investors to seek out the safest place to invest money. Land has a low correlation to stocks and bonds; buying land is a good way for investors to hedge their portfolio. Hard assets like timberland and farmland are a good hedge against both inflation and economic downturns and can provide a continuous cash flow from leases and timber income, as well as tax benefits.



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In the last two recessions, both outperformed the stock market. Land has historically shown appreciation in value. Combine that trend with COVID-19, historically low interest rates, tight supply and civil unrest, and it's easy to understand why land is a highly sought-after, safe haven investment option.



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Last month, the August Pulse asked: Which do you feel contributes most to the current demand for land?

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Many investment portfolios have taken a hit during the coronavirus outbreak. Stock markets around the world suffered historic losses in the first three months of the year; the S&P 500 lost 20% during the quarter, its worst since 2008. The Dow Jones Industrial Average saw its biggest quarterly drop since 1987, plunging 23%. Even as many sectors have bounced back, the crisis has changed how investors are thinking about where to park their money for a rainy day.

There are many reasons why people choose to invest in [land for sale](#). Besides being a great way to build wealth, land is tangible, appreciates in value, it is limited in supply, and demand is increasing. Not only is land a relatively safe long term investment, but it offers one special thing other forms of investment like stocks and bonds cannot- enjoyment. A vast majority of the population craves the solace of the outdoors- especially when suddenly confronted with having to distance themselves from others.

Coming in a close second, 28.3% of respondents indicated that the current surge in land market activity is due to civil unrest. The coronavirus pandemic, the angry and violent protests, and looting and vandalism has spurred a renewed focus on the most important things in life.

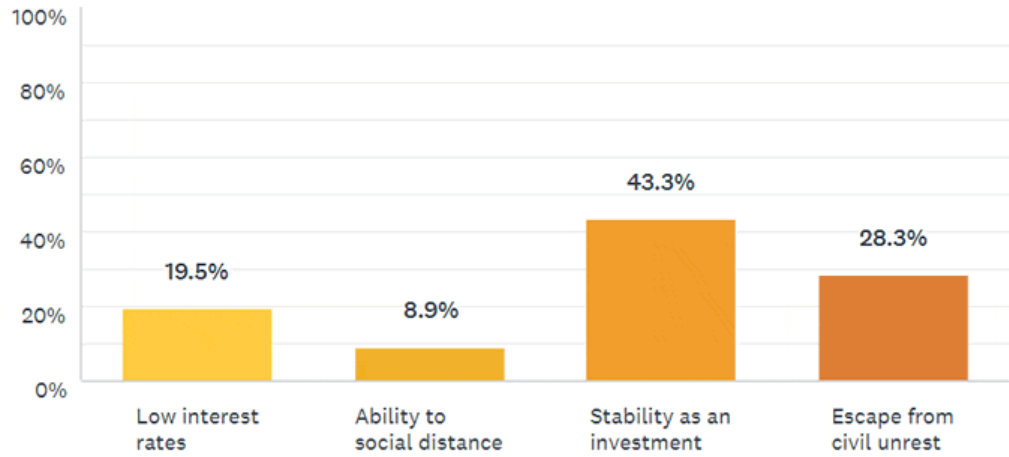
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Jonathan Goode, with Southeastern Land Group, made the case for buying rural land in order to exercise more control over the safety and security of family in [Safer on YOUR Acres](#). Owning acreage is a great way to put a buffer between you and the madness caused by pandemics, economic uncertainty and civil unrest. Having a defensible space, where you can live comfortably and self-sufficiently is a growing interest.



The LANDTHINK audience certainly had a strong opinion about what is contributing to the current demand for land. An overwhelming (43.3%) indicated that stability of land as an investment was the factor contributing most to demand, followed by 28.3% who said the active land market was due to civil unrest going on across the nation. Only 19.5% of our audience believed the high demand was due to low interest rates and only 8.9% believed the ability to social distance was the reason behind the surging land market.

LANDTHINK would like to thank [American Forest Management](#) for sponsoring the August Pulse and for choosing an interesting question to pose to our audience. American Forest Management has been helping landowners manage, sell, buy, improve, and enjoy millions of acres of land for over 50 years.

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Do you have a suggestion for next month's Pulse question? [Submit your question](#) and we might choose yours!

We want to know what you think about our September Pulse question, chosen and sponsored by [LANDFLIP](#): **If looking to buy land within the next year, how many acres would you be in the market for?** [Answer now](#).



ABOUT THE AUTHOR



LANDTHINK

LANDTHINK is part of the LANDFLIP network of sites and brings together the various components of the land industry and provides knowledge and information to land investors, owners and professionals to create a stronger land marketplace. Get land smart!
