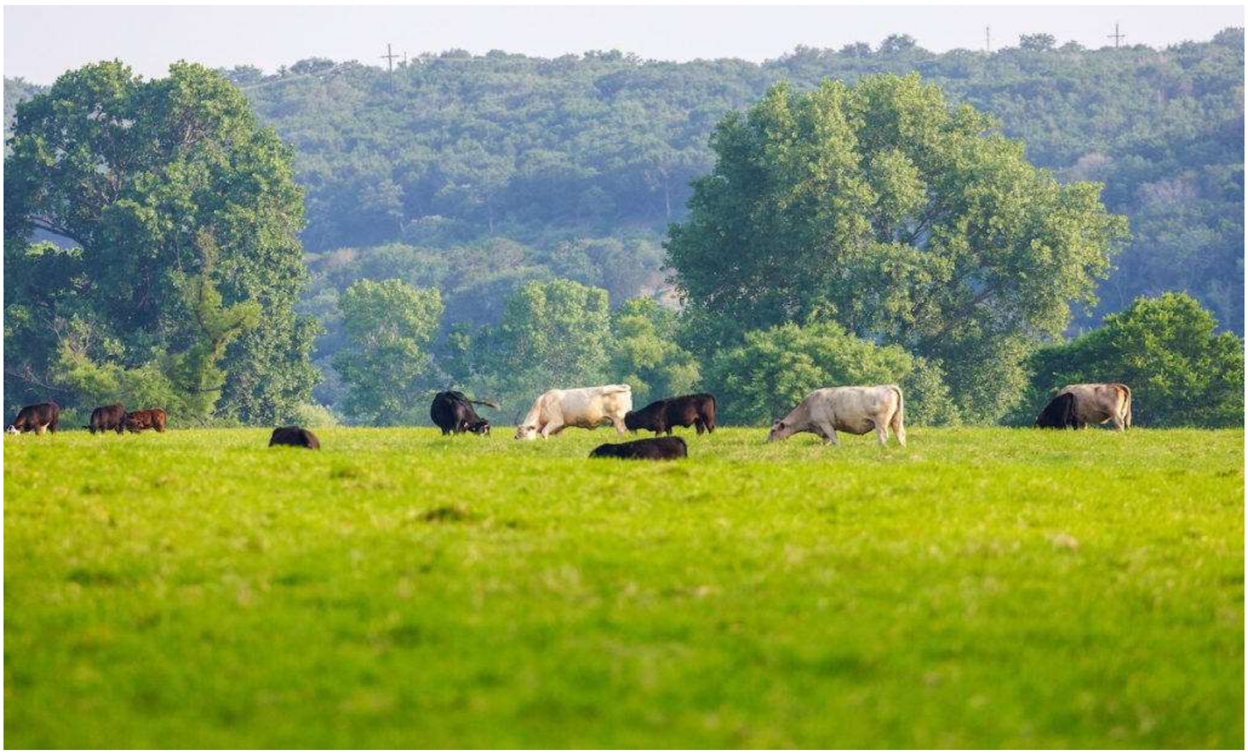
THE COMPLETE GUIDE TO

Farm & Ranch Real Estate

Everything buyers and sellers need to know about Texas land, working ranches, farms, and recreational acreage.



Working pasture in North Texas — the kind of ground that still pays its way when you get the details right.

A blog by Troy Spader, Realtor® | The Real Brokerage | North Texas | September 2026

If you have ever tried to buy or sell a house in the suburbs, you already know real estate is a lot of paperwork, a little theater, and a closing table. Farm and ranch real estate is a different animal. You are not just buying walls and a roof. You are buying dirt, water, grass, access, minerals, tax treatment, fences that may or may not sit on the survey line, and a set of rights that may have been split apart three owners ago.

I work North Texas — Denton County and the ring of counties around it — with The Real Brokerage. Homes, land, farms, ranches, and commercial. This guide is the conversation I have with clients before anyone writes an offer or plants a sign. It is written for both sides of the table: the buyer who wants to own a piece of Texas without inheriting a surprise, and the seller who wants the property to show its real value instead of sitting while the market guesses.

This is educational, not legal, tax, or lending advice. County rules, Tax Code details, water district regulations, and loan programs change. Verify everything with the county appraisal district, a land attorney, a surveyor, and a lender who actually does agricultural paper.

1. What “Farm and Ranch” Actually Means

People use the words farm, ranch, acreage, and land as if they were interchangeable. They are not. The difference matters for pricing, financing, taxes, insurance, and who shows up to look at the listing.

The main categories

- **Working ranch.** Grazing, cow-calf, stocker, or mixed livestock. Value rides on carrying capacity, water, fencing, handling facilities, and whether the grass is real or a pretty photograph from April.
- **Working farm.** Row crops, hay, orchards, vineyards, or specialty production. Soil class, irrigation, drainage, and commodity or lease income drive the number more than the house.
- **Recreational ranch or hunting tract.** Wildlife, cover, water features, blinds, food plots, and privacy. Often still carries agricultural or wildlife management valuation.
- **Ranchette / lifestyle acreage.** Typically 5–40 acres with a home. Horses, a few head of cattle, a shop, and space. Highest price per acre because you are paying for a homesite plus a little land.
- **Transitional / development land.** Still looks rural, but the buyer is underwriting future use — road frontage, utilities, city ETJ, school district, and what the county will allow.
- **Investment / income land.** Held for cash rent, hunting leases, conservation payments, or long-term appreciation. The house is optional; the income statement is not.

A 12-acre tract off a paved road near a growing North Texas town is not the same product as a 400-acre pasture operation in Montague or Wise County. Mixing those comps is how people overprice listings and overpay on purchases.

2. The 2026 Market — What Buyers and Sellers Are Walking Into

Texas rural land is not one market. Statewide, farm real estate has stayed near historic highs. USDA reported U.S. farm real estate around the mid-$4,000s per acre nationally in 2025–2026, with modest year-over-year gains. Texas statewide rural land, as tracked by the Texas Real Estate Research Center at Texas A&M, has been in the roughly $5,200-per-acre range in 2026 after years of strong appreciation, with prices plateauing more than collapsing.

North Texas is a different conversation. You are sitting next to one of the fastest-growing metros in the country. That creates a split:

- Closer-in Denton, Collin, Parker, and parts of Wise and Grayson carry a location premium. Small tracts (10–50 acres) often trade in the tens of thousands of dollars per acre, not the statewide average.
- Farther out — Cooke, Montague, parts of Wise, and similar counties — working pasture and larger tracts price closer to true agricultural and recreational values.
- Smaller tracts sell for more per acre than large ones. That is normal. You are buying a homesite, privacy, and optionality, not just grass.

- Days on market for farms and ranches are measured in months, not weekends. Statewide farm-and-ranch DOM commonly runs 200–300+ days depending on price tier. That is not a "stale listing." That is the product.
- Quality is winning. Buyers in 2026 are more disciplined. Water, legal access, clean title, and usable infrastructure beat raw acreage every time.

For sellers: the 2021–2023 "everything sells over ask" window is not the current window. Pricing to last year's peak is how listings age. For buyers: the correction, where it exists, is uneven. Denton-adjacent small acreage saw more give than some outer counties. Do not assume every tract is on sale.

3. For Buyers: Start With the Use, Not the Listing Photo

The most expensive mistake I see is falling in love with a gate and a sunset and reverse-engineering the budget later. Write the use first.

Questions that change which properties you should even tour

- Will this be a primary residence, a weekend place, a working operation, or an investment?
- Do you need agricultural income, or do you need agricultural valuation so the tax bill does not eat you?
- How many animal units can you realistically run given rainfall, forage, and your labor?
- Do you need a house on day one, or can you live with a barndominium later?
- How far is acceptable from DFW, a hospital, a feed store, and a school?
- Are you buying privacy, hunting, horses, cattle, hay, or a future split?
- Who will actually work the place — you, a manager, a lessee, or nobody?

A property that is perfect for a hunter is often a poor fit for a cow-calf operator, and a tract that pencils for a developer will rarely stay in ag use without a fight. Your use drives location, acreage, water, improvements, financing, and tax strategy.

Budget for more than the purchase price

On rural land, closing is the beginning of the spend. Build a real budget that includes:

- Purchase price and typical closing costs.
- Survey (often $1,500–$15,000+ depending on acreage and terrain; ALTA surveys cost more).
- Title work, attorney review, and possible mineral title opinion.
- Well inspection, pump test, water quality test, and septic evaluation.
- Fence repair. Poor perimeter fence on a few miles of line is a five-figure problem.
- Road and culvert work so you can actually reach the back pasture.
- Insurance: farm liability, dwelling, equipment, livestock. Standard homeowners policies often do not fit.
- Property taxes at both ag value (if you keep it) and market value (if you lose it).
- Utilities: electric line extension can be the surprise that kills a "cheap" tract.
- Operating capital: hay, fuel, equipment, a tractor that actually starts.

4. Buyer Due Diligence — The Work That Protects the Check

Residential option periods are short. Farm and ranch option periods should be longer — commonly 30 to 45 days or more — because the checklist is longer. Walk away from a seller who will not give you time to do the work.

A good entrance photographs well. Legal access, cattle guards, and recorded easements are what actually matter.

A. Title, surveys, and legal access

Order the title commitment early and read Schedule B like it is the real listing. That is where easements, mineral reservations, leases, deed restrictions, and old rights-of-way live.

- **Warranty deed vs. everything else.** You want a general warranty deed whenever you can get it. Contract-for-deed and some special instruments leave you exposed.
- **Current survey.** Do not trust the listing acreage or the fence line. Ranch fences were often built where the ground was convenient, not where the deed said. A survey finds encroachments, missing acreage, and easements that cut through your planned homesite.
- **Legal access.** Frontage on a publicly maintained road is clean. Access across a neighbor requires a recorded easement with a defined width, location, and maintenance responsibility. A handshake road is not access. Landlocked land is a legal project, not a bargain.
- **Easements.** Utilities, pipelines, electric transmission, shared driveways, cemetery access, and oilfield roads are common. Some you can live with. Some sit exactly where you wanted the house.

B. Water — the item that makes or breaks Texas land

Texas splits water into two systems. Mixing them up is how buyers overpay for a pretty creek.

Groundwater

As a general rule, groundwater in place belongs to the landowner under the rule of capture, subject to local Groundwater Conservation District (GCD) rules. Districts can require well registration, spacing, and production limits. Groundwater can also be severed, sold, or leased separately from the surface. Confirm what actually conveys.

Surface water

Water in rivers, creeks, streams, and lakes is owned by the State of Texas. Owning both banks does not mean you own the water in the middle. Diverting surface water for irrigation or commercial use generally requires a TCEQ water right. There is a limited domestic-and-livestock exception, including a stock-tank exemption for certain small on-property reservoirs (commonly discussed around the 200 acre-foot domestic/livestock threshold). Do not assume the pond you see is a permitted irrigation source.

As of mid-2026, Texas sellers on standard TREC contracts are expected to complete a standalone Seller’s Disclosure about Groundwater and Surface Water Rights (TREC Form 61-0). Read it. Then verify it.

Water due diligence checklist

- How many wells, depths, casing, pump size, last service, and is the well registered with the GCD?
- Flow test and water quality test before you rely on it.
- Any shared well agreements or wells that serve neighboring land?
- Is the property inside a GCD, and what are the current rules?
- Any TCEQ surface water permits, and do they transfer?
- Has groundwater been severed or leased?
- Ponds: spring-fed, runoff, lined, leaking, or ornamental?
- Typical well depth and cost to drill in that county if the existing well fails.

C. Mineral rights — the estate that can outrank the surface

In Texas the mineral estate can be — and often is — severed from the surface. The mineral estate is dominant. A mineral owner generally has the right to reasonable use of the surface to explore and produce. That does not mean a rig is arriving next month. It does mean you should know the facts before you close.

- What minerals does the seller own, if any?
- What will convey, and what will the seller reserve?
- Are there active oil and gas leases? Leases typically survive the sale.
- Surface use agreements, pipeline easements, tank batteries, or well sites on the ground?
- Royalty interest vs. executive rights — they are not the same thing.

On many North Texas tracts, especially smaller ones that have changed hands for decades, some or all minerals were reserved long ago. That is not automatically a deal-killer. It is a pricing and lifestyle fact. If minerals are material to you, get a mineral title opinion — not just a listing remark that says "minerals negotiable."

D. Agricultural valuation, wildlife management, and rollback risk

What Texans call the "ag exemption" is not a true exemption. It is 1-d-1 open-space appraisal under the Texas Tax Code. Qualifying land is taxed on agricultural productivity value instead of market value. The difference can cut the land portion of the tax bill by a large percentage — often the difference between a property that cash-flows and one that does not.

How qualification generally works

- The land must be devoted principally to a qualifying agricultural use (grazing, hay, crops, livestock, timber in some cases, beekeeping under specific rules, or wildlife management under its own program).
- There is typically a history test: agricultural use for five of the preceding seven years.
- The operation must meet the county's degree-of-intensity standard. That standard is local. Denton County is not Montague County. There is no single statewide minimum acreage.
- A new owner generally must file their own application (Comptroller Form 50-129) with the county appraisal district. Status does not magically transfer just because you closed.
- Deadline is typically April 30 of the tax year, with limited late-file options.

Wildlife management is a legitimate path in many counties if the land already qualifies and you implement a plan that meets Texas Parks & Wildlife and CAD requirements (habitat, census, supplemental water/food, etc.). Beekeeping can qualify smaller tracts in some counties. Hobby horses in the front pasture with no real agricultural intensity usually will not.

Rollback taxes

A sale by itself does not automatically trigger rollback. A change of use can. When land leaves qualifying agricultural use, the CAD can assess additional tax on the difference between market-value tax and productivity-value tax for prior years, plus interest as provided by the Tax Code. The lookback period and interest calculation are statutory and have been amended over time. Treat rollback exposure as a real dollar risk and confirm the current rule with the CAD and a tax professional before you plat, rezone, or stop the agricultural use.

If you are buying to build a home on part of a qualifying tract, plan the homesite and the remaining ag use carefully. Done right, a homesite does not have to blow up valuation on the rest of the land. Done wrong, it does.

E. Soil, forage, carrying capacity, and the land itself

- NRCS Web Soil Survey is free. Use it. Prime farmland, hydric soils, and shallow limestone tell different stories.
- Carrying capacity in North Texas is not West Texas and is not East Texas. Ask what the place has actually run in dry years, not what it ran after a wet spring.
- Brush load, cedar, mesquite, and improved pasture vs. native range change both work and value.

- Floodplain and floodway: pull FEMA maps. Bottomland can be great grass and a terrible place to put a barn.
- Topography and internal roads determine whether you can work the place or just look at it.

F. Infrastructure and improvements

- Perimeter and cross fencing: type, height, condition, and whether it matches the survey.
- Corrals, squeeze chute, loading chute, barns, shops, and loafing sheds — functional or decorative?
- House, guest house, and manufactured homes: age, foundation, septic, and whether they are permitted.
- Electric service size, transformer location, and any line extension needed.
- Internet and cell coverage. Rural broadband marketing copy and actual speed tests are not the same.
- Equipment that is "included": get a list. A "ranch package" that disappears before closing is a classic fight.

G. Leases, tenants, and third-party rights

Farms and ranches often close with people and contracts already on them.

- Grazing leases and crop leases — term, rate, who owns the growing crop, and who removes livestock.
- Hunting leases — exclusive or day-lease, and do they survive closing?
- Oil and gas leases and surface use agreements.
- Wind or solar options and leases. These can be valuable and also restrictive.
- NRCS or FSA conservation program contracts (CRP, EQIP, etc.) that bind the successor.
- Residential tenants in a second house.

Get copies. Do not take a verbal "they'll be off by closing."

H. Environmental and other red flags

- Old dumps, buried trash, scrap yards, and used-oil spots.
- Abandoned wells that were never plugged.
- Underground storage tanks.
- Unclear cemeteries or family burial plots.
- Flood damage, erosion, and failed dams.
- Neighbor disputes you can see from the gate — dumped carcasses, cut fences, blocked easements.

5. How Buyers Pay for Farms and Ranches

Most farm and ranch purchases do not fit a standard Fannie Mae 30-year on a suburban house. The collateral is different, the income may be agricultural, and the lender set is smaller.

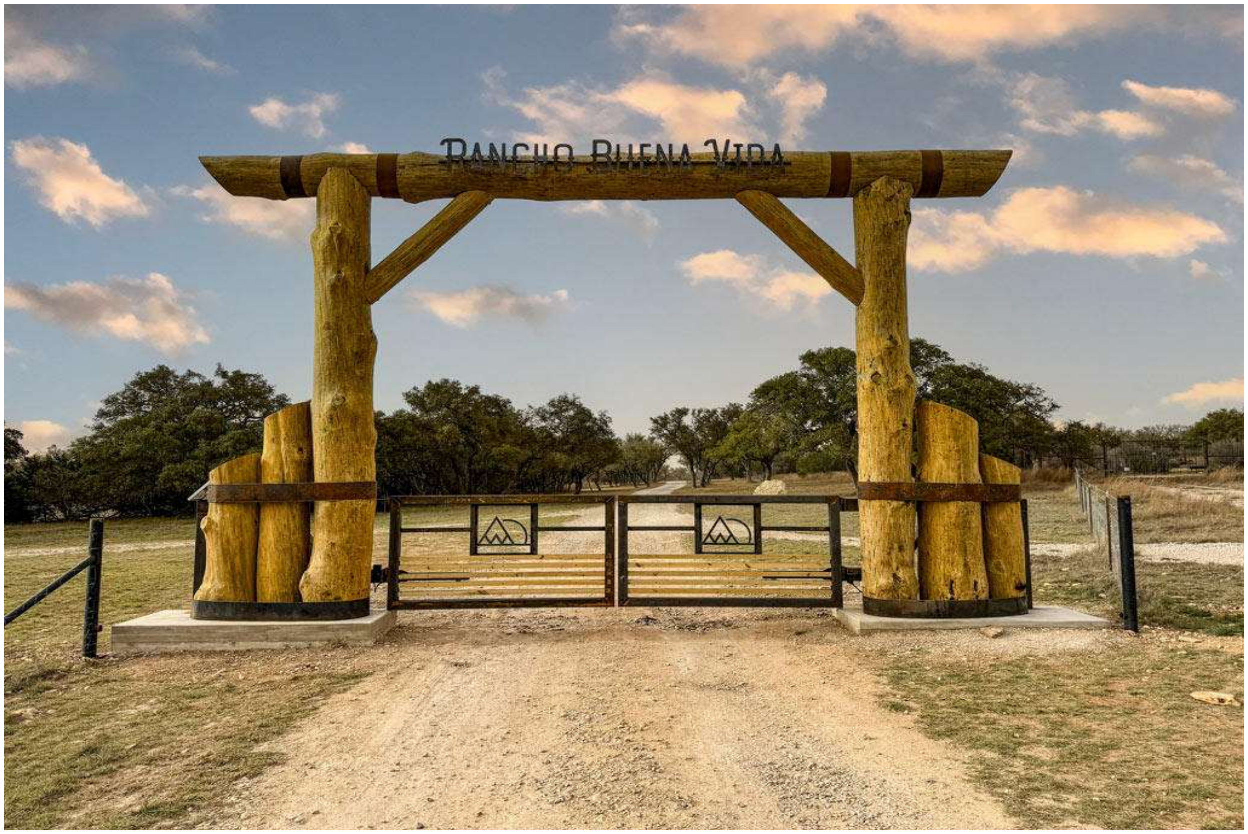
Path	Typical down	Who it fits	Watch-outs
Farm Credit / ag banks	20–30%+	Working farms and ranches	They underwrite the operation, not just the house
USDA FSA Direct FO	As low as ~5% on some programs	Beginning and family farmers	Eligibility, experience, and paperwork; loan caps apply
FSA guaranteed	Varies by lender	Larger purchases via commercial lender	Lender still has to want the deal
Texas VLB land loan	Often ~5%	Eligible Texas veterans	Program rules and property eligibility
Local / community bank	25–50%	Improved acreage they understand	Shorter terms common on raw land
Owner financing	10–30%+	Buyers who need speed or flexibility	Rate, balloon, due-on-sale, and title risk
Cash	100%	Anyone who wants leverage in negotiation	Still do the diligence; cash does not fix a dry well

FSA Farm Ownership loans can finance purchases, improvements, and related costs for qualifying farmers and ranchers, with direct loan limits and separate guaranteed limits that adjust over time. Beginning-farmer down-payment programs exist. Rates on FSA direct products are published by USDA and move; they are often more favorable than conventional land loans when you qualify. Qualifying means a real agricultural plan, not a plan to keep two goats for the tax bill.

Get pre-qualified with a land lender before you tour $2 million ranches. Sellers of good properties do not wait on a buyer who “needs to talk to the bank next week.”

6. For Sellers: How Farm and Ranch Listings Actually Sell

Residential sellers can mow, paint, and bake cookies. Ranch sellers have a longer staging list, a thinner buyer pool, and a longer clock. The properties that sell cleanly have three things: an honest price, a complete file, and a place that looks worked.



First impression starts at the gate. Buyers decide in the first five minutes whether the rest of the ranch will be cared for.

Price the property you have, not the property you remember

Sellers anchor to peak years and to what a neighbor "got." Buyers anchor to water, access, usable acres, and recent closed sales — not list prices. In 2026, North Texas land is a split market. Metro-adjacent small acreage and true working ground do not use the same comps.

A defensible list price starts with:

- Closed sales of similar size, use, and water — not just "land in the county."
- Price per acre adjusted for improvements, homes, and wasted acres (floodway, extreme slope, uncleared brush).
- Income the property actually produces: cash rent, hunting lease, cattle, hay.
- Ag valuation status and whether a buyer can keep it.
- Mineral position. Full minerals, partial minerals, and no minerals are three different listings.

Overpricing a ranch does not "leave room to negotiate." It keeps the serious buyers from getting in the truck.

Prepare the land like a product

- Repair the road frontage fence, gates, and the first half-mile of driveway. That is the showing.
- Make interior roads passable in a pickup. If buyers cannot see the back, they will not pay for the back.
- Mark corners or have the survey ready. Large tracts without visible boundaries feel abstract.
- Clean up scrap, old tires, fallen wire, and the "I'll get to it" pile by the barn.

- Service the well and have recent water information.
- Mow around the house, pens, and tanks. You cannot mow 300 acres. You can mow what the camera sees.
- Have livestock in shape if they are part of the story — or move them if they hide the property.

Build the seller file before you list

The listing that answers questions sells faster than the listing that creates them. Assemble:

- Deed, survey, and any previous title work.
- Mineral ownership summary — what you own, what is leased, what is reserved.
- Water: well logs, GCD registrations, TCEQ permits, pump tests.
- Ag or wildlife valuation records and the last few years of tax statements.
- Copies of all leases, with expiration dates.
- Soil maps, carrying capacity notes, and production history if you have them.
- List of included personal property and equipment.
- Utility account info and any line-extension history.
- Known easements, pipelines, and floodplain maps.
- TREC seller's disclosures, including the water-rights disclosure.

Where farm and ranch buyers actually look

MLS still matters because buyer agents live there. It is not enough by itself. Serious land buyers also use LandWatch, Land.com / Lands of America, Farm & Ranch specialist sites, land Facebook groups, hunting forums, and direct outreach to neighboring operators. Aerial video, a mapped plat overlay, and a simple feature sheet (acres, water, ag status, minerals, taxes, carrying capacity) outperform 40 pretty photos of the same oak tree.

Out-of-state buyers are a real part of the Texas land market. They buy with maps and Zoom tours first. If your listing cannot explain the property in writing, it will not travel.

What sellers must disclose

Texas sellers have statutory and contractual disclosure duties. On farm and ranch property that includes, among other items, known defects, water rights information on current TREC forms, and material facts you actually know. Hiding a dry well, a landlocked question, or an active lease is how deals die in option or after closing in a lawsuit. Tell the truth in writing. Price accordingly.

7. The Deal: Contracts, Option Periods, and Closing

Texas farm and ranch transactions often use specialized contracts (including farm and ranch forms) rather than a plain one-to-four residential contract, because the property includes land, possibly crops, equipment, minerals, and water. Key points to negotiate in writing:

- Exactly what real property, water rights, mineral interests, and fixtures convey.
- What personal property and equipment convey — serial numbers help.
- How existing leases are handled and who gets prepaid rent.
- Growing crops and who harvests them.
- Survey: new or existing, who pays, what objections are allowed.
- Option period long enough for well tests, survey, title, and inspections.
- Allocation of rollback risk if a use change is already planned.
- Prorations of taxes at ag value vs. market value.
- Possession: day of closing, or after livestock and equipment move.

Earnest money on land is commonly 1–3% but varies with price and leverage. Title insurance on acreage should be paired with a current survey if you want meaningful coverage. Closing a ranch without a survey to save money is how people buy the neighbor's tank.

8. Operating After Closing — What New Owners Forget

The closing packet is not the end of the homework.

- File the 1-d-1 application with the CAD if you intend to keep agricultural valuation. Calendar April 30.
- Transfer or register wells with the GCD.
- Change utility accounts and confirm the electric service is in your name before you need the pump.
- Walk the fence with the survey in hand. Fix what is yours.
- Introduce yourself to neighbors. Rural problems get solved faster when people know who owns the gate.
- Review insurance the week you close — vacant land, farm liability, and equipment are easy to underinsure.
- If you bought with a hunting or grazing tenant, honor the paper you signed.
- Start a property book: well service, soil tests, receipts, lease copies, tax records. The next buyer will ask. So will your kids.

9. Mistakes I See on Both Sides of the Table

Buyer mistakes

- Shopping by price per acre alone.
- Assuming the creek is theirs to pump.
- Skipping the survey because "the fences look right."
- Planning to "get the ag exemption later" with no history and no intensity.
- Using a residential lender on a 80-acre working tract.

- Ignoring minerals until the title commitment arrives two weeks before closing.
- Underestimating the cost of a dry or weak well.
- Buying landlocked or poorly accessed ground because it looked cheap.

Seller mistakes

- Listing at 2022 peak pricing in a 2026 market.
- No survey, no tax records, no well information, and a shrug about minerals.
- Letting the place look abandoned while asking working-ranch money.
- Refusing a reasonable option period.
- Surprising the buyer with a hunting lease that runs two more years.
- Marketing only on MLS and wondering why land buyers never called.
- Treating a 60-acre recreational tract like a suburban listing and a 600-acre ranch like a weekend open house.

10. Why Farm and Ranch Needs a Specialist, Not Just a Sign

A good residential agent can sell a house. Farm and ranch work is a different skill stack: reading a title commitment for severed water and minerals, knowing which CAD intensity standard applies, talking to a well driller, explaining carrying capacity without lying, pricing a tank and a set of pens, and finding the buyer who actually wants that exact combination.

On my side of the table, that looks like:

- Honest valuation using the right comps — by use, water, and size, not just zip code.
- A diligence calendar so option days are used, not wasted.
- The right contract language for land, equipment, leases, and minerals.
- Marketing that reaches land buyers, not just people scrolling houses.
- Coordination with surveyors, title companies that do rural work, farm lenders, and land attorneys.
- Negotiation that treats water, access, and ag status as money, because they are.

Whether you are selling a family place that has been in the brand for forty years or buying the first tract you will work yourself, the goal is the same: a clean meeting of the minds and a closing that still makes sense the following April when the tax bill and the well bill arrive.

11. A Practical Checklist You Can Take to the Property

Buyers — before you write the offer

- Written use and budget, including year-one improvements.
- Lender pre-qualification if you are not cash.

- Confirm legal access on paper.
- Ask what minerals and water rights convey.
- Ask current ag/wildlife status and years of history.
- Walk the water: wells, tanks, creeks.
- Look at flood maps and soil maps.
- Note fence condition against likely survey lines.
- Request leases, tax statements, and any survey in hand.

Sellers — before you list

- Gather the file listed in Section 6.
- Walk the place as a stranger with a camera.
- Fix the first impression: gate, road, front fence, trash.
- Price against closed sales, not hope.
- Decide what equipment and minerals you are actually selling.
- Plan for 30–45 day diligence and a longer market time than a house.

Talk to Troy

North Texas still has real working ground, honest recreational land, and ranchettes that can be both a home and a small operation. It also has overpriced fence with a view. The difference is in the details above.

If you are buying or selling a farm, ranch, or acreage in Denton County and the surrounding North Texas counties, I will tell you the truth about the property and the number. Call or text 214-233-6655 or visit troyspader.com.

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Disclaimer

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