

MORE FEATURED LISTINGS!



Farm/Rural Retreat!
57+ Ac in Essex
\$175,000
Landline #2272



Conservation Land!
97+ Ac in Caroline
\$159,900
Landline #2278



Large Building Lot!
20 Ac in Prince George
\$120,000
Landline #2289

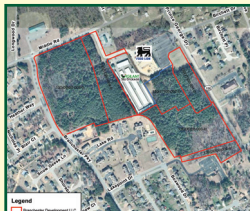


Recreational Paradise!
58+ Acres & 60 Acres
\$99,500 Each
Landline #2280 & 2281

COMMERCIAL LISTINGS!



3 Commercial Lots!
9.7 Ac in Hanover
\$2,085,000
Landline #2282



Commercial Investment!
42+ Ac in Prince George
\$853,400
Landline #3061



Commercial Site!
1.036 Ac in Hanover
\$625,000
Landline #3060



Multi-Family Potential!
19.75 Ac in Petersburg
\$595,000
Landline #3062



Williamsburg Road!
1.929 Ac in Henrico
\$325,000
Landline #3059



Retail Site on Rt. 301!
2.2+ Ac in Prince George
\$275,000
Landline #3063

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1ST QUARTER 2017 / VOLUME 16 ISSUE 1

Grant Massie Land Company *sets the standard* in providing Virginia property owners expertise in the wise use of land through Brokerage, Consulting, Appraisal, Management and Development of land and timber.

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LAND MARKET PERSPECTIVE: REALITY CHECK

By Ned Massie, ALC, CCIM

Ever since the election in November, the stock market has been in a bull market constantly setting record highs. Stock investors are making optimistic bets based upon a belief that President Trump will be successful in removing the two biggest handicaps on the American economy (1) Obamacare's disincentives for full-time employment along with its 22 plus taxes, and (2) tax reform.

Stock prices have been lifted to extremely rich levels which makes sense only if both of those goals are accomplished. The process of passing legislation can be slow and is often referred to as the equivalent of sausage making. So the stock market is probably a little ahead of itself.

If indeed both of those items are accomplished, it will take approximately 12 months from their passage for the impacts to be reflected in the economy. Perhaps it is time for a Reality Check.

Last Year's Forecast—The Land Market:

Last year we made you aware that according to our databases 2014 was the peak year of this economic cycle. We did this by calling your attention to the following items:

1. The land market activity in 2015 declined 32% from the land market activity in 2014;
2. Land values in 2015 actually increased versus land values in 2014;
3. Our database indicated that there was an 80% chance that land values would decline in 2016 and that we might enter a recession.

The 2016 Land Market:

In the fall of 2016, activity in the land market was the equivalent of a very sour stomach as many forces were combining to tip the American economy into recession. The attitude of the business community, along with those forces, changed the day after the election when it was announced that Trump had won along with a tsunami of Republicans across the country. A majority of financial analysts became exceptionally optimistic and the result is the stock market rally.

But let us look at what happened in the land market in 2016. Our databases reflect that:

1. The activity of the land market increased slightly over 2015;
2. The land value index declined to approximately the equivalent of 2014.
3. Recent economic data reflect a huge slow-down in the American economy in the 4th quarter of 2016.

EXPERTISE ★ CONSULTATION ★ RESULTS

The votes are in, "What's next?"

Rarely in my career have I seen so many of our "political elites" so clueless about the real world. They and the media are living in some alternate universe. Here is a quick summary of the forces that we think are most important in 2017:

1. **Black Swan Risk**—While the world economy is functioning, to say it is unstable is to make an understatement. Risk is still quite elevated and all that is necessary for a severe global economic crisis is one "Black Swan" event.
2. **China**—China continues to pump up its artificial economy because they have no other choice. Typical with unstable economies through history the Chinese are in the process of building up their military forces because it is another way of providing jobs and allows them the opportunity to entertain thoughts of reaching out and grabbing another country's assets such as the Japanese islands being disputed currently.
3. **Europe and Japan**—While The Fed in the United States ceased Quantitative Easing (QE) a couple of years ago, both the Bank of Japan (BOJ) and the European Central Bank (ECB) have ramped up their QE. The balance sheets of Central Banks around the world were around \$2 Trillion prior to 2008 and are now around \$12 Trillion, increasing at a rate of \$1 Trillion per year because of the BOJ and ECB. The indirect impact is that the American 10-year Treasuries (a very important benchmark in the global financial markets) is hovering around 2.5% but would undoubtedly rise significantly if the ECB and BOJ ceased their QE.

Reality Check—The Race Is On:

The REALITY CHECK is best expressed as one key question – Can President Trump and Congress revive the American economy by (1) reducing taxes and (2) replacing Obamacare's dysfunctional impact on our economy prior to a global shock which causes the wheels to come off of the world economic engine?

If Trump and Congress accomplish both of those tasks, this Administration will be seen as the beginning of an American economic revival and the re-creation of the American economic engine that pulls the global economy out of the ditch.

If Trump is blocked in his efforts by the political elite and media that are completely out of touch with reality, the resultant economic turbulence will be nothing short of catastrophic.

So what should a landowner do?

1. As my grandfather taught me – "Decide which way you would rather be wrong and act accordingly."
2. We recommend that you review your land portfolio and all of your investment portfolios so that you are hedging against the worst-case scenario.

Call us! We love helping our clients achieve their goals.

FEATURED LAND & TIMBER LISTINGS



Rappahannock River!
235+ Ac in Middlesex
\$1,750,000
Landline #2275



"Greenlands" Farm
120 Ac in Hanover
\$1,695,000
Landline #2258



Ideal Horse/Cattle Farm!
254+ Ac in Louisa
\$1,400,000
Landline #2268



Cropland/Timberland!
481+ Ac in Caroline
\$999,996
Landline #2252



Industrial Potential!
105+ Ac in Hanover
\$499,500
Landline #2284



Farm-11 Ac Pond!
132+ Ac in Prince George
\$465,500
Landline #2287



Zoned Residential!
108+ Ac in Prince George
\$440,000
Landline #2288



Beautiful Farm/Pond!
123.55 Ac in Essex
\$350,000
Landline #2274



Farm/Timber
123.8 Ac in Essex
\$350,000
Landline #2273



Townhouse Development!
7.8+ Ac in Henrico
\$299,000
Landline #2277



Mixed Use Farm!
78+ Ac in Prince George
\$286,000
Landline #2285



Conservation Land!
158+ Ac in Caroline
\$237,700
Landline #2279