Planning for a Database of New Mexico Water Rights Prices

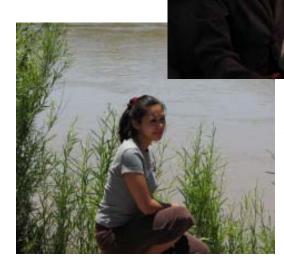**Shawn Landfair** and **Frank Ward** (advisor)

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Purpose of the Study

The transfer of water rights is an important method for stretching available water supplies to meet new demands and to support sustained population growth and economic activity in the Rio Grande Basin. Sellers are typically water right owners in irrigated agriculture. Buyers are typically cities, industrial parks, or other commercial activities. Potential sellers are unsure of what price to charge for a water right, while buyers are unsure of what price to pay. This lack of information on water right prices creates an uncertain and unpredictable market, which makes it more difficult to transfer water rights to meet growing demands. Improved understanding of the economic forces influencing water right prices will help buyers and sellers and will add vital information to support continued economic development of the region.

This project will assemble water rights market data as a basis for a possible future economic model to explain factors affecting water rights prices for the Lower Rio Grande Basin (LRG). With the success of the model for the LRG, the same process can be applied to other basins in New Mexico where similar development pressures increase demands for scarce water. Therefore, the goal of this project is to develop a water rights database that can be used to characterize the price of water rights in the Lower Rio Grande Basin. This database will contain actual verified transaction data, which can serve in the future assembly of an economic model for the basin.

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Study Underway

→ The researcher will gather market data as a basis for a potential future economic model for the Lower Rio Grande Basin.

→ The database will include data from 2003 to present and updates a previously developed database.

Benefits

→ The database and models derived from it will support a better understanding of the economic and hydrologic forces affecting the demand, supply, and price of water.