Mid-range pricing per hectare for horticulture properties

$173K – $322K

Mid-range land area for horticulture properties sold

6ha – 14ha

Total land area of horticulture properties sold

781ha

1 January 2022 – 31 December 2022

Source: Bayleys Insights & Data and CoreLogic

The horticulture property market in 60 seconds

Biggest trends

Return on crops soften activity
Whilst maturing production and sound Orchard Gate Returns (OGR) have built confidence in the market in recent years, fruit quality and pack out yields have presented challenges in the last two seasons for growers. Lower comparative OGR and cost inflation have also reduced returns.

Increasing environmental considerations
Buyers are becoming more considered in relation to environmental factors. Primary focus is on CapEx requirements, use of sprays and orchard layout to future proof climatic events such as hail, frost, and wet feet (flooding of roots).

Water (access) remains the winner
Those with long term water access are the winners. Managing expiring consents and the "use it or lose it" approach by regional councils is often critical to preserving production and value of orchard land.

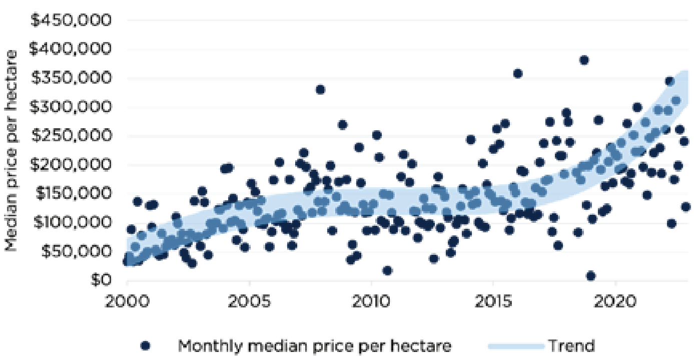
Outlook for the next 12 months

Flight to quality
Sector growth in recent years has seen orchard development of land in locations that would have traditionally been less desirable. Buyers are expected to place a greater emphasis on the quality of the development, infrastructure, and orchard location – opting for orchards that have greater resilience or ability to mitigate climatic events going forward.

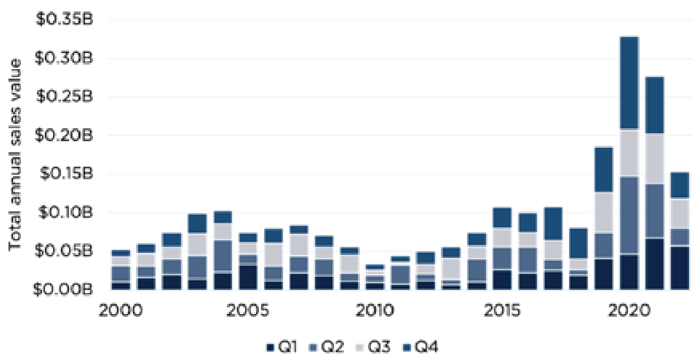
Capacity to be tested
Capacity across the whole supply chain will continue to be tested, right from access to labour, packhouse throughput capacity, chilled storage and logistics. The ability for the sector to accommodate the increase in production coming on stream (for kiwifruit specifically) will be an important factor to maintain sector confidence.

Wage pressure remains, a heads or tails
Control of labour costs are expected to remain a core area of focus in the absence of an increase in labour supply. Growth in the labour pool, such as an increase in the RSE scheme could provide some relief for growers.

Median price per hectare



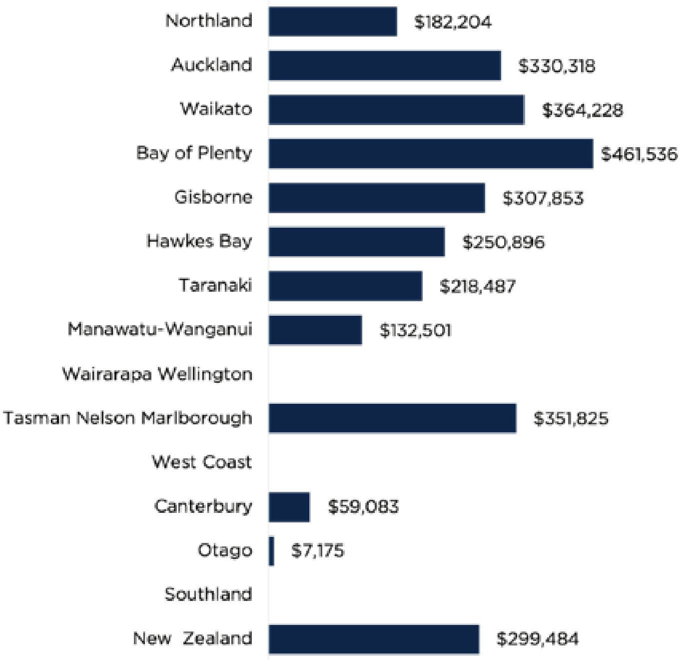
Annual value of sales



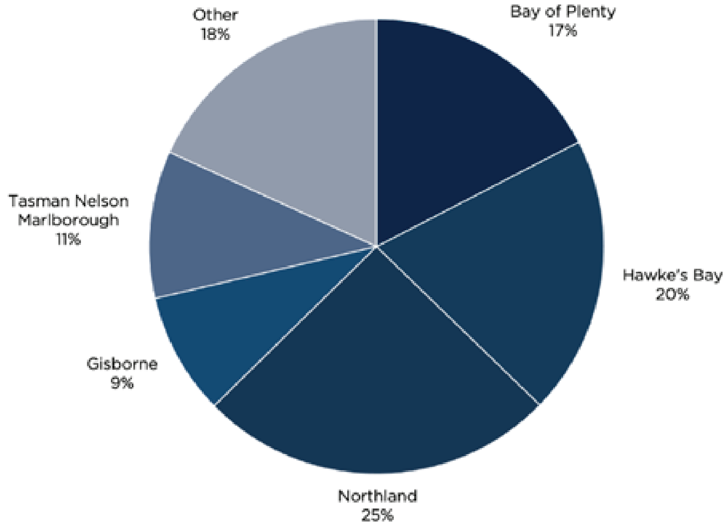
Data: CoreLogic. Horticulture excluding vineyards. "Mid-range" levels based on lower and upper quartiles (middle 50% of the market). They do not represent the minimum or maximum rates in the market, and are based on total land area inclusive of any buildings, improvements and infrastructure.

Market indicators (2023)

Average price per hectare by region



Land area sold by region



Regional market indicators

	Mid-range price per hectare		Total land area sold (hectares)	
Region	**2022**	**2023**	**2022**	**2023**
Northland	$113,934 - $223,106	$74,843 - $257,967	408	198
Auckland	$257,790 - $360,620	$330,318 - $330,318	31	5
Waikato	$272,297 - $301,657	$364,228 - $364,228	82	3
Bay of Plenty	$226,079 - $350,685	$264,243 - $343,775	316	136
Gisborne	$186,604 - $259,800	$281,951 - $347,832	191	68
Hawkes Bay	$204,821 - $301,082	$195,688 - $268,770	215	155
Taranaki	$887,805 - $887,805	$218,487 - $218,487	1	3
Manawatu-Whanganui	$107,004 - $356,874	$112,331 - $152,671	46	11
Wairarapa Wellington	$161,605 - $161,605	-	8	-
Tasman Nelson Marlborough	$91,881 - $261,195	$120,877 - $285,328	103	82
West Coast	-	-	-	-
Canterbury	$143,093 - $182,377	$59,083 - $59,083	27	11
Otago	$75,206 - $196,114	$7,175 - $7,175	101	109
Southland	-	-	-	-
New Zealand	**$140,510 - $325,434**	**$173,106 - $322,233**	**1,529**	**781**

Data: CoreLogic. Horticulture excluding vineyards. "Mid-range price" is based on lower and upper quartiles (middle 50% of the market). They do not represent the minimum or maximum rates in the market. Sales metrics for each year above are for the 12 months to 31 December.

Notable transactions

159A Kapiro Road, Kerikeri

Land area 6.93ha
Planted SG 3.2ha
Sale price $3,200,000
Contact Alan Kerr

369A Kapiro Road, Kerikeri

Land area 4.96ha
Planted SG 3.37ha
Sale price $4,100,000
Contact Alan Kerr

334 Esdaile Road, Pahoia

Land area 2.33ha
Planted G 1.76ha
Sale price $1,465,000
Contact Brent Trueman

24 Barrett Road, Whakamarama

Land area 6.27ha
Planted AVC 410 trees
Sale price $1,800,000
Contact Phil Mangos, Riki Walls

44 Armstrong Road, Te Puna

Land area 6.21ha
Planted SG 1.77ha, G 1.85ha
Sale price $4,700,000
Contact Snow Williams, Phil Mangos

202 Pukemapu Road, Oropi

Land area 4.41ha
Planted AVC 60 trees
Sale price $2,500,000
Contact Phil Mangos, Stu Cundy

300 No 2 Road, Te Puke

Land area 5.19ha
Planted SG 1.00ha, G 2.84ha
Sale price $3,360,000
Contact Snow Williams

364 Benner Road, Pukehina

Land area 2.19ha
Planted SG 1.58ha
Sale price Confidential
Contact Snow Williams, Alex Johnston

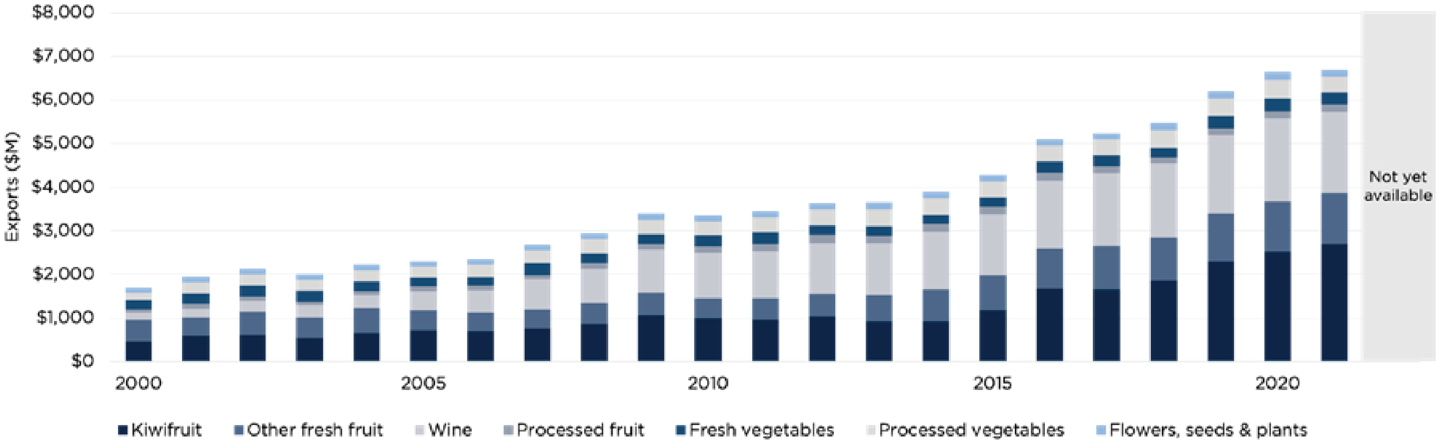
235 Hydro Road, Edgecumbe

Land area 8.00ha
Planted RR 5.87ha
Sale price $2,684,000
Contact Rhys Mischefski

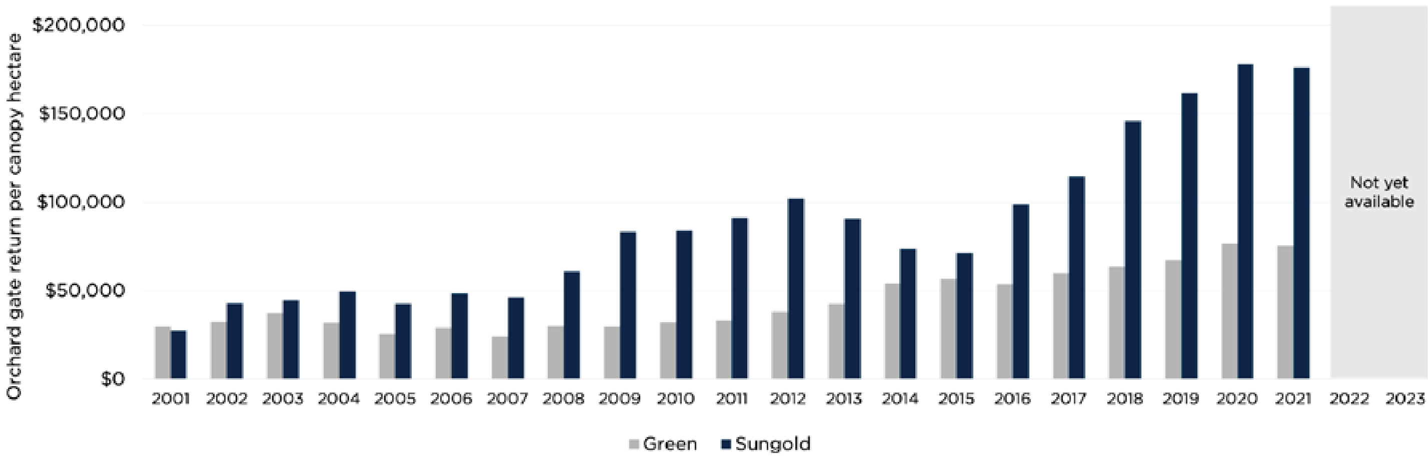
Note: SG = Zespri SunGold Kiwifruit; G = Zespri Green Kiwifruit; RR = Zespri RubyRed Kiwifruit; AVC = Avocado

Market indicators

Horticulture exports



Orchard Gate Return (OGR) per hectare for Zespri Kiwifruit



Benchmark interest rates

Data: FreshFacts, RBNZ.

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