



Typical pricing per hectare for pastoral properties

**\$13K - \$40K**

Typical land area for pastoral properties sold

**32ha - 163ha**

Total land area of pastoral properties sold

**170,140 ha**

1st April 2021 - 31st March 2022

Source: Bayleys Insights & Data and REINZ

## The pastoral property market in 60 seconds

### Biggest trends

#### Land prices continue to climb

The market has been buoyant over the past three years. Initially this was driven by low interest rates but has been further supported by recent increases in commodity prices and strong carbon market. Hill country has seen the biggest lift in value, underpinned by the carbon market.



#### Competing land use

Fattening and dairy are competing for the more productive land classes due to high commodity prices and desire to future proof operations with larger scale. The ability for pastoral operators to compete with forestry for breeding country has reduced as carbon prices increase.



#### Environmental standards add due diligence

While more acute in the dairy sector, pastoral buyers are placing increased attention towards compliance with environmental standards. Buyers are most sensitive for farms priced \$10M+. Vendors should have quality documentation available to improve saleability, particularly for higher value properties.



### Outlook for the next 12 months

#### Land price growth expected to slow

Land price growth for the lower end of the market is expected to slow given proposed changes to forestry land uses (e.g. OIO restrictions on greenfield conversions, permanent carbon sinks etc). Price growth for the better land classes is also expected to ease if returns for fattening and dairy operators come off their peak.



#### Interest rate uncertainty

With uncertainty around future interest rate changes, the cost of debt (rather than access to debt) may dampen price growth relative to recent years. Significant principal repayments across the rural sector should continue to provide adequate debt liquidity for transactions.

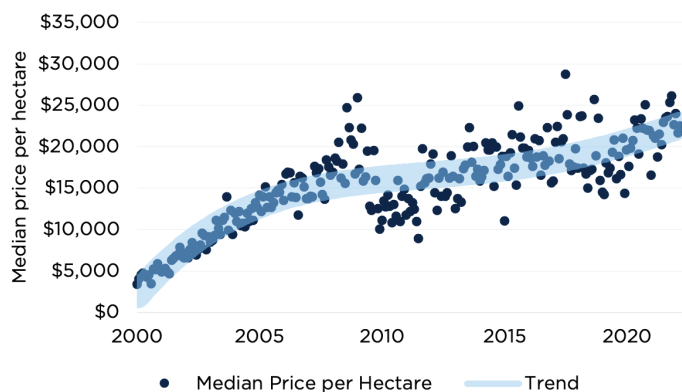


#### Increasing buyer diversity

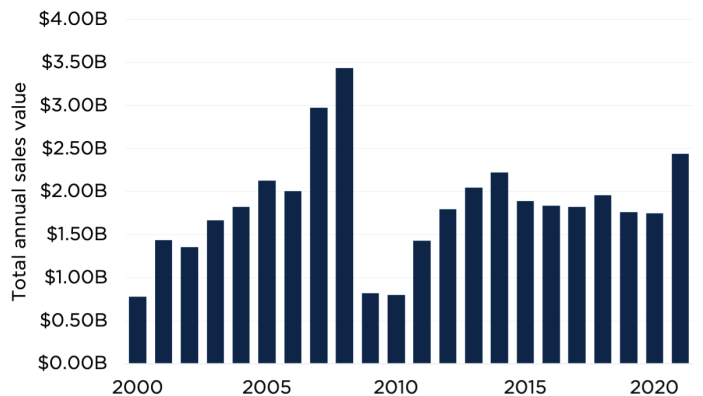
It's expected that farmers will need to compete with an increasing range of buyers including forestry, corporate entities, syndicates and recreational buyers. Buyers are also becoming more targeted in their uses of land (e.g. plant some for carbon return, retain balance for farming, etc).



### Median price per hectare



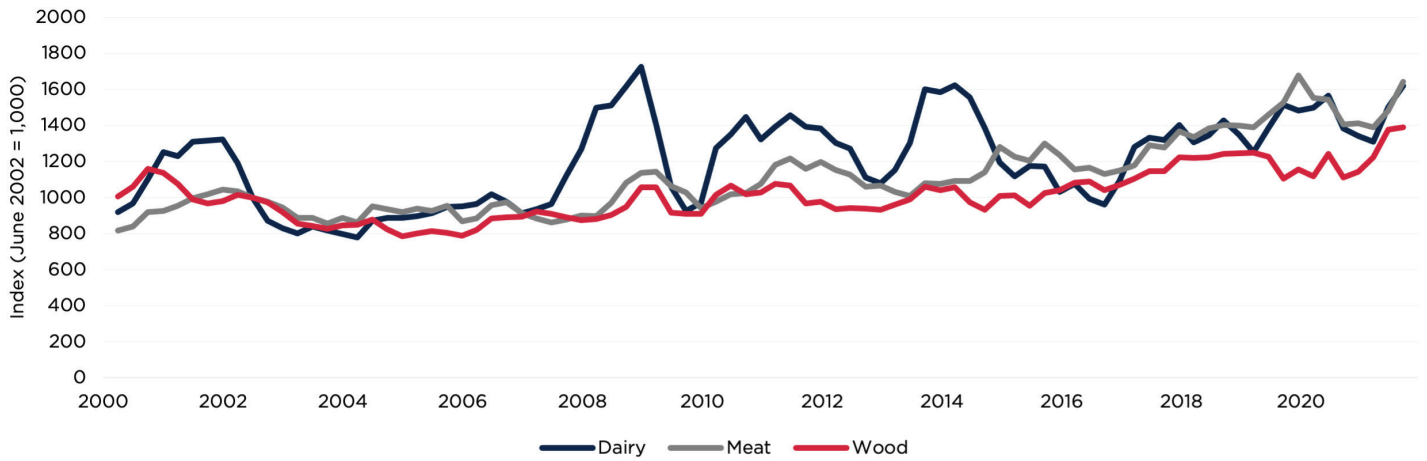
### Annual value of sales



Livestock (all categories) and dairy support. "Typical" levels based on lower and upper quartiles (middle 50% of the market). They do not represent the minimum or maximum rates in the market.

# Market indicators

## Commodity prices



Source: Stats NZ, GitHub, RBNZ

## Carbon price



## Benchmark interest rates



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