Mid-range pricing per hectare for horticulture properties

$173K – $339K

Mid-range land area for horticulture properties sold

5ha – 10ha

Total land area of horticulture properties sold

913ha

1 July 2021 – 30 June 2022

Source: Bayleys Insights & Data and REINZ

The horticulture property market in 60 seconds

Biggest trends

Returns on crops soften this season
Maturing production and sound Orchard Gate Returns (OGR) have built confidence in the market, with strong performance of G3 SunGold Kiwifruit over the 2018-2021 seasons. Fruit quality and packout yields have impacted returns this past season.

Cross sector buyers remain
Buyer interest remains from syndicates, corporates, and existing operators together with an increase in buyers from non-horticulture backgrounds. Ability to outsource operations provides a reasonably passive income stream.

Water is the winner
Without stating the obvious, 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.

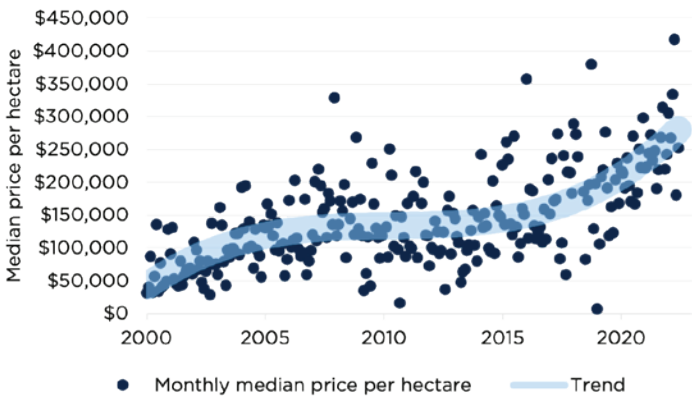
Outlook for the next 12 months

Margins squeezed
While horticulture remains one of the higher returning rural sectors, the hangover of supply chain disruptions and labour shortages experienced this past season, along with rising operating costs on-orchard, are expected to squeeze margins.

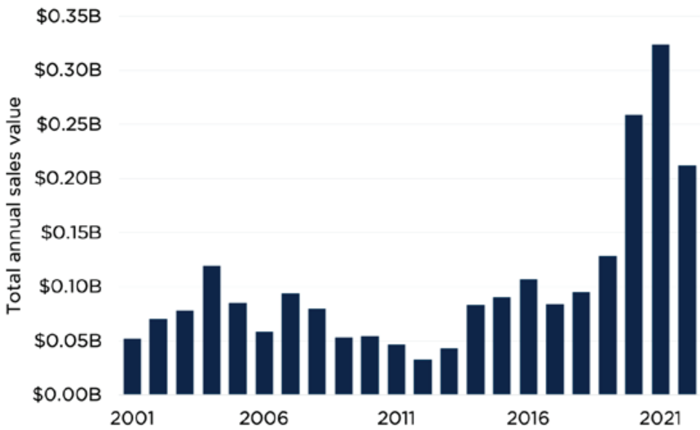
Values expected to soften after a big boost
Prices for kiwifruit orchards are expected to soften after several year-on-year gains. Sale processes are generally taking longer as buyers undertake more due diligence and time to understand seasonal conditions. Price expectations amongst buyers have softened relative to early 2022, however prices remain elevated compared to pre-pandemic levels.

Opportunity in wider horticulture
The cyclical nature of commodities has impacted avocado OGR. With the industry developing further access to the Asian marketplace this provides buying opportunity.

Median price per hectare



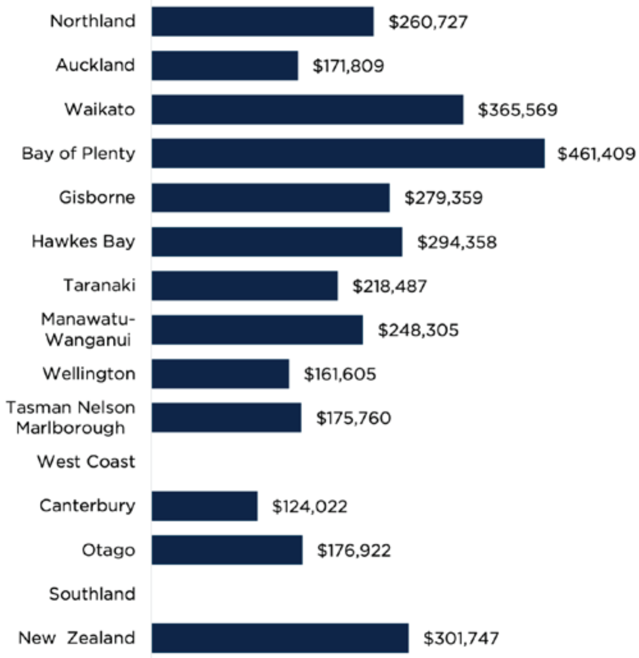
Annual value of sales



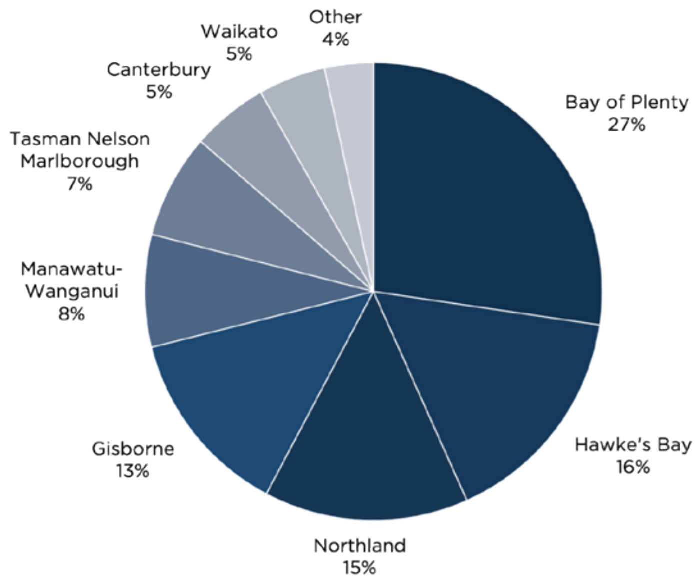
Data: CoreLogic. Horticulture excluding vineyards. “Mid-range” levels based on lower and upper quartiles (middle 50% of the market). They do not represent the minimum or maximum rates in the market, and are based on total land area inclusive of any buildings, improvements and infrastructure. Annual value of sales for each year above are for the 12 months to 30 June.

Market indicators (2022)

Average price per hectare by region



Total land area sold by region



Regional market indicators

	Mid-range price per hectare		Total land area sold	
Region	**2021**	**2022**	**2021**	**2022**
Northland	$94,640 - $271,647	$156,329 - $332,928	416	132
Auckland	$161,003 - $356,295	$171,809 - $171,809	134	7
Waikato	$292,511 - $360,806	$284,897 - $555,963	83	43
Bay of Plenty	$270,381 - $349,536	$226,892 - $371,627	304	249
Gisborne	$180,543 - $247,106	$189,570 - $367,322	265	122
Hawkes Bay	$142,105 - $296,655	$259,118 - $300,563	253	146
Taranaki	$109,336 - $200,861	$218,487 - $218,487	32	3
Manawatu-Wanganui	$100,053 - $229,067	$160,501 - $335,962	37	72
Wairarapa Wellington	$51,718 - $51,718	$161,605 - $161,605	10	8
Tasman Nelson Marlborough	$86,813 - $219,000	$94,846 - $192,505	130	67
West Coast	-	-	-	-
Canterbury	$137,217 - $176,502	$75,929 - $176,156	28	49
Otago	$158,462 - $281,252	$167,325 - $186,518	24	13
Southland	-	-	-	-
New Zealand	**$144,890 - $315,139**	**$172,700 - $339,022**	**1,716**	**913**

Data: CoreLogic. Horticulture excluding vineyards. "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. Sales metrics for each year above are for the 12 months to 30 June.

Notable transactions

Lot 1 and 3 Pukeko Lane, Kerikeri

Land area 7.14ha
Sale price $5,950,000
Price per ha $833,333
Contact Alan Kerr

446 O'Regan Road, Ngahinapouri

Land area 4.50ha
Sale price $2,500,000
Price per ha $555,556
Contact Scott Macdonald

51 Ringer Road, Matangi

Land area 8.57ha
Sale price $3,500,000
Price per ha $408,401
Contact Mike Fraser-Jones, Snow Williams

194B Allport Road, Paengaroa

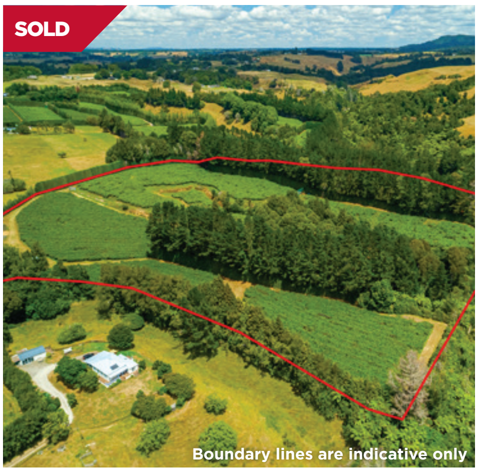
Land area 7.57ha
Sale price $10,090,000
Price per ha $1,332,893
Contact Snow Williams

345 Brown Road, Te Puke

Land area 6.49ha
Sale price $6,300,000
Price per ha $970,724
Contact Snow Williams

47 Penderel Road, Paengaroa

Land area 9.96ha
Sale price $5,900,000
Price per ha $592,369
Contact Snow Williams



792 No 2 Road, Te Puke

Land area 15.33ha
Sale price $3,775,000
Price per ha $246,249
Contact Snow Williams

84 Jensen Road, Omanawa

Land area 3.31ha
Sale price $3,150,000
Price per ha $951,662
Contact Phil Mangos

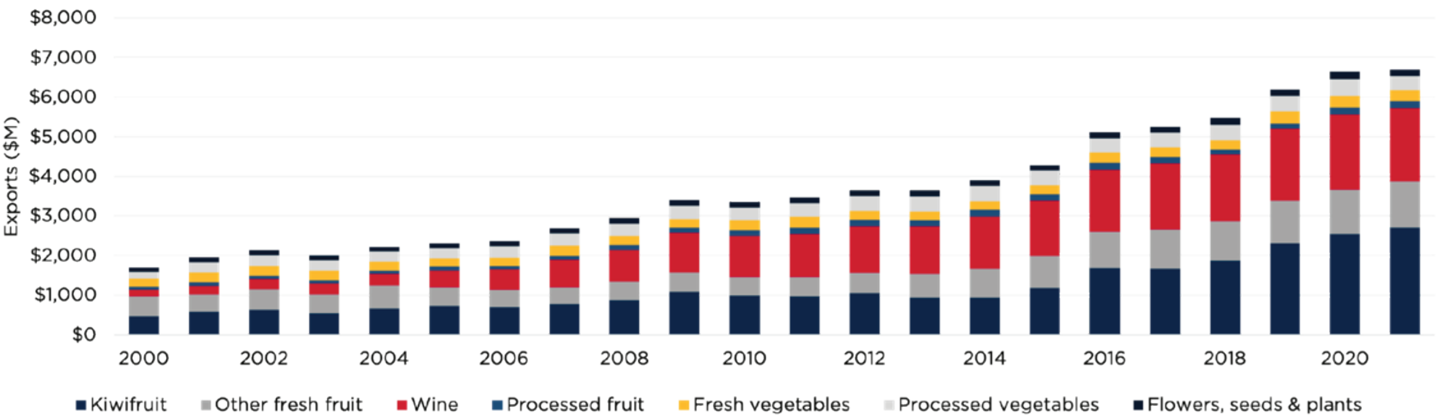
157 Riverpoint Road, Matawhero

Land area 4.34ha
Sale price $6,024,242
Price per ha $1,388,074
Contact Simon Bousfield, Jacob Geuze

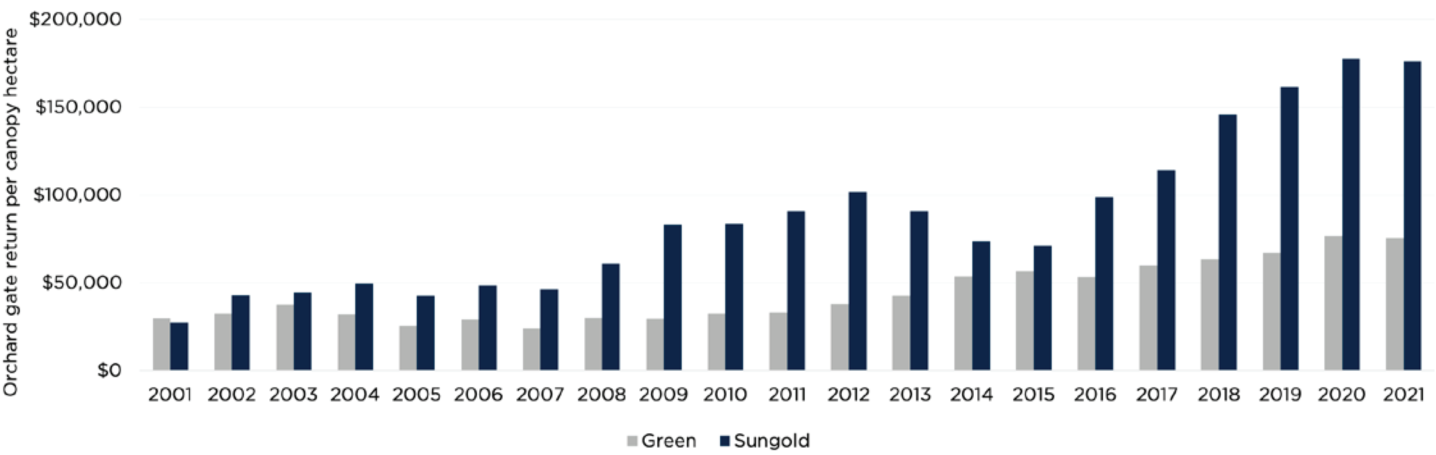
Note: "Price per CaHa" reflectes the sale price divided by Bayleys' assessment of price per Canopy Hectare (CaHa).

Market indicators

Horticulture exports



Orchard Gate Return (OGR) per hectare for Zespri Kiwifruit



Benchmark interest rates

Data: FreshFacts, RBNZ.

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