



# BAYLEYS VITICULTURE MARKET UPDATE

## Biggest trends



### Sauvignon Blanc is the main cash cow

Market remains primarily focused on securing supply of Sauvignon Blanc grapes. Given consumer demand has continued to outstrip supply, yield volume without a compromise to quality remains important for commercial production.



### Other varietals remain attractive

Vineyards producing mixed or non-Sauvignon Blanc varietals remain attractive. Being typically smaller, production is focused on quality where tonnages are kept lower in order to have improved concentration in the resulting wines.



### Organic appeals to premium wine producers

Organic producers are focused on improving wine flavour and quality through the benefits of using organic growing practices. This growing practice fits well with high end brands wanting to differentiate in the market.

## Outlook for the next 12 months



### Focus on securing supply for growth export markets

With strong growth forecast in the US market over the next five years and along with the constrained volume of land available for development in Marlborough, vineyard buyers will continue to focus on securing supply of Sauvignon Blanc. Demand expected for viticulture land in other regions where scaled development and production is available, to grow Sauvignon Blanc, Pinot Gris and Pinot Noir.



### Increased vine replacement

Many vineyards are now approaching 30 years. Where production is dropping and becoming uneconomic, redevelopment or 'refreshing the asset' with new plantings will continue to occur. Operational advantages likely to exist where vines are replaced given tighter spacings, which should drive productivity gains.



### Growth in lifestyle purchases

Continued activity amongst lifestyle purchasers expected particularly in the \$2.5M to \$5M price range. This segment of the market provides an opportunity to generate solid passive income along with an appealing lifestyle in amongst the vines.



Map of Bayleys Viticulture Sales (1 October 2021 to 30 September 2022)

## BAYLEYS VITICULTURE SALES



**\$119,250,125**  
Land value sold



**363ha**  
Land area sold



**20**  
Vineyards sold

Bayleys Viticulture Unconditional Sales (1 October 2021 to 30 September 2022)

## NEW ZEALAND VITICULTURE MARKET TRENDS

Data: Bayleys Insights & Data, REINZ, CoreLogic 1 July 2021 to 30 June 2022

**\$223m**

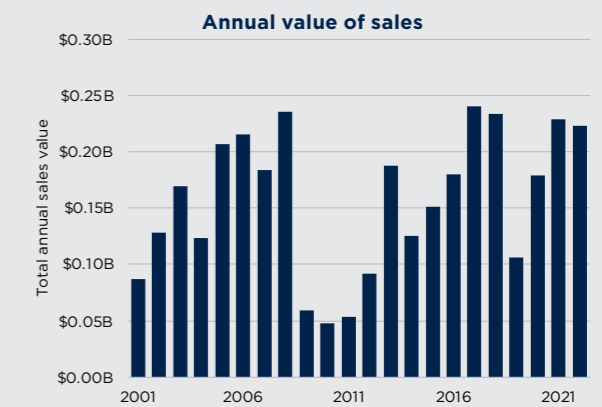
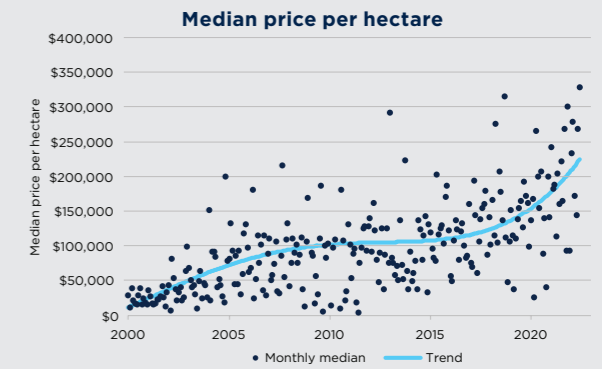
Land value sold (down 3% from \$229m)

**1,277ha**

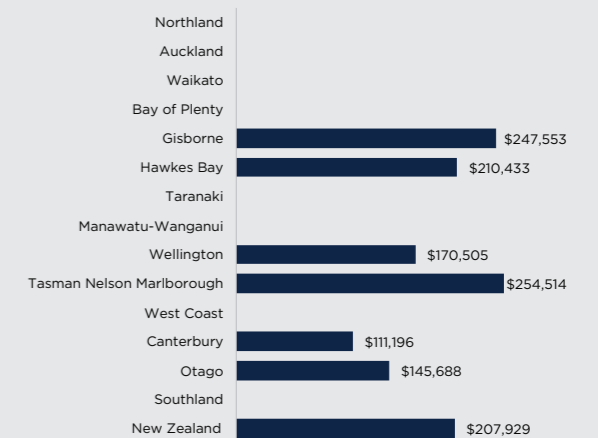
Land sold (down 66% from 3,597ha)

**63**

Vineyards sold (down 16% from 75)



## Average price per hectare by region (2022)



## Total land area sold by region (2022)

