



BAYLEYS HORTICULTURE MARKET UPDATE

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 pack-out 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.



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

BAYLEYS HORTICULTURE SALES

\$149,283,037
Land value sold

212ha
Land area sold

30
Properties sold

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

NEW ZEALAND HORTICULTURE MARKET TRENDS

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

\$212m

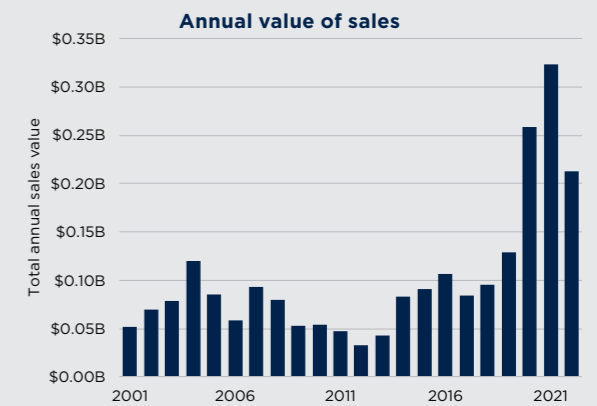
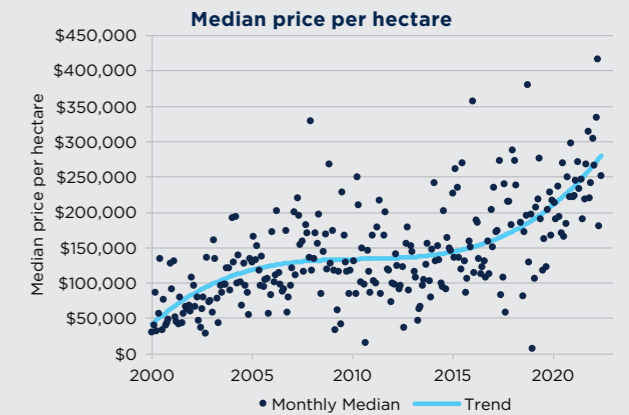
Land value (down 34% from \$323m)

913ha

Land sold (down 47% from 1,716ha)

92

Properties sold (down 41% from 157)



Average price per hectare by region (2022)

Northland	\$260,727
Auckland	\$171,809
Waikato	\$365,569
Bay of Plenty	\$461,409
Gisborne	\$279,359
Hawkes Bay	\$294,358
Taranaki	\$218,487
Manawatu-Wanganui	\$248,305
Wairarapa Wellington	\$161,605
Tasman Nelson Marlborough	\$175,760
West Coast	
Canterbury	\$124,022
Otago	\$176,922
Southland	
New Zealand	\$301,747

Total land area sold by region (2022)

