

ESCAPE

THE ORDINARY



NOT IMMUNE FROM THE QUIRKS OF THE ECONOMIC CLIMATE, THE LIFESTYLE SALES SECTOR HAS SEEN BUYERS PULL BACK AMID UNCERTAINTY, BUT GROWING OPPORTUNITIES CONTRAST AGAINST THE RISING COST OF LIVING ARE ONCE AGAIN ENCOURAGING MORE KIWIS TO ESCAPE URBAN CONFINES.

FACING SUCCESSIVE LOCKDOWNS and the threat of a global health crisis, Kiwis flocked to the country during the pandemic, finding value in the space, relative affordability and flexible regional options afforded by lifestyle blocks across the country.

Huge demand sent residents all over our regions. Still, a recent pull-back from purchasers has continued the slowing trend through much of the last 12 months, with lower listings, fewer sales, and downward tracking average values.

But new data is providing cause for cautious optimism, with anecdotal evidence from Bayleys' dedicated lifestyle sales teams reporting the impact of migration flows, descending inflation and renewed market sentiment as encouraging signs of a market revival.

AOTEAROA ATTRACTION

Sustained labour shortages have been felt acutely across the country,

leading the policymakers to implement flexible migration policies, fast-tracking a new wave of residents into life in New Zealand.

Recent data suggests the country has seen a boost of almost one percent of the population in the 12 months to February, thanks to net migration figures soaring from a loss of 20,000 just a year ago – to a net gain of 52,000 right now.

Skilled workers are needed right across the economy – from primary care and health to farm hands and construction,

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with demand particularly high in regions affected by the recent summer's adverse weather events.

Given these developments, there will likely be sweeteners to attract newcomers to smaller areas, with employment opportunities and a comparatively affordable way of life contributing to a valuable regional dispersal set to create demand for housing, goods and services.

SELF SUSTENANCE

Annual food prices have seen their most significant increase since 1989, making life difficult for Kiwi families. At the same time, we see an increase in do-it-yourself commentary.

Disrupted supply chains, growers passing on increased compliance costs and the expense of difficult weather conditions mean Kiwis are on a quest for more natural food sources, which continues to drive interest in the hobby farming sector.

Bayleys' lifestyle sales teams are fielding new enquiries for budding block owners exploring their options, including keeping livestock for milk, specialist vegetable crop planting and less common practices such as beekeeping, liquor distillation and nut harvesting.

'Townies' are fuelling New Zealand's small farming revolution. The sale or subdivision of traditional farms allows many farmers to escape the debt burden by carving up large land lots, releasing the properties to the market and increasing the proportion of small rural landholdings.

This phenomenon has enabled farmers to manage increasing costs in a more challenging economic climate while encouraging a new generation of lifestyle block ownership.

GREEN SHOOTS

The regional benefits of this movement are great, with largely middle-class purchasers playing an increasingly important role in the rural economy from one end of the country to the other.

The influx of people to rural areas encourages regional prosperity, fostering communities, revitalising small economies and contributing vibrancy to once-struggling or less-established areas.

“TOWNIES ARE FUELLING NEW ZEALAND'S SMALL FARMING REVOLUTION, WITH THE SALE OR SUBDIVISION OF TRADITIONAL FARMS INCREASING THE PROPORTION OF SMALL RURAL LANDHOLDINGS.”

Increasingly agile employment environments also continue to promote a move to rural areas, with fewer Kiwis now needing to commute to urban, built-up communities for work. This flexibility has allowed more people to pursue land-related aspirations, enjoying a home and lifestyle that appeals to a sense of value for money.

Families making a move will generally say rural pastures are a better place to bring up children, and small block owners are also more interested than ever before in green farming principles.

The increase in demand for eco-friendly and sustainable properties is seeing more lifestyle owners feel confident they are doing their bit in the fight against climate change, with recent data suggesting the carbon footprint of the average Auckland

household is circa 15 percent higher than those across the country.

Increasingly, lifestyle buyers are looking for homes with environmental features; energy efficiency, sustainable solar panels, rainwater harvesting, and composting lavatories. In addition, some are becoming more sophisticated, harnessing technology to adopt aspects of regenerative agriculture into hobby farming practices.

The concept and commercialisation of regenerative agriculture are gaining mainstream momentum domestically and worldwide, with a growing awareness of profitable, sustainable farming operations appealing to both an increasingly conscious community of landowners and consumers.

Farming practices that mimic natural systems, including the diversification of crops and grasses, which rely on raw inputs to replenish rather than deplete soil structures, are of growing interest to buyers across the lifestyle sales sector.

Adopting regenerative agricultural practices, no matter how big or small, offers lifestyle property owners a chance to future-proof their assets by investing in an area of growing importance for the rural community and consumers.