



Mid-range pricing per hectare for dairy properties

\$31K - \$52k

Mid-range land area for dairy properties sold

79ha - 187ha

Total land area of dairy properties sold

36,586ha

1 October 2021 - 30 September 2022

Source: Bayleys Insights & Data and REINZ

**The dairy property market in 60 seconds**

Biggest trends



**Strong long run milk price add confidence**

Consistency in payout and strong outlook for 2022/2023 has maintained confidence amongst buyer groups. While exposed to cost inflation on farm, sound cash yields support growth and capital investment to meet lifting environmental standards.



**Environmental standards add due diligence**

Buyers and lenders continue to require higher levels of information so they can assess the impact on individual properties given potential impact on farm production and/or capex required.



**Cream rises to the top**

As buyers become increasingly cautious about environmental standards, salability improves for farms with A grade environmental audits and/or are on track to meet long-term targets. Emphasis on the Future Maintainable Production Equation (FMPE) continues.

Outlook for the next 12 months



**Flight to quality**

Stock levels have increased through spring providing more options for buyers. Naturally, buyers will become more selective, with the quality and location of the property being primary drivers.



**Higher interest rates soften demand**

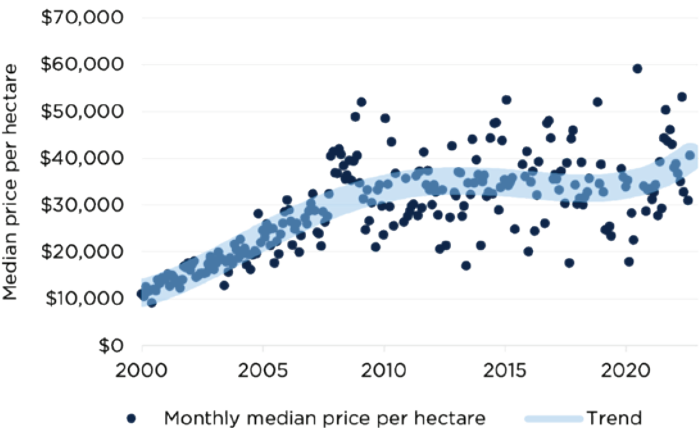
Rising interest rates are starting to add headwinds to buyer affordability. Principal repayments of debt is now a constant for many existing dairy operators and access to debt is expected to remain available for well capitalised operations.



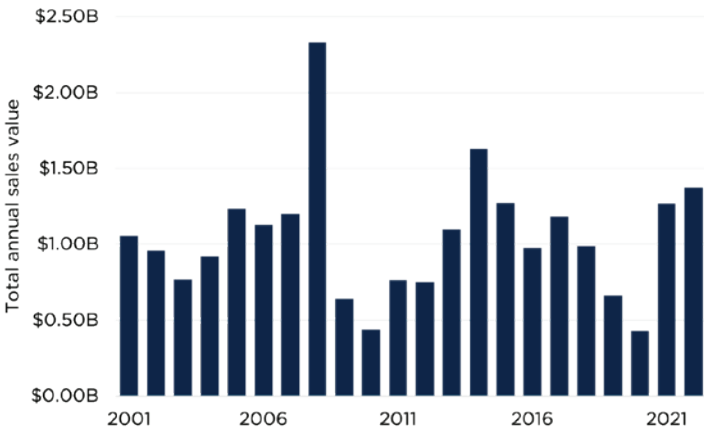
**Margins being squeezed**

Although farm-gate payout projections remain strong, the GDT has been trending downwards. Cost inflation and increases in borrowing costs are expected to continue to put pressure on margins behind the farm gate. This may slow the rate of expansion in comparison to what has occurred in the last 18 months.

Median price per hectare



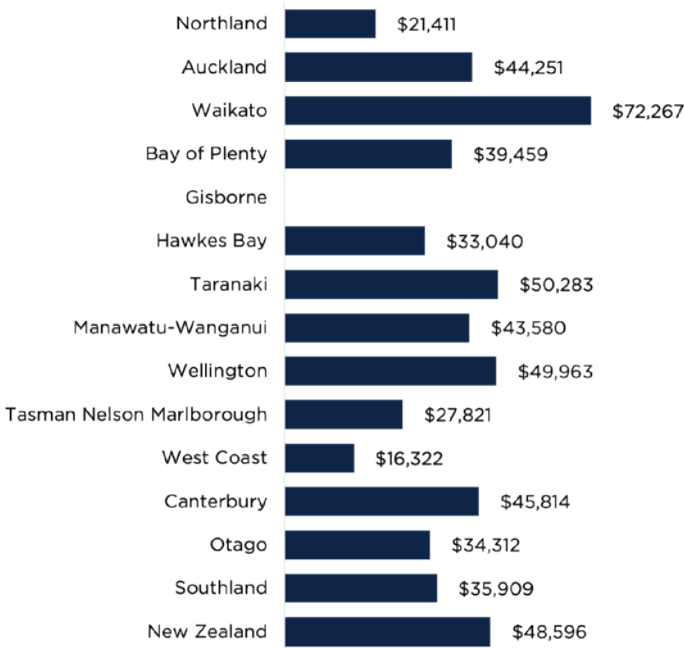
Annual value of sales



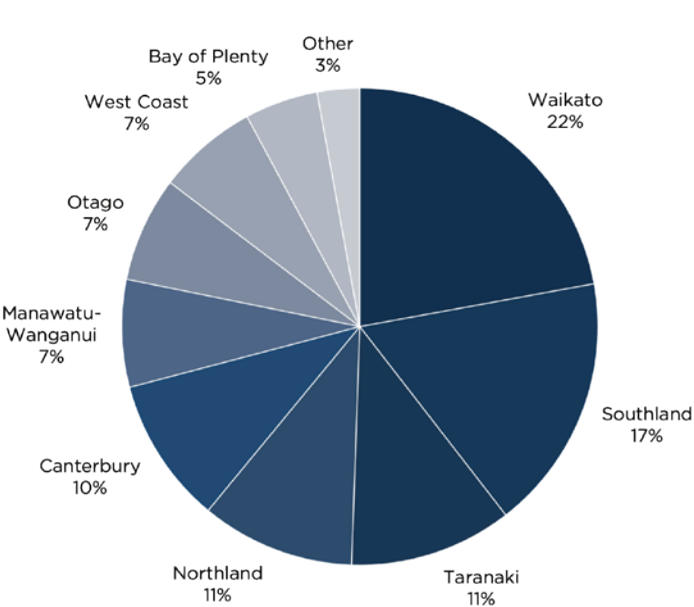
Data: REINZ. Dairy properties (excludes dairy support). Annual value of sales for each year above are for the 12 months to 30 September. "Mid-range" levels based on lower and upper quartiles (middle 50% of the market). They do not represent the minimum or maximum rates in the market, and are based on total land area inclusive of any buildings, improvements and infrastructure.

# Market indicators (2022)

Average price per hectare by region



Total land area sold by region



Regional market indicators

Region	Mid-range price per hectare		Total land area sold	
	2021	2022	2021	2022
Northland	\$13,270 - \$22,565	\$15,185 - \$25,509	3,971	3,820
Auckland	\$24,051 - \$51,472	\$44,251 - \$44,251	681	86
Waikato	\$33,710 - \$55,909	\$38,709 - \$61,629	8,779	8,094
Bay of Plenty	\$31,144 - \$42,790	\$29,448 - \$49,116	746	1,819
Gisborne			-	-
Hawkes Bay	\$20,280 - \$21,674	\$33,040 - \$33,040	800	183
Taranaki	\$33,831 - \$50,218	\$35,486 - \$59,501	1,992	4,044
Manawatu-Wanganui	\$22,910 - \$37,744	\$37,456 - \$50,100	3,334	2,666
Wairarapa Wellington	\$29,097 - \$39,162	\$49,963 - \$49,963	501	160
Tasman Nelson Marlborough	\$15,716 - \$23,882	\$22,493 - \$34,631	409	627
West Coast	\$12,685 - \$18,889	\$11,906 - \$20,112	1,301	2,495
Canterbury	\$36,701 - \$44,453	\$42,395 - \$51,342	3,389	3,625
Otago	\$24,651 - \$38,928	\$29,471 - \$42,967	1,956	2,611
Southland	\$28,060 - \$38,403	\$32,652 - \$40,543	4,982	6,357
New Zealand	\$22,680 - \$44,271	\$30,536 - \$52,431	32,840	36,586



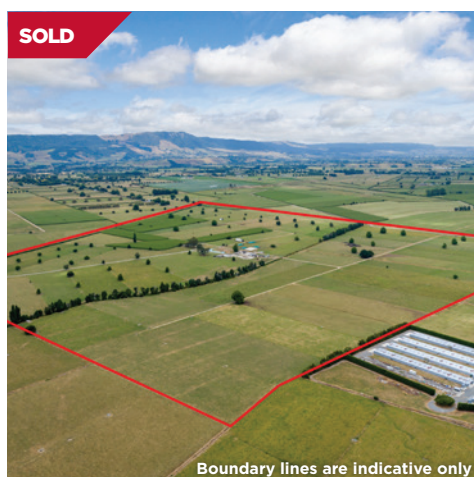


## Notable transactions



### 56 Frith Road, Mamaranui

Land area 357.74ha  
 Sale price \$6,150,000  
 Price per ha \$17,191  
 Contact Todd Skudder



### 148 Troughton Road, Waharoa

Land area 100.52ha  
 Sale price \$7,750,000  
 Price per ha \$77,099  
 Contact Sam Troughton



### 319 O'Regan Road, Ngahinapouri

Land area 141.22ha  
 Sale price \$7,500,000  
 Price per ha \$53,109  
 Contact Dave Kilbride



### 623 Wallace Road, Cambridge

Land area 127.82ha  
 Sale price \$7,670,000  
 Price per ha \$60,006  
 Contact Sharon Evans, Stuart Gudsell, Sam Troughton



### 799 Braemar Road, Rotoma

Land area 372.41ha  
 Sale price \$12,500,000  
 Price per ha \$33,565  
 Contact Rhys Mischefski



### 261 Pokuru Road, Marotiri

Land area 198.18ha  
 Sale price \$4,200,000  
 Price per ha \$21,193  
 Contact Stan Sickler



### 96-132 Goodwin Road, Okato

Land area 103.60ha  
 Sale price \$4,262,500  
 Price per ha \$41,138  
 Contact John Blundell



### 296 Gundries Road, Norsewood

Land area 96.51ha  
 Sale price \$2,320,000  
 Price per ha \$24,039  
 Contact Andy Hunter, Tony Rasmussen



### 897 Buckleys Road, Ashburton

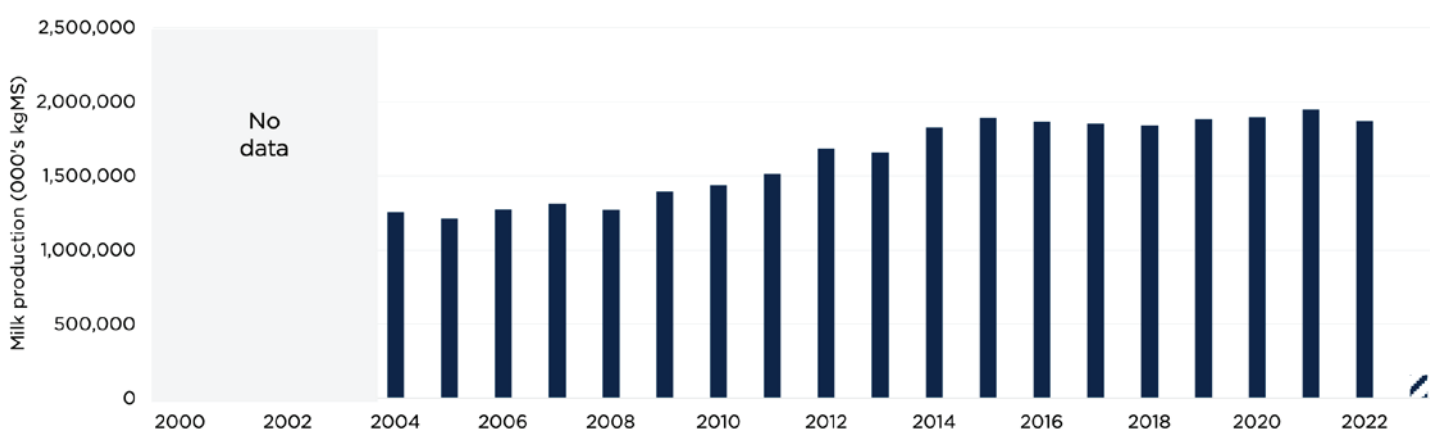
Land area 218.11ha  
 Sale price \$11,650,000  
 Price per ha \$53,413  
 Contact Jon McAuliffe

## Market indicators

### Fonterra Farmgate Milk Price



### Milk production



### Benchmark interest rates



Data: Fonterra, DCANZ, RBNZ, Farm Gate Milk Price forecast is as at 9 May 2022.

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