



Mid-range pricing per hectare for pastoral properties

**\$14K – \$40K**

Mid-range land area for pastoral properties sold

**34ha – 168ha**

Total land area of pastoral properties sold

**168,034ha**

1 October 2021 – 30 September 2022

Source: Bayleys Insights & Data and REINZ

## The pastoral property market in 60 seconds

### Biggest trends

#### Elevated land prices

Low interest rates, sound commodity prices and a strong carbon market have been the drivers to transactional activity and recent value growth. With increases to interest rates and cost inflation impacting margins on farm, investments decisions are more considered. The carbon market continues to underpin growth in hill country.

#### Competing land use

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.

#### Environmental standards add due diligence

Pastoral buyers are placing increased attention towards compliance with environmental standards. Clarity is required regarding He Waka Eke Noa to understand impact on viability of stocking rates and carrying capacities.

### Outlook for the next 12 months

#### Margins squeezed

Changes to the Overseas Investment Act requiring the benefit test to be met for bare land conversion to forestry has introduced uncertainty into the market for these transactions. In the short-term vendors will likely be confronted with a trade-off between higher value and greater risk associated with approvals, versus more modest but lower risk offers made by local buyers. An initial round of transactions is needed to get a better understanding of any approval risk and/or price premiums.

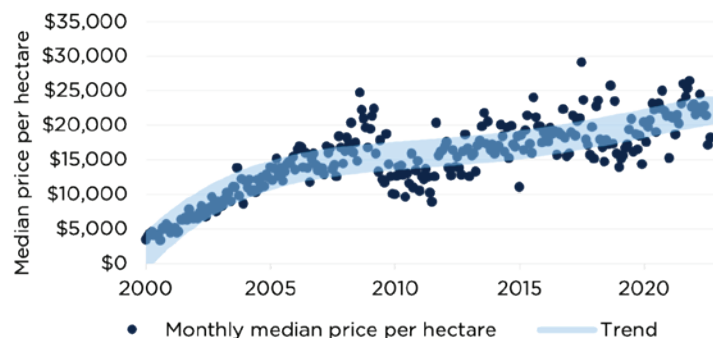
#### Values expected to soften after a big boost

Land prices at the lower end of the market are expected to stabilise should foreign investment of bare land become more restricted. Recent pressure on prices for the better land classes (fattening and dairy support) are also expected to stabilise given tightening margins behind the farm gate.

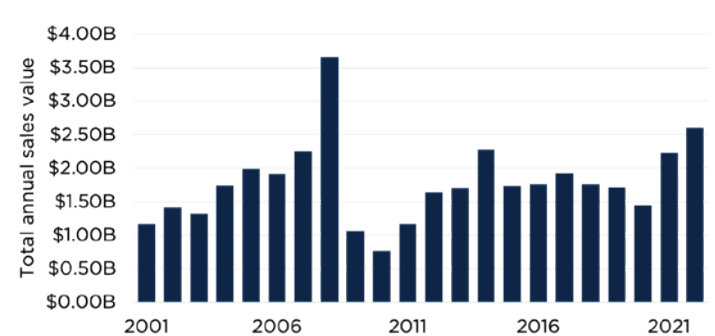
#### Opportunity in wider horticulture

With increasing cost of debt (rather than access to debt) activity is expected to soften relative to last spring. Principal repayments across the rural sector should continue to provide availability of debt to support transactions flow.

### Median price per hectare



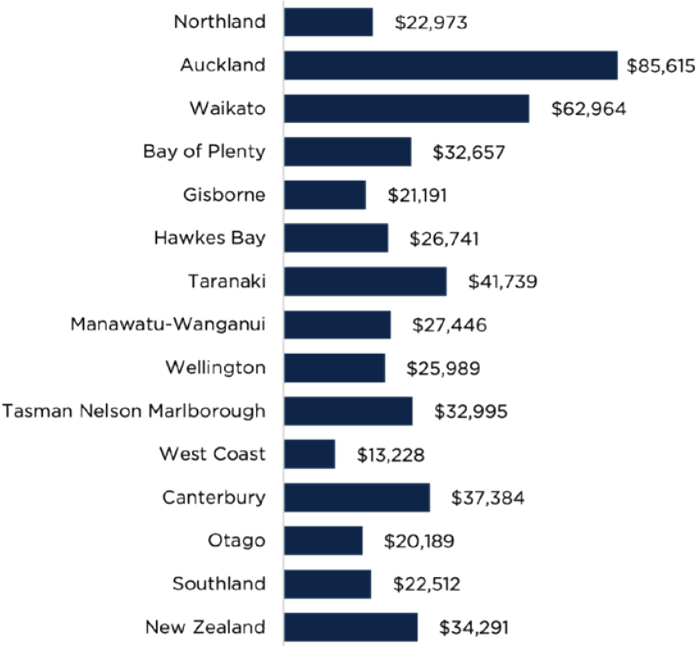
### Annual value of sales



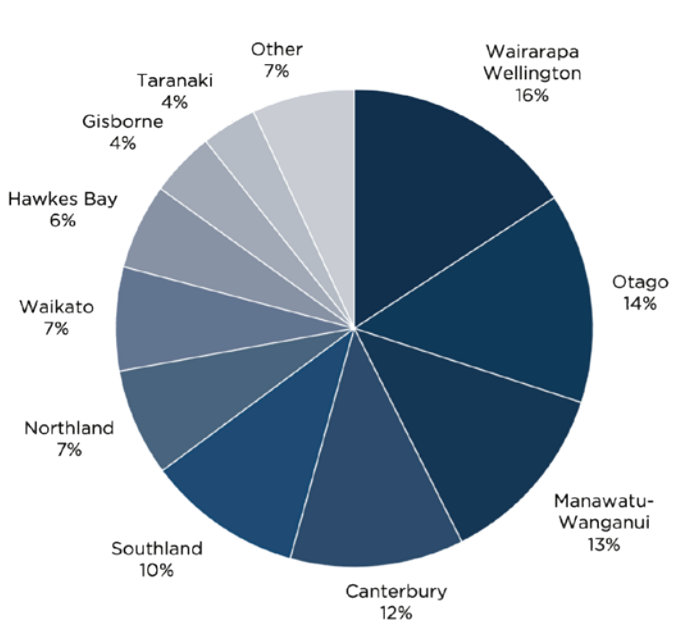
Data: REINZ. Livestock (all categories) and dairy support. Annual value of sales for each year above are for the 12 months to 30 September. "Mid-range" levels based on lower and upper quartiles (middle 50% of the market). They do not represent the minimum or maximum rates in the market, and are based 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	\$10,264 - \$27,235	\$13,233 - \$24,858	12,668	12,229
Auckland	\$22,159 - \$56,383	\$32,698 - \$80,608	3,932	2,468
Waikato	\$18,172 - \$55,953	\$23,669 - \$62,400	20,104	11,814
Bay of Plenty	\$25,210 - \$61,755	\$21,198 - \$34,229	1,940	933
Gisborne	\$10,009 - \$32,251	\$13,311 - \$17,744	2,977	7,358
Hawkes Bay	\$9,675 - \$26,877	\$14,552 - \$28,290	14,358	9,722
Taranaki	\$6,964 - \$43,739	\$15,960 - \$56,060	3,666	6,282
Manawatu-Wanganui	\$9,607 - \$33,225	\$12,389 - \$38,235	21,401	21,084
Wairarapa Wellington	\$14,535 - \$34,299	\$13,150 - \$32,708	4,963	26,536
Tasman Nelson Marlborough	\$11,559 - \$32,376	\$13,730 - \$44,712	6,816	4,549
West Coast	\$5,446 - \$15,000	\$8,185 - \$16,177	3,272	3,720
Canterbury	\$13,827 - \$36,377	\$19,258 - \$48,189	25,867	19,760
Otago	\$8,971 - \$23,591	\$10,203 - \$24,421	21,879	23,902
Southland	\$13,803 - \$29,784	\$13,319 - \$30,513	8,540	17,679
New Zealand	\$11,543 - \$37,597	\$13,962 - \$40,406	152,383	168,034

Data: REINZ. Livestock (all categories) and dairy support. "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 September.





## Notable transactions



**341 Wilton Colliers Road,  
Glen Massey**

Land area 1,405.00ha  
Sale price \$8,800,000  
Price per ha \$6,263  
Contact Russell Bovill



**1274 Poihipi Road,  
Oruanui**

Land area 800.00ha  
Sale price \$14,500,000  
Price per ha \$18,125  
Contact Stan Sickler



**2689 Pehiri Road (Ngatimita Station),  
Tahunga**

Land area 566.05ha  
Sale price \$9,800,000  
Price per ha \$17,313  
Contact Simon Bousfield,  
Stephen Thomson



**Horehore Road, Raukumara**

Land area 1,676.21ha  
Sale price \$13,000,000  
Price per ha \$7,756  
Contact Simon Bousfield



**465 Tourere Road, Flemington**

Land area 1,038.00ha  
Sale price \$15,800,000  
Price per ha \$15,222  
Contact Andy Hunter, Tony Rasmussen



**254 Wilder Road, Porangahau**

Land area 662.49ha  
Sale price \$9,420,000  
Price per ha \$14,219  
Contact Andy Hunter, Tony Rasmussen  
Andy Lee



**1300 White Rock Road, Martinborough**

Land area 1,579.90ha  
Sale price \$21,000,000  
Price per ha \$13,292  
Contact Lindsay Watts, Andrew Smith,  
Simon Clinton-Baker



**2602 Awatere Valley Road, Awatere Valley**

Land area 119.40ha  
Sale price \$1,550,000  
Price per ha \$12,982  
Contact Harrison Martin

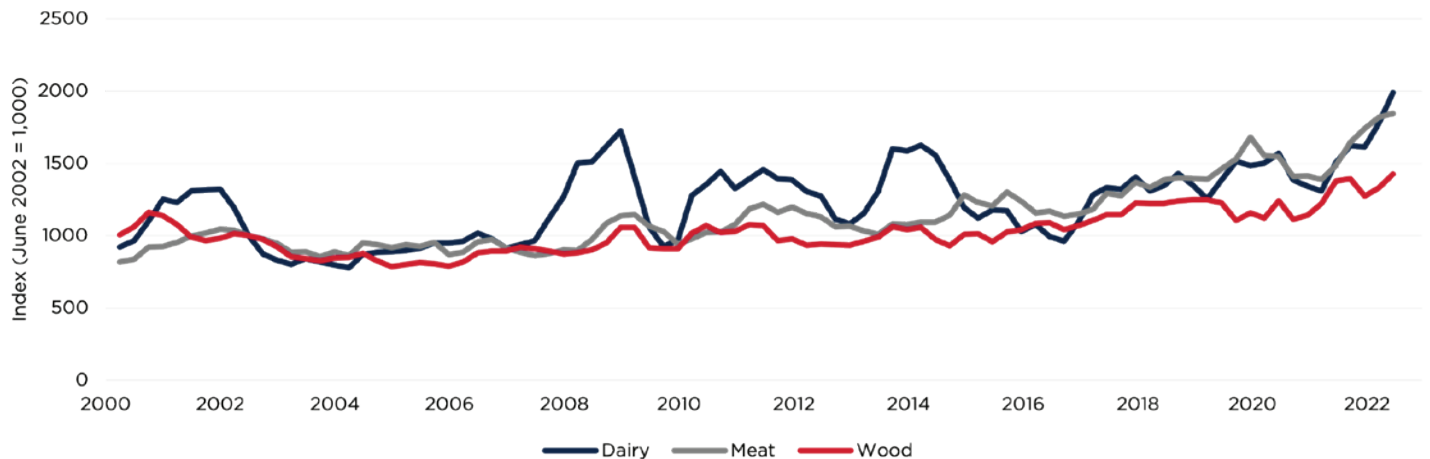


**363 Elders Road, Maungati**

Land area 555.94ha  
Sale price \$5,650,000  
Price per ha \$10,163  
Contact Hamish Lane, Georgie Murray

## Market indicators

### Commodity prices



### Carbon price



### Benchmark interest rates



Data: Stats NZ, GitHub, RBNZ.

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