



Typical pricing per hectare for horticulture properties

**\$178K - \$727K**

Typical land area for horticulture properties sold

**5ha - 13ha**

Total land area of horticulture properties sold

**2,585ha**

1st April 2021 - 31st March 2022

Source: Bayleys Insights & Data and REINZ

## The horticulture property market in 60 seconds

### Biggest trends

#### Strong return on crops



Maturing production and sound Orchard Gate Returns (OGR) have maintained confidence in the market. Strong performance of G3 SunGold Kiwifruit (together with license scarcity) has continued to drive major gains in the value of G3 SunGold blocks.

#### Growth in cross sector buyers



Buyer interest remains from syndicates, corporates, and existing operators together with an increase in buyers from non-horticulture backgrounds. There has been a growth in buyers driven by change in lifestyle, attracted by the ability to outsource operations enabling a reasonably passive income stream.

#### Two tier market



Syndicates and corporates are willing to pay for scale with focus on larger production blocks (generally above six canopy hectares). This has created a value gap relative to smaller blocks where syndicates and corporates are less active.

### Outlook for the next 12 months

#### Opportunity in wider horticulture



Suppressed OGR for avocados in recent seasons demonstrates the cyclical nature of commodities. Improved return forecast this season suggests recovery is likely. Lessons from other sectors (e.g. dairy downturn of 2015/2016) suggest excellent buying opportunity in the existing market alongside developing Asian market.

#### Restrictions on G3 SunGold Kiwifruit licensing



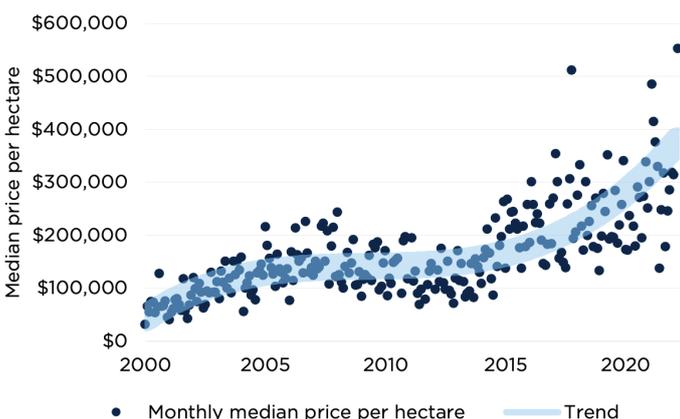
License restrictions this season (350-hectares available versus previous 700-hectares) together with restrictions on bid sizes has further driven scarcity resulting in new record auction prices for new licenses. Constrained supply of licenses will help protect OGR in the longer term.

#### Higher operational costs balanced by revenue

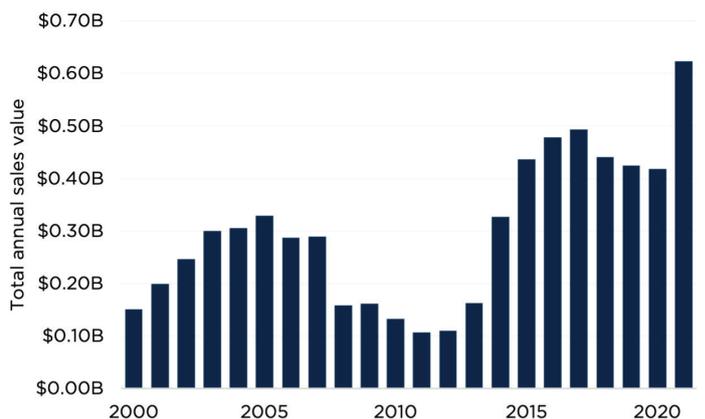


Increases in labour in recent years have been balanced by improved OGR across all kiwifruit varieties. Returns for both Hayward Green and the new Ruby Red are expected to benefit from the market access created by the G3 SunGold.

Median price per hectare



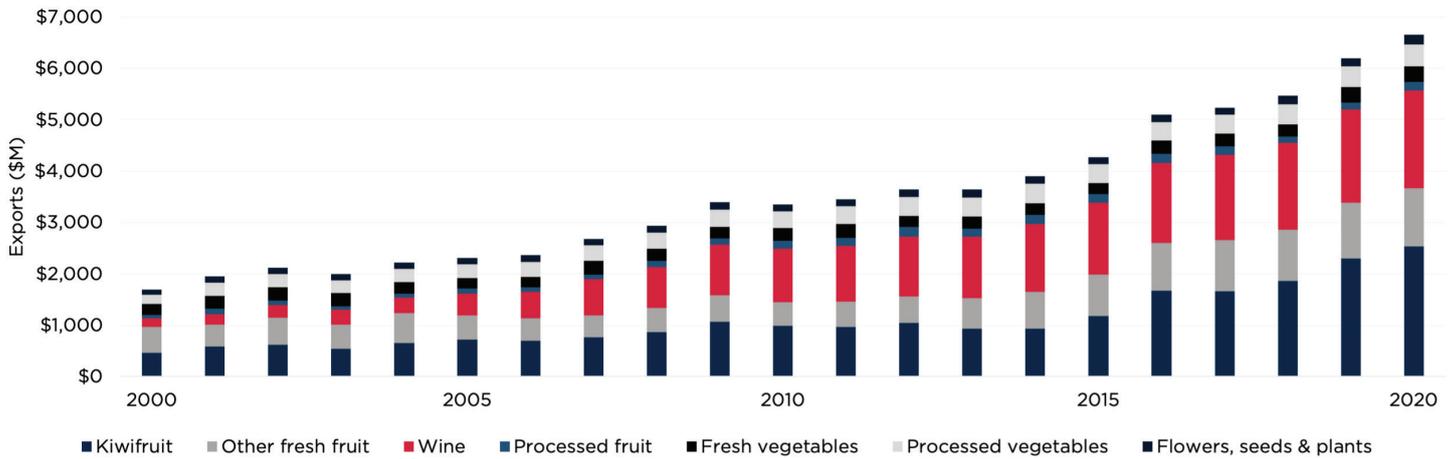
Annual value of sales



Horticulture properties. "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.

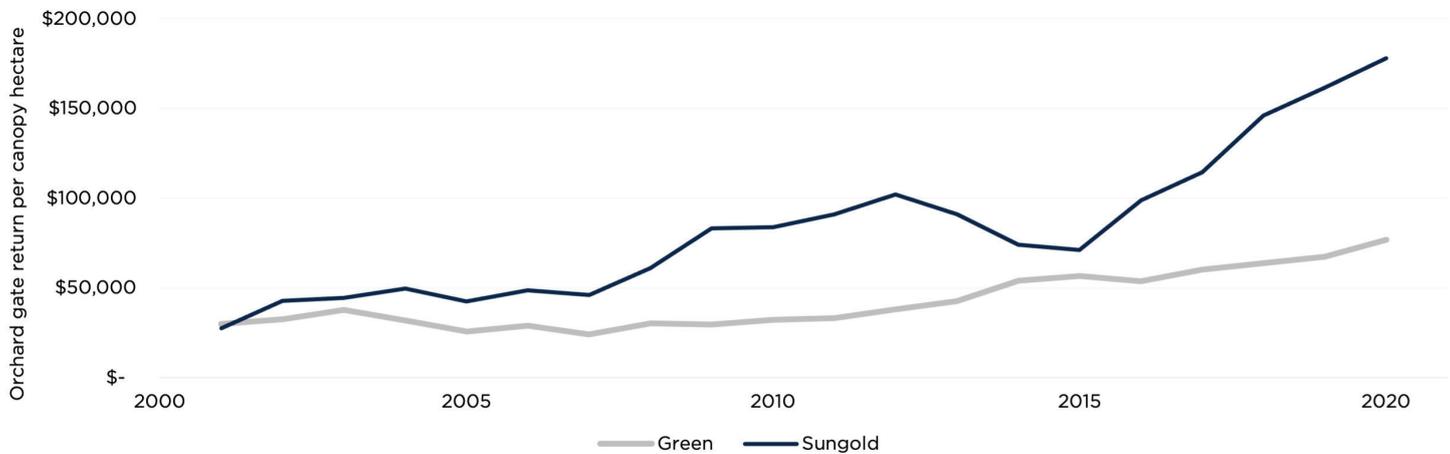
# Market indicators

## Horticulture exports

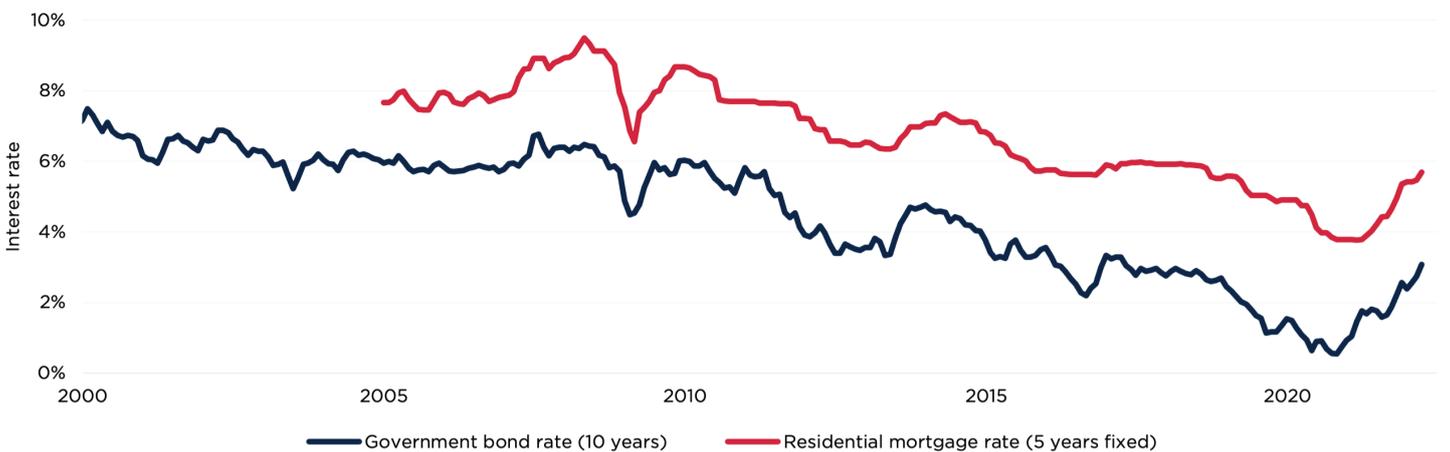


Source: FreshFacts, RBNZ

## Orchard Gate Return (OGR) per hectare for Zespri Kiwifruit



## Benchmark interest rates



### Nick Hawken

National Director Rural  
nick.hawken@bayleys.co.nz

### Chris Farhi

Head of Insights, Data & Consulting  
chris.farhi@bayleys.co.nz

### Eos Li

Analyst - Insights, Data & Consulting  
eos.li@bayleys.co.nz

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