

Northland Rural Market Report | 10 Year Comparison

Dairy





Total hectare



2052ha

Total value

2009	\$57,396,017
2017	\$106,125,500
2018	\$96,967,938
2019	\$32,452,648

Average sale price



Average sale price per hectare

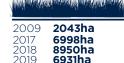


Drystock >100ha





Total hectare



Total value



Average sale price



Average sale price per hectare



\$8,408 p/ha \$7,639 p/ha \$8,361 p/ha \$7,949 p/ha

The market

Without question the overriding trend in rural real estate over 2019 has been one of increasing forecasts, increasing commodity prices and a corresponding lift in positivity. That positivity was tempered by a reduction in dairy sales and a perceived easing in the ability to access capital. At the time of writing this report (20/02/2020) we are experiencing elevated levels of enquiry for all property types. This is manifested in increased dairy contracts and unsatisfied demand for drystock operations with scale.

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Dairy

2019 has seen a reduction in the number of sales, and a reduction in the quality and size those sales. The farms sold were mostly tier-3 Northland farms with a couple of notable exceptions towards the end of 2019. Those farms on quality soils were sought after and eagerly competed for. The per hectare rate was back from the unfathomable peaks of 2010-2014 with a great deal more focus on purchase price linked to affordability and proven productivity. The Spring of 2019 saw more buyers enter the market, a number of which have been quick to go to contract over the summer of 2019/2020.

Drystock

Without question, this class of country is in demand. An aging Northland ownership seems reluctant to forgo steady and high commodity prices, despite a lack of succession plans our farmers are not going to turn their back on high farm gate returns. Land values have remained consistent with forestry impacting the marginal and hill country beef farms. Some capital requirements have impacted on the availability of the younger first time beef farm purchaser. More buyers would be attracted to 300–500ha beef farm now than at any time in the past 10 years.

Horticulture

All aspects of the horticulture industry are undergoing something of a resurgence, compared with 2009, the North has experienced a 149% increase in sale numbers. In 2009 the North recorded 1 sale in excess of \$1 Million dollars, in 2019 we recorded 11 sales considerably over \$3Million. Anecdotally, we are finding that well marketed and appropriately priced properties are selling well, with competition between buyers causing significant upward pressure on sale values.

The heat has come out of the green field Kiwifruit market with the required compliance and a lack of licenses available. Avocado, vegetables and alternate crops such as hemp and berries remain in vogue.

Buyers are fully engaging but ensuring that particular due diligence is performed around the areas of water supply and future viability.

^{*} Source: REINZ - Year on Year. Area: All Northland.



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11,500

sales and leasing transactions completed

1,00+
sales and leasing agents

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1,900+

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106 salespeopl

1,257

sales and leasing transactions

\$1.71 billion