

Northland Rural Market Report | 10 Year Comparison

Dairy

Number of sales



2009	23
2017	37
2018	40
2019	16

Total hectare



2009	3007ha
2017	5525ha
2018	5228ha
2019	2052ha

Total value



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

Average sale price



2009	\$2,495,478
2017	\$2,868,776
2018	\$2,424,198
2019	\$2,028,290

Average sale price per hectare



2009	\$19,087 p/ha
2017	\$19,208 p/ha
2018	\$18,547 p/ha
2019	\$15,815 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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MACKYS REAL ESTATE LTD, BAYLEYS,
LICENSED UNDER THE REA ACT 2008

Drystock >100ha

Number of sales



2009	11
2017	33
2018	31
2019	33

Total hectare



2009	2043ha
2017	6998ha
2018	8950ha
2019	6931ha

Total value



2009	\$17,179,500
2017	\$53,458,846
2018	\$74,838,000
2019	\$55,098,205

Average sale price



2009	\$1,561,773
2017	\$1,619,965
2018	\$2,414,129
2019	\$1,669,643

Average sale price per hectare



2009	\$8,408 p/ha
2017	\$7,639 p/ha
2018	\$8,361 p/ha
2019	\$7,949 p/ha

* Source: REINZ – Year on Year. Area: All Northland.

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.

**BAYLEYS**

BAYLEYS NORTHLAND COUNTRY

KNOWLEDGE. SERVICE. COMMUNICATION

- Eight dedicated, focussed and full-time rural agents in all Northland markets
- Part of a Nationwide group of 115 rural professionals ensuring access to the #1 Rural Real Estate brand
- A sales team directly supervised and led by the General Manager of Bayleys Northland
- We offer all Vendors a comprehensive marketing campaign designed to maximise our vendors sale price
- We benefit our Vendor by providing comprehensive Vendor Reports
- A proven ability in horticulture, dairy, drystock, lifestyle and all aspects of Corporate Recovery
- Unashamedly we are Vendors agents!

ALTOGETHER BETTER

Bayleys is proud to be New Zealand's largest full service real estate agency.

With a presence in all major cities, provincial towns and regions, we have an unmatched buying power with key media, and a vast referral network – both of which help to optimise sales opportunities for our clients.

The Bayleys Group

\$11.7 billion
of property sold or leased

11,500
sales and leasing transactions completed

1,000+
sales and leasing agents

\$4 billion
property under management

1,900+
employees

90
offices throughout New Zealand and the Pacific Islands

Bayleys Country

#1
rural real estate brand in New Zealand

106
salespeople

1,257
sales and leasing transactions

\$1.71 billion
of property sold or leased

*For the period 1st April 2018 - 31st March 2019