Data released today by the Real Estate Institute of NZ ("REINZ") shows there were 78 fewer farm sales (-16.1%) for the three months ended April 2016 than for the three months ended April 2015. Overall, there were 407 farm sales in the three months ended April 2016, compared to 383 farm sales for the three months ended March 2016 (+6.2%), and 485 farm sales for the three months ended April 2015. 1,730 farms were sold in the year to April 2016, 3.8% fewer than were sold in the year to April 2015, with 22% fewer dairy farms sold over the same period.

The median price per hectare for all farms sold in the three months to April 2016 was $30,000 compared to $28,668 recorded for three months ended April 2015 (+4.6%). The median price per hectare rose 10.3% compared to March.

The REINZ All Farm Price Index rose 0.7% in the three months to April compared to the three months to March. Compared to April 2015 the REINZ All Farm Price Index rose 0.6%. The REINZ All Farm Price Index adjusts for differences in farm size, location and farming type, unlike the median price per hectare, which does not adjust for these factors.

Three regions recorded increases in sales volume for the three months ended April 2016 compared to the three months ended April 2015. Bay of Plenty recorded the largest increase in sales (+4 sales), followed by Canterbury (+2 sales) and Northland (+2 sales). Compared to the three months ended March 2016, eight regions recorded an increase in sales.

“As autumn colours signal the winding down of the growing season, so are sales volumes easing as the market heads toward the dormant months of winter,” says REINZ Rural Spokesman Brian Peacocke. “Strong prices for the reduced number of quality farms on offer during April indicates an underlying level of confidence, albeit tinged with a degree of caution, this being a consistent trait throughout the country.”

“Bright spots in the rural sector during the autumn include record demand and prices for weaner beef cattle, a substantial increase in the contract price for organic milk from Fonterra for those few
farmers fortunate enough to have persisted with organic supply, and widespread demand for land suitable for growing manuka for future production of honey.”

Highlights include:

- Good activity in Northland on dry stock properties, with solid enquiry from Auckland lifestyle vendors for small to medium beef units; moderate enquiry for dairy farms in anticipation of the spring market, and a strong focus on marginal land from apiarists;

- A reduction in listings in the Waikato but very strong prices paid for quality dairy units in the eastern sector, particular for properties with Tatua supply contracts; steady activity on finishing and grazing farms;

- A continuing strong market for horticultural properties in the Bay of Plenty; steady sales of grazing units;

- Good enquiry for dry stock farms in the Rotorua/Taupo region but limited stock available; solid enquiry for larger dairy farms for next season with emphasis on return on investment; strong demand throughout the central region and King Country for land suitable for growing manuka;

- A late flurry of activity on good dairy units in Taranaki with multiple offers and values reflecting confidence in the industry; interest rates are a factor in expansion by farmers with good equity levels; very little interest from first farm purchasers or for lesser quality properties;

- Steady activity surrounding finishing and grazing properties in the Wanganui / Rangitikei / Manawatu area but limited interest in dairy for anything other than top quality property;

- Quiet conditions throughout Hawke’s Bay and Wairarapa, although considerable focus on the benefits and costs for the Ruataniwha Dam project in Central Hawke’s Bay;

- Sales recorded in the Nelson/Marlborough region, albeit reduced in number, for dairy, dry stock, horticultural and forestry properties;

- Steady sales of finishing and grazing farms in Canterbury with strong demand for quality arable units; buyer caution evident if price expectation for property is deemed too strong, and close scrutiny surrounding irrigation expenses where that applies;

- Similar conditions in Otago with steady figures recorded for finishing and grazing properties; solid buyer enquiry but cautious approach is making sales activity more difficult; and

- A reasonable supply of listings but reduced sales in Southland; quality properties are selling well where vendors are prepared to accept the market; suggestions of some purchasers waiting until spring; very good autumn conditions have set farmers up well for winter, albeit limited stock available for surplus crops on dairy support properties.

Grazing properties accounted for the largest number of sales with a 36.4% share of all sales over the three months to April 2016, Finishing properties accounted for 19.7%, Horticulture properties accounted for 18.2% and Dairy properties accounted for 12.8% of all sales. These four property types accounted for 87.0% of all sales during the three months ended April 2016.
**Dairy Farms**

For the three months ended April 2016 the median sales price per hectare for dairy farms was $33,507 (52 properties), compared to $33,897 for the three months ended March 2016 (48 properties), and $38,802 (97 properties) for the three months ended April 2015. The median price per hectare for dairy farms has fallen 13.6% over the past 12 months. The median dairy farm size for the three months ended April 2016 was 124 hectares.

On a price per kilo of milk solids basis, the median sale price was $32.46 per kg of milk solids for the three months ended April 2016, compared to $35.00 per kg of milk solids for the three months ended March 2016 (-7.2%), and $36.36 for the three months ended April 2015 (-10.7%).

Included in sales for the month of January were 18 dairy farms at a median sale value of $33,141 per hectare. The median farm size was 128 hectares with a range of 65 hectares in Waikato to 409 hectares in Canterbury. The median production per hectare across all dairy farms sold in April 2016 was 834kgs of milk solids.

The REINZ Dairy Farm Price Index fell 3.5% in the three months to April compared to the three months to March. Compared to April 2015, the REINZ Dairy Farm Price Index fell by 24.1%. The REINZ Dairy Farm Price Index adjusts for differences in farm size and location compared to the median price per hectare, which does not adjust for these factors.

**Finishing Farms**

For the three months ended April 2016 the median sale price per hectare for finishing farms was $24,657 (80 properties), compared to $21,543 for the three months ended March 2016 (66 properties), and $20,966 (77 properties) for the three months ended April 2015. The median price per hectare for finishing farms has risen 17.6% over the past 12 months. The median finishing farm size for the three months ended April 2016 was 40 hectares.

**Grazing Farms**

For the three months ended April 2016 the median sale price per hectare for grazing farms was $15,126 (148 properties) compared to $14,124 for the three months ended March 2016 (156 properties), and $16,741 (192 properties) for the three months ended April 2015. The median price per hectare for grazing farms has fallen 9.6% over the past 12 months. The median grazing farm size for the three months ended April 2016 was 51 hectares.

**Horticulture Farms**

For the three months ended April 2016 the median sale price per hectare for horticulture farms was $244,365 (74 properties) compared to $261,665 (64 properties) for the three months ended March 2016, and $266,883 (73 properties) for the three months ended April 2015. The median price per
hectare for horticulture farms has fallen 8.4% over the past 12 months. The median horticulture farm size for the three months ended April 2016 was six hectares.

Real Estate Institute of New Zealand

For more real estate information and market trends data, visit www.reinz.co.nz. For New Zealand’s most comprehensive range of listings for residential, lifestyle, rural, commercial, investment and rental properties, visit www.realestate.co.nz - REINZ’s official property directory website.

Editors Note:

The information provided by REINZ in relation to the rural real estate market covers the most recently completed three month period; thus references to April refer to the period from 1 February 2016 to 30 April 2016.

The REINZ Farm Price Indices have been developed in conjunction with the Reserve Bank of New Zealand. It adjusts sale prices for property specific factors such as location, size and farm type which can affect the median $/hectare calculations and provides a more accurate measure of farm price movements. The REINZ Farm Price Indices has been calculated with a base of 1,000 for the three months ended March 1996. The REINZ Farm Price Indices is best utilised in assessing percentage changes over various time periods rather than trying to apply changes in the REINZ Farm Price Index to specific property transactions.