

# NSW CROPPING AND GRAZING MARKET UPDATE

SEPTEMBER 2020



Accelerating success.

## CURRENT MARKET CONDITIONS - COVID-19

The COVID-19 pandemic has had significant impact across the real estate industry, with the uncertainty surrounding the virus affecting most asset classes. The sudden onset of the pandemic has resulted in many industries having to adapt rapidly, creating unforeseen challenges for many sectors, with some industries less impacted than others.

Our research indicates that the agricultural sector, in particular demand for rural property across NSW, has not been as adversely impacted to the extent of other asset classes. Medium to large scale cropping and grazing assets have attracted interest from corporate, offshore and local family operators, with recent sales displaying record breaking values across the eastern part of the state. The optimism within the sector and increasing demand can be attributed to:

- Significant rainfall in 2020 after extremely dry conditions in 2018/19 which has boosted sentiment across the region.
- Rural property markets not being prone to the same levels of volatility as some other markets. Food security has been a major talking point throughout the pandemic, and farmland is considered to be a 'safe haven' by investors.
- With interest rates being low, this takes pressure off those holding debt, and improves affordability for those seeking to acquire.
- Strong commodity prices across lamb, mutton and cattle markets.
- The limited supply of cropping and grazing assets on the market, as landowners take advantage of good seasonal conditions.

We note however, certain commodities and supply chains have been disrupted and negatively impacted which include wool, wine and seafood exports.



<p><b>1 'HEAVIN FARMS AGGREGATION' JUGIONG NSW</b> July 2020 Circa \$18,000,000 \$172/ha improved Grazing Land Rate: Circa \$5,299/ha Aggregation of four holdings sold 20% above vendor price expectation.</p>	<p><b>2 'GREGADEL' 1070 LIVINGSTONE GULLY ROAD, GREGADOO NSW</b> July 2020 \$10,925,000 Arable Land Rate: \$11,622/ha Sold to a neighbouring purchaser on a yield of 2.1%.</p>	<p><b>3 'BINDINYAH AGGREGATION' COOTAMUNDRA NSW</b> June 20 \$15,300,000 Cropping Land Rate: \$17,785/ha Sold above price expectations of \$12,500 - \$15,00/ha.</p>	<p><b>4 'MOORESPPRINGS' 477 MOORESPPRINGS ROAD, BIBBENLUKE NSW</b> April 2020 \$6,011,280 Grazing Land Rate: Circa \$5,114/ha Achieved a district land rate. Sold prior to auction.</p>	<p><b>5 'MERRIMBLA AGGREGATION' GURLEY NSW</b> April 20 \$21,500,000 Cropping Land Rate: \$7,957/ha Sold to a neighbouring purchaser expanding their local footprint.</p>	<p><b>6 'MCEVERS PARK AGGREGATION' GOOLHI NSW</b> March 2020 \$18,400,000 Grazing Land Rate: \$2,750/ha Cropping Land Rate: \$5,243/ha Sold to an offshore purchaser with intentions to acquire more property.</p>	<p><b>7 'SUNSHINE AND ROUND COWAL AGGREGATION', FORBES NSW</b> January 2020 \$15,435,000 (excluding water) Cropping Land Rate: \$2,500/ha Grazing Land Rate: \$1,250/ha Large scale holding purchased by an institutional investor.</p>
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## OUR EXPERTS



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