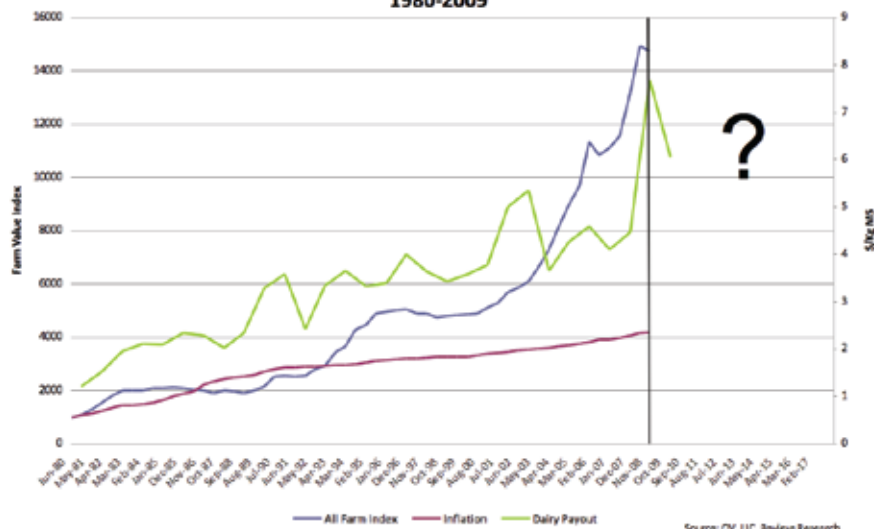


COUNTRY PROPERTY MATTERS

SPRING 2009

Farm Prices Vs Dairy Payout
1980-2009



Where to next for the country property market?

The last 10 years have produced their fair share of change in the rural property landscape ... including movement away from traditional farming systems, and fluctuations in land values.

So what does that mean for 2009 and beyond?

One of the key influencers in this rollercoaster ride has been the dairy industry. Historically, land values have closely followed the rise and fall in the value in the dairy payout. Indeed, the record high dairy payouts (peaking at \$7.90/kg MS) in recent years drove up the demand for dairy land and support units and ultimately led to the spike in land values across all farming sectors.

Its influence was felt on the average sheep and beef farms - with increases in value by as much as 270% between 2000-2007 (compared to the residential property market and the NZX at 80% and 83% respectively).

However, the pressure of the global financial crisis finally took its toll on New Zealand's agricultural market in late 2008. All of this culminated in a loss in confidence in the market and resulted in lower sales volumes.

The common challenge for any property sector after coming off such a market high is the adjustment period that takes place to close the price expectation gap existing between the vendor and the market.

So what does this all mean for the future?

History says that: what goes up ... can come down ... and what goes down will at some point in time go up. All property markets follow a very similar cycle - albeit not always at the same pace or time.

The dip we are seeing in the present rural market mirrors that which was observed in the residential property market last year following a similar strong growth period. Once vendors accept that the market and prices have changed, deals started being transacted - a trend we have seen in both the local and Auckland residential markets, and are now starting to see across all sectors in the rural market.

We know that the global economic meltdown has affected many of the factors which contribute to the value of land. The encouraging thing for farmers who would like to sell is there are still plenty of cashed up buyers who want to buy a farm or lifestyle block. I have seen this in recent successful farm campaigns throughout the North of Auckland region ... and am confident of this trend continuing.

MARKET VALUE?

In a changing market how do you find the true market value of your farm or lifestyle block?

Ask the buyers.

Auctions have once again proved themselves to provide a good form of transparency to both vendor and buyer, providing good market feedback on value.

We may not be able to change the market, however we will maximise the result by utilising the right strategy and delivery method for your property.



John Barnett BCM Dip Ag

Country Specialist
021 790 393

Specialising in Rural
Properties North of Auckland



Subscribe to my Country Views e-newsletter, for latest information on what's happening in the region, Bayley's Research state of the market reports and keep up to to date with my new listings, by emailing me.

john.barnett@bayleys.co.nz



Help Support our Guide Dog Services
Charity Auction!

Sat, 16th Jan 2010.

Bayleys Tent, Warkworth A & P Show

We are running our annual Guide Dog Services Charity Auction again! Last year we raised over \$2600, so come along and open your hearts and your wallets to beat last year's mark!



Free Wine!

Congratulations to Allan McCracken, who takes away a bottle of one the regions great vintages. Subscribe to John's Country Views e-newsletter, stay in touch with what's going on and be into win!

To view John's current rural listings go to www.johnbarnett.bayleys.co.nz

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BAYLEYS
www.bayleys.co.nz



PRODUCTION, POSITION, POTENTIAL! - 318 ha

Kaipara Coast Highway, Wellsford

With a prime position on the banks of the Kaipara Harbour with views out to the inner islands, and recent production of between 167,000 to 189,000 Kg MS, this 4 titled 318 hectare dairy farm has all the building blocks in place for the new owner to take it to the next level.

It's predominantly flat contour is well complemented with good internal subdivision into 56 paddocks linked by central limestone racing systems and a 100 hectare capable irrigation system. With a recently upgraded 50 bail rotary shed complete with auto-feeding system, stand-off feed pads, its own large on-farm limestone quarry, a newly constructed all-weather airstrip and an extensive pasture renovation and laser drainage program ... there is plenty here to consider.

Motivated Vendor has given very clear instructions to "SELL" !!!

For Sale

View by appointment
www.bayleys.co.nz/1833369
Text 183369 to 244 for more info

John Barnett

M 021 790 393
B 09 425 7640
A/H 09 422 3303
E john.barnett@bayleys.co.nz



LIVE ON TOP OF THE WORLD!

Pakiri

Ideally nestled in between Omaha and Pakiri beaches are 1.1 & 1.8 hectare lifestyle blocks offering spectacular coastal views. Situated less than 8 kilometres from the white sands of Pakiri beach, Goat Island Marine Reserve and Leigh; within easy reach of Matakana, Omaha and less than hour from Auckland. These are unique offerings and must be seen to be fully appreciated.

The Vendor needs to retire and says "SELL" !!!

UPCOMING AUCTION
View by appointment
www.bayleys.co.nz/183294

John Barnett

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B 09 425 7640
A/H 09 422 3303
E john.barnett@bayleys.co.nz



No Bull - Great Setup! - Te Arai

- 56.05 ha
- 2 titles
- New cattle yards, New hayshed, good central race
- Great rural views
- Heritage bush covenants

Auction

www.bayleys.co.nz/182979

John Barnett

M 021 790 393
B 09 425 7640
A/H 09 422 3303
E john.barnett@bayleys.co.nz



Production Orientated! - Whangarei

- 206 ha Beef farm
- A good mix of fertile river flats & undulating contour
- Well sub-divided into 55 paddocks with central race system
- Good support infrastructure & 4 bedroom Villa

Auction

www.bayleys.co.nz/183139

John Barnett

M 021 790 393
B 09 425 7640
A/H 09 422 3303
E john.barnett@bayleys.co.nz



Retired Volcano seeks new Owners!

- 82.736 ha (204.45 acres)
- 2 Titles
- 6 - 10 million year old volcanic cone
- Spectacular coastal views

Auction

www.bayleys.co.nz

John Barnett

M 021 790 393
B 09 425 7640
A/H 09 422 3303
E john.barnett@bayleys.co.nz



Potential to be Beefed Up! - Wellsford

- 208 Ha
- 2 Titles
- Well sub-divided into 24 paddocks with a central racing system
- Views of Kaipara Harbour
- Good support infrastructure

For Sale

www.bayleys.co.nz/183062

John Barnett

M 021 790 393
B 09 425 7640
A/H 09 422 3303
E john.barnett@bayleys.co.nz



Farm Buy of the Year! - Mangawhai

- 140 Ha (346 Acres)
- Dairy/beef farm
- Recommissioned 24 ASHB dairy shed,
- Good subdivision into 41 paddocks
- Great views over the Heads & Hen & Chicken Islands

Auction

www.bayleys.co.nz/183038

John Barnett

M 021 790 393
B 09 425 7640
A/H 09 422 3303
E john.barnett@bayleys.co.nz

WHO SAYS FARMS
AREN'T SELLING?

John Barnett

M 021 790 393
B 09 425 7640
A/H 09 422 3303
E john.barnett@bayleys.co.nz

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