PGG Wrightson Real Estate

Rural Property Pulse

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Contents

Complex rural property market set to reward some sectors this summer

Although listings in many rural property sectors and throughout most of the country rose in the spring, these have not yet translated to sales.

Cold, wet conditions early in the season delayed many spring marketing campaigns. Couple that with the general election, post-election coalition negotiations, and then uncertainty about how far the new government will take some of its farming-focused policy promises, and many prudent farmers are taking a wait and see approach before committing to purchase land, despite the abundant choice on offer out in the market.

They are the less encouraging factors, and pertain particularly to the dairy sector. For those of us whose inclination is to see the glass half full, there are also plenty of reasons to be cheerful in the wider rural property market.

Sheep and beef farms, for example, are running hot right now, with returns at record levels, which is creating enthusiasm for any suitable property offered for sale, particularly those at the upper end of the scale. We have seen some exceptional sales of drystock grazing and finishing properties in Hawke's Bay, Horowhenua, Marlborough and Southland, with outstanding listings set to follow the same trajectory in Wairarapa, North Canterbury and South Otago.

Kiwifruit orchards continue to change hands at ever-increasing prices. Early in the spring $1 million per canopy hectare became established as the new benchmark for the most favoured Bay of Plenty properties growing the sought-after G3 variety, literally the 'gold standard.' This represented an increase from $850,000 per canopy hectare just before the end of the previous season, though in fact was even greater than that as orchards changing hands late in the 2016/17 season also had fruit on, with guaranteed income, while those selling in the spring did not.

Viticulture development is also driving prices for both vineyards, and bare land suitable for grapes, to new heights.

Within the media and in the rural property market, many people are discussing the new government's policy on foreign ownership of New Zealand land. Although this policy's detail is not yet fully understood, its influence on the overall rural property market is likely to be minimal. Per annum rural property transactions between vendors and overseas buyers are rare, accounting for only a miniscule proportion of the total market. Sensitive purchases are generally confined to large dairy farms and extensive high country property. Elsewhere, the recent directive to the Overseas Investment Office is likely to have minimal impact. Aside from high country and large dairy, the new policy will not alter either the volume or the values of transactions. While there may be some changes in those two specialist areas, elsewhere the market will continue as normal. What will also continue is that within those specialist markets, and through the broader rural property sector, PGG Wrightson Real Estate's nationwide reach, through our network of 65 offices and specialist sales teams, will remain the best way to successfully match vendors with well-qualified buyers.

What will the summer rural property market deliver, then? More of the same is likely. Those willing to sell sheep and beef property, vineyards or orchards, particularly those growing kiwifruit, should achieve satisfaction. On the other hand, plenty of dairy farms have been offered for sale in the past few months. In the current circumstances, some of these should sell through the summer, others may take longer.

Although in the other sectors it remains a sellers' market, in many respects more so than ever, with an increased number of dairy farms available than at any time in the past four years, the advantage in the dairy sector is swinging away from sellers and towards buyers. Sellers may take some time to adjust to that new reality, in which case, until a stronger consensus is forged on the value of dairy land, sales will be rare.

As ever, the market is complex. Whether you are buying or selling, an experienced, objective rural property specialist will help achieve the outcome you seek. In all regions, throughout the country, and every sector, PGG Wrightson Real Estate is close at hand, and ready to assist. We look forward to your call.

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Introducing Ian Glasson – PGG Wrightson's New Chief Executive Officer

Ian Glasson was appointed as PGG Wrightson's Chief Executive Officer on 1 November 2017. Based in Singapore from March 2013, Ian was CEO of Zuellig Agriculture and Gold Coin, which was subsequently spun out of the Zuellig Group of businesses. Gold Coin manufactured and sold animal and aqua feed from over 20 mills, operating in 10 countries including China and throughout South East Asia.

Ian has had a long career in food and agriculture in Australia and overseas. He has held roles as MD Gresham Rabo Management Limited, a private equity fund specialising in Food and Agribusiness investments; he spent nine years with Goodman Fielder where he was MD of Goodman Fielder's global Food Ingredients business; and was CEO of Wilmar's Sugar business, previously known as CSR Sugar (Sucrogen), in Australia and New Zealand.

Ian also has extensive industry experience in other sectors, including a long career in the oil and gas industry with Esso Australia Ltd and its parent, Exxon in the United States, and has spent time in the building and construction sector with Kone Elevators. Ian is a non-executive director of SunRice (Ricegrowers), a positon he took up in March 2016. Ian holds a Bachelor of Engineering Degree with Honours from Monash University and is a graduate of the Australian Institute of Company Directors.

Ian's initial reaction on joining the company is that PGG Wrightson is a long-standing and well-established business with fantastically dedicated staff, many whom are long-serving employees. PGG Wrightson has a strong interface with farmers and its continued success will be to expand the company's offering across a wide range of products and services. PGG Wrightson's Seed and Grain business, already international, also has significant scope to grow, both geographically and in new product segments.

Regional Update

Northland

A significant number of Northland dairy farms were offered for spring sale. Although completed transactions were at comparable values to last year, with plenty of alternatives, purchasers are taking time before committing to buy. As Northland dairy properties tend to be lower priced and easier to farm under clean water considerations, the region remains a drawcard for those seeking a smaller property for first farm ownership. Buyer interest from elsewhere in the North Island has been apparent in recent months. One notable sale was a 258 hectare Dargaville dairy farm, producing up to 190,000 kilograms of milksolids, which sold in November for $3.48 million to Bay of Plenty buyers. A 493 hectare Hikurangi property with an 80 bail rotary milking shed and two 400 cow feed pads was listed for sale in late November, and will also attract plenty of attention.

Waikato

With plenty of new listings offered to the rural property market in spring, Waikato buyers had ample choice. Sales, however, particularly of dairy units larger than 100 hectares, were scarce, as purchasers took their time to undertake due diligence. Consequently, the number of Waikato farms transacted in October was well below average for what is historically a busy month. One drystock farm that did sell, a 357 hectare Retaruke property south-east of Taumaranui, which changed hands in November for $2.15 million, demonstrated that the market for property with scope for manuka honey production remains enthusiastic. As the Waikato rural property market adjusts to changes signalled by the new government on clean rivers, foreign ownership, immigration, forestry and other issues, sales activity should begin to ascend again, though this increase is likely to be steady rather than stunning.

Bay of Plenty, Central Plateau and South Waikato

Like other North Island districts, plenty of dairy farms in the wider Bay of Plenty were offered to the market in spring, though few have yet sold. While many vendors are committed, a proportion of these farms are for sale on financier suggestions that debt needs to be repaid so sales will only transpire above certain prices, which is unlikely. Kiwifruit, particularly orchards already growing the G3 variety, are the backbone of the region's rural property market. October sales of several of these properties above $1 million per canopy hectare underlined how keenly sought after they are. With prevailing trends in horticulture, a limited number of suitable dairy farms are likely to sell for conversion to kiwifruit during the summer. Such sales will reward vendors generously, likely at least at double the per-hectare value that purchasers would otherwise pay.

Whanganui and Taranaki

Although plenty have been offered for sale, as in other districts, Taranaki dairy farms did not sell in great numbers during the spring. Those that did find willing buyers fetched prices between $40,000 and $45,000 per hectare, consistent with prevailing trends. For sheep and beef property in the region, the opposite scenario applies. Product prices are buoyant and the 2018 forecasts for lamb are encouraging. With commodity prices firm or rising, farmers who have thought about selling land are now more inclined to stay in place for another year. While a 31 hectare Taihape finishing property sold in September for $1.125 million, elsewhere demand for Taranaki and Whanganui sheep and beef farms exceeds the number of spring listings brought to the market. Any that are listed for sale in the summer are therefore likely to meet a positive response.

Wairarapa, Manawatu and Horowhenua

Sales volumes in the region were similar to the same period last year. Average values for Wairarapa dairy farm sales are approximately $30,000 per hectare at present, while a 294 hectare Horowhenua dairy property sold for $14.5 million or just short of $50,000 per hectare. A 603 hectare Wairarapa finishing farm sold for $9.3 million. Large-scale sheep and beef grazing and finishing, dairy and arable farms are in hot demand in the region. Allandale, a widely admired 393 hectare Greytown grazing property, currently used for dairy support, will list for sale during spring and should attract considerable attention. Good-quality properties situated in sought after locations, with reliable rainfall, superior improvements and proven performance remain in demand. A range of good-quality sheep and beef farms coming onto the market in spring should satisfy this, in part at least.

Hawke's Bay

In common with various other regions, Hawke's Bay's spring rural property market was hindered by wet conditions, which even affected access to some farms. Uncertainty around the election was another factor holding the market back. Some good sheep and beef properties transacted in the region in spring, with an 800 hectares Rissington farm selling for $8.65 million by tender in early November and Maraekakaho's renowned 848 hectare Olrig Station, offered to market for the first time since 1859, selling at auction in November for $10.17 million or around $12,000 per hectare. Other sales of notable local properties are likely in the summer. Those motivated to buy Hawke's Bay farms are looking at performance rather than capital gain. Enquiry is tending to focus on sheep and beef farms between 6,000 and 10,000 stock units, while proven, well-maintained finishing properties are also attracting attention.

Nelson and Marlborough

Along with the rest of the country, Nelson and Marlborough were wet in the early spring. However, the subsequent upside of good growth over rode the earlier inconvenience of inclement weather. Spring demand for rural property was strong with plenty of enquiry from outside the region. Two Rai Valley dairy properties, of 303 and 581 hectares, both marketed by the deadline private treaty process in late November and early December, attracted positive buyer interest, while larger Murchison dairy farms are also on the market. Any sales that eventuate will be keenly monitored, and will influence the rest of the season's market. With relatively few spring sheep and beef listings, Nelson and Marlborough grazing property also attracted positive attention, as a 1200 hectare Seddon hill block demonstrated, going under contract shortly after a $3 million November listing.

Canterbury

Two stellar North Canterbury listings attracted considerable interest during the spring. Mt Whitnow Station comprises 4381 hectares of freehold high country bounded by the Seaward and Waitohi Rivers, while 843 hectare Randolph Downs, north of Amberley, has traditionally been a breeding and finishing unit that in recent years has supported an approximately 5,000 head fine wool merino flock. As usual in the region, farms with scale, location and well-documented productivity have attracted good interest. As in other regions, while there is no shortage of dairy farms listed for sale, buyers are taking the time to make careful decisions, evaluating all the relevant factors, such as water charges, nutrient budgets and Overseas Investment Office considerations. An increase in market activity is possible in summer, though it may take a while for price expectations to settle.

Regional Update

West Coast

Local cooperative, Westland Milk Products has forecast a payout between $6.40 and $6.80 this season, putting most West Coast farmers back in profit. While that, plus a fertile growing season and increased productivity, has raised confidence, there was little impact on the spring rural property market. Few farmers are offering property for sale and buyer enquiry is scarce. Repayment of debt is the priority for most of the region's farmers, who are preparing for a period of consolidation over the next couple of years, therefore the situation is unlikely to change much throughout the summer, with few new listings indicated over the coming months. As always, the West Coast remains an excellent option for first time dairy farm ownership and new owners from other regions this summer would be welcomed in the local market.

Mid and South Canterbury

As in much of the rest of the country, plenty of Mid Canterbury and Geraldine dairy farms are listed for sale, giving buyers options. However, a wet spring and wariness around Mycoplasma bovis have tempered enthusiasm for rural property. One particularly noteworthy listing, Wainono Dairy Farms, near Fairlie, averages 800,000 kilograms of milksolids from more than 1850 cows on a milking platform of 562 hectares. Few properties of this scale have changed hands since 2014 and its sale will help determine the nationwide market for larger properties. Smaller farms are easier to finance and commonly sell to neighbours, such as a 32 hectare Seadown property sold at auction in November for $1.4 million and a 129 hectare Cannington property that changed hands for $2.033 million. When vendors and purchasers see where values are settling, an increase in transactions is likely.

Otago and Central Otago

Spring left Central Otago dry, though favoured the region's east coast more generously, turning it into a real picture. In common with most other parts of the country, Otago's rural property market recorded few spring sales and low overall activity. Despite several excellent dairy property listings, market response was underwhelming. Sheep and beef properties, meanwhile, present a different picture, particularly for listings at the premium end. Although these are few in number, they are well sought after. Hazeldale, in Kaiwera, is known as one of South Otago's most admired properties. An 1837 hectare freehold hill country station that wintered 10,830 sheep and 775 cattle, it attracted considerable interest when offered for sale in the spring. Marketed by the tender process, with a scheduled deadline in February, progress towards a sale of this property will be keenly monitored, including beyond the region.

Southland

Compared to last year, sales of Southland dairy farms increased this spring, though still on low volumes. Most of those properties that did transact are at the poorer end of the quality scale. Fewer of the region's sheep and beef properties changed hands than in spring 2016. As elsewhere in the country, Southland buyers have plenty of farms to choose from. Through the summer, although existing listings will continue to attract local buyers, interest in the more extensive properties will be more limited due to the greater capital required for properties with such scale. Late spring and early summer Southland listings cover a wide range of dairy farms, plus traditional sheep and beef and deer farms. Featured among the summer listings are a 300 hectare Isla Bank dairy unit, an organic dairy factory, two robotic dairy farms and a quality large-scale Wyndham sheep and beef unit.

Lifestyle market boom ends, though demand keeps values steady

Inter-woven with rural property, the lifestyle market went through around 18 months of record activity, prevailing to the summer of 2016/17. This was largely driven by elevating residential property values in metropolitan centres, particularly Auckland, with urban dwellers cashing in and moving out to pursue the rural dream, in many cases with considerable equity to spare.

During that period, the value and volume of lifestyle property transactions in most regions accelerated at unprecedented rates. As the urban housing boom has receded, the frequency of lifestyle property transactions has dropped back to more average levels.

However, demand in the lifestyle category continues to exceed the supply of properties on the market so values have not deviated from the high point they reached last summer.

Statistics from the Real Estate Institute of New Zealand indicate that the median price for all lifestyle properties sold in the three months to October 2017 was $616,000, which is $71,000 higher than the median for the three months ended October 2016, representing a 13 per cent increase.

Sales data for that three-month period show sales volumes down 20 per cent on the number of both October 2015 and October 2016.

Listings in areas on Auckland's fringe remain high. Districts within commuting distance continue to report good inquiry from those wishing to move out of New Zealand's largest city. Similar activity is evident in regions close to Wellington and Christchurch.

In comparison, in Otago, which generally benefits from the consistent strength of the Queenstown Lakes District, sales volumes for October dropped 55 per cent compared to September, falling to the lowest monthly level since January 2016.

Further from urban centres, particularly those areas more remote from the smaller towns, overall demand for lifestyle property has ebbed somewhat compared to the boom period, though for lower priced lifestyle property in these districts, demand remains strong, there is insufficient stock and the sellers' market prevails.

Fine and strong wool growers at opposite extremes

Growers of merino wool are enjoying favourable market trends at present, with fine wool prices continuing to strengthen based on demand from sporting apparel manufacturers, supported by the traditional Italian suiting market. Per-kilogram prices for merino at auction in mid-November exceeded $28.

Prices for coarse crossbred wool, meanwhile, have provided little encouragement for farmers, though the same mid-November South Island sale did feature price increases on average of up to 10 per cent, albeit off a low base. This hint of relief came as a consequence of more activity in the marketplace, prompted by exporters with overseas commitments to fill. Demand is spread through various export markets, not particularly focused on China, which has been the case in the past. This spike in demand is helping to clear some of the clogged pipeline that has built up over the past year. However, until the pipeline is cleared of crossbred wools, farmers are unlikely to become too optimistic of any dramatic increase in returns.

Prices for halfbred wools have largely been firm throughout their selling season, albeit with a degree of volatility in the stronger edge, where prices have eased. Demand has been generally solid.

Looking ahead through the summer, merino and halfbred wools are at the end of their season so with limited supply, current prices should at least hold firm.

For crossbred wools, the situation remains problematic. While prices should hold for the rest of 2017, after Christmas, with new shearing under way, especially out of the North Island and Southland, the increased supply will challenge future prices. A quantity of crossbred wool is currently held in sheds and stores, along with a significant amount of processed scoured product that remains in warehouses. This is clogging the pipeline. Until it is cleared, the likelihood of appreciably increased prices is difficult to envisage in the near future.

While the tough market prevails for crossbred wools, growers should resist the temptation to loosen their standards of wool preparation. Purchasers need maximum flexibility around the products they intend to manufacture and therefore the purity of colour of the wool they are willing to procure. Unless preparation standards are maintained in the woolshed, there is a serious risk that demand and prices for coloured and/or poorly prepared types could drop yet further.

This report was prepared in consultation with the PGG Wrightson Wool team.

After wet spring causes delays, horticulture now set fair for summer

During September and early October, wet conditions left growers with heavy soils and a late start to the season. In some vegetable-growing districts, particularly with crops such as onions, this caused frustration, though the ground has dried out since and most growers were back on schedule by the start of summer.

In the southern grape-growing areas, particularly Marlborough, the wet spring means this year's crop is shaping as a little light. Hawke's Bay viticulturists are looking forward to a season with approximately average levels of fruit.

Apple growers experienced a high natural fruit drop due to the weather. They therefore require less manual or artificial thinning to set up their orchards.

Wind through September and October in the Bay of Plenty restricted the opportunity to apply sprays and therefore manage pests and disease for avocados. While frustrating, most growers managed to overcome this inconvenience, meaning crops will not be affected.

Across the wider horticulture sector, with a warm, dry summer in prospect, those with sufficient irrigation are expecting a productive season.

Those growers whose focus is export are monitoring the flow-on from the change of government, especially the consequences this will have for the New Zealand foreign exchange rate. As ever, international markets are receptive to this country's crops. As long as the cost of growing them is not significantly out of line with farm budgets, and the produce can be successfully grown and delivered to market with a favourable exchange rate, there is room for some optimism.

This confidence is reflected in various new or ongoing developments in the spring. These included further plantings in districts growing apples, grapes, avocado and kiwifruit, continuing the trends of recent years and indicating the sector overall is in good heart.

This report was prepared in consultation with PGG Wrightson's Fruitfed Supplies, a leading horticultural service and supply business servicing New Zealand's major horticultural regions.

Spring livestock markets mindful of probable dry summer

Prolonged dry through most of the country over the latter half of the spring diminished the benefits of the season's wet start. Farmers traded livestock accordingly, taking a cautious approach as a dry summer became more likely.

Based on positive export forecasts, ewes have been keenly sought after by meat companies, with South Island farmers benefiting from schedules at $7 plus.

Mutton is in demand overseas, with processors filling capacity between last season's and this season's lambs, taking October and November's South Island mutton prices to an average of between $140 and $150.

Store lambs were priced at around $4.30 per kilogram in late November, though with more lambs coming to the market, that is edging down. On average, store lambs are making $25 to $30 more than at the same time last year.

As conditions became drier, the cattle market eased. Weaner calves are featuring in cattle markets, with two hundred 100 kilogram calves sold at Temuka in late November priced between $470 and $510.

Late spring dairy livestock activity focuses on the listing market, comprising herds and in-calf heifers for delivery in May or June next year.

Although beginning prior to Christmas, the main part of the selling season runs from mid-January. With a high quantity of dairy farms listed for sale, farmers who may plan to sell herds, assuming they first sell the farm, could influence this market in coming months. If their properties do not find buyers throughout December and January, however, these farmers will not be moving on ahead of the 2018/19 season and will therefore not be taking stock to the market this summer.

In the meantime, some herds and in-calf heifers have already sold for next year. Sales of herds with a Breeding Worth Index of 70 to 80 are changing hands at between $1,750 and $1,900 per head, with one West Coast herd of exceptionally high BW reported to have sold for over $2,000 per head.

This report was prepared in consultation with the PGG Wrightson's Livestock team.

A closer look...

Sheep and Beef

Sales activity around sheep and beef farms was steady during the spring, with most listed drystock properties drawing attention. Although the wet winter was problematic, favourable beef schedules and lambs selling for more than $7 per kilogram kept farmers enthusiastic. Grazing blocks attracted plenty of interest. A 289 hectare Arohena farm, suited to sheep, beef or dairy grazing, sold in mid-November for $3.8 million, or around $1,000 per stock unit, indicating that values for productive properties remain consistent with where they have been for the past few years. Two desirable drystock grazing farms, a 229 hectare Marotiri property and a 252 hectare Te Kuiti unit, have been offered by tender and auction respectively in early December. These two sales will be carefully monitored by those with an interest in market trends for sheep and beef property.

North Island Dairy

Wet weather in many regions held North Island dairy farmers back from the spring property market. With an abundance of listings available, more than for any spring since 2008, those who are looking to purchase have plenty of options and are under little pressure to commit. Some properties have been held back and will be offered to the market post-Christmas, which will increase buyer opportunity yet further. Since the payout rose, banks are encouraging their clients to pay back principal rather than expand their landholdings and the sector's increased profitability is yet to impact on the property market. These factors suggest that, while prices paid for those few North Island dairy farms that have sold are holding firm, any dramatic market adjustment or any change in activity levels, either positive or negative, is unlikely throughout the summer.

South Island Dairy

Spring dairy farm listings in Canterbury and Southland increased markedly this year. Uncertainty around the payout and government policy regarding foreign ownership, coupled with tighter bank lending criteria, meant sales were slow to eventuate. Compared to last year, the supply equilibrium is swinging more in favour of buyers. However, where they have occurred, farm values remain unchanged. In Canterbury, premier spray-irrigated properties with full rotary milking sheds are priced between $52,000 and $55,000 per hectare, while in Southland, at the upper end of the market, values sit in the early $40,000s per hectare for mid-range farms between $32,000 and $36,000 and at the lower end, being the largest volume of sales, from $18,000 to $28,000 per hectare. As summer progresses, particularly as the payout is confirmed and policy around overseas investment becomes clearer, market activity for better quality farms is likely to increase.

Viticulture

Corporate wine interests were busy in Marlborough throughout the spring, leasing and purchasing Wairau Valley blocks for vineyard development. Demand from these larger interests, coupled with a shortage of properties coming to the open market, led to the transaction of some properties after off-market negotiation. Although sales were scarce, demand is such that prices continue to reach new records. A 16 hectare bare-land lower Wairau block on heavy soils sold in early November for around $200,000 per hectare. Earlier in the spring, established vineyards of 8 to 10 hectares located in premium Marlborough growing areas sold for more than $330,000 per hectare as the buying power of close neighbours and established growers kept the market for smaller blocks buoyant. Approaching summer, with the season well set up and the risk of frost past, market activity is likely to escalate further.

Kiwifruit

During October, several noteworthy kiwifruit property transactions took place. A series of gold kiwifruit orchards sold between $1.05 million and $1.076 million per canopy hectare. Although the first kiwifruit orchard sale of that level took place late last season, that transaction was with the crop still on the vine, whereas the spring sales took place with this season's fruit months from setting. Purchasers at the end of last season were buying fruit that they could then sell almost straight away. Those October sales therefore actually represented a $150,000 per canopy hectare increase in the price of premium gold kiwifruit orchards since June. Subsequent activity throughout the rest of spring was less remarkable, though should resume after Christmas once pollination is complete, fruit is on the vine and orchardists will again be ready to consider buying and selling land.

Pipfruit and Stonefruit

Competition from private and corporate investors is reinforcing the market for pipfruit and stonefruit property. With horticultural crops set on, few new listings are likely to present to the market as summer progresses, though owners should be more willing to sell as fruit ripens and harvest approaches. Demand for orchards exceeds the quantity of properties available, which suggests the market will remain strong. Hawke's Bay spring transactions included a recently developed 16 hectare apple orchard located south of Havelock North, which sold in September to an outside investor for $1.95 million; a 14.28 hectare fully developed apple orchard near Clive, featuring older varieties, which also sold in September for $1.95 million to one of the region's exporters; and a 20 hectare Pakowhai cropping block, which changed hands in July, purchased for $2.15 million with a view to possible future pipfruit development.

Cropping

Premier Mid Canterbury arable properties sold in winter set a high mark between $57,000 and $61,000 per hectare. Perceived values for those few farms marketed in the spring seem slightly cooler. If these do sell in summer, it is likely to be within the $44,000 to $50,000 per hectare range. Additional farms are likely to be offered for sale in February and March, in which case supply of these properties will exceed demand, probably creating a buyers' market. Banks have not set the same restraints around lending on arable properties as they appear to have done with the dairy sector. However, arable farmers are concerned that health criteria for some sprays they rely on to maintain high yields are under review, which has introduced an element of uncertainty into the market. Before committing to transactions, purchasers will need this resolved.

Forestry

Benchmark transactions for forests approaching maturity are around $25,000 per hectare, including land and trees. After harvest, purchasers stand to net around $30,000 per hectare or more, depending on quality. Export prices for New Zealand logs are at a 12-year high, with China, Korea, India and Japan all eager to buy our timber. Signals from the new government around regional development and renewed emphasis on forestry have also energised confidence in the sector, boosting demand for land with, or able to grow, trees. Investors and new buyers are keen to participate, with an even balance between supply and demand in forestry property and ample desire to purchase any land offered for sale. As forestry is a long-term investment, the situation is likely to evolve through the next few months, rather than altering in any substantial or dramatic way.