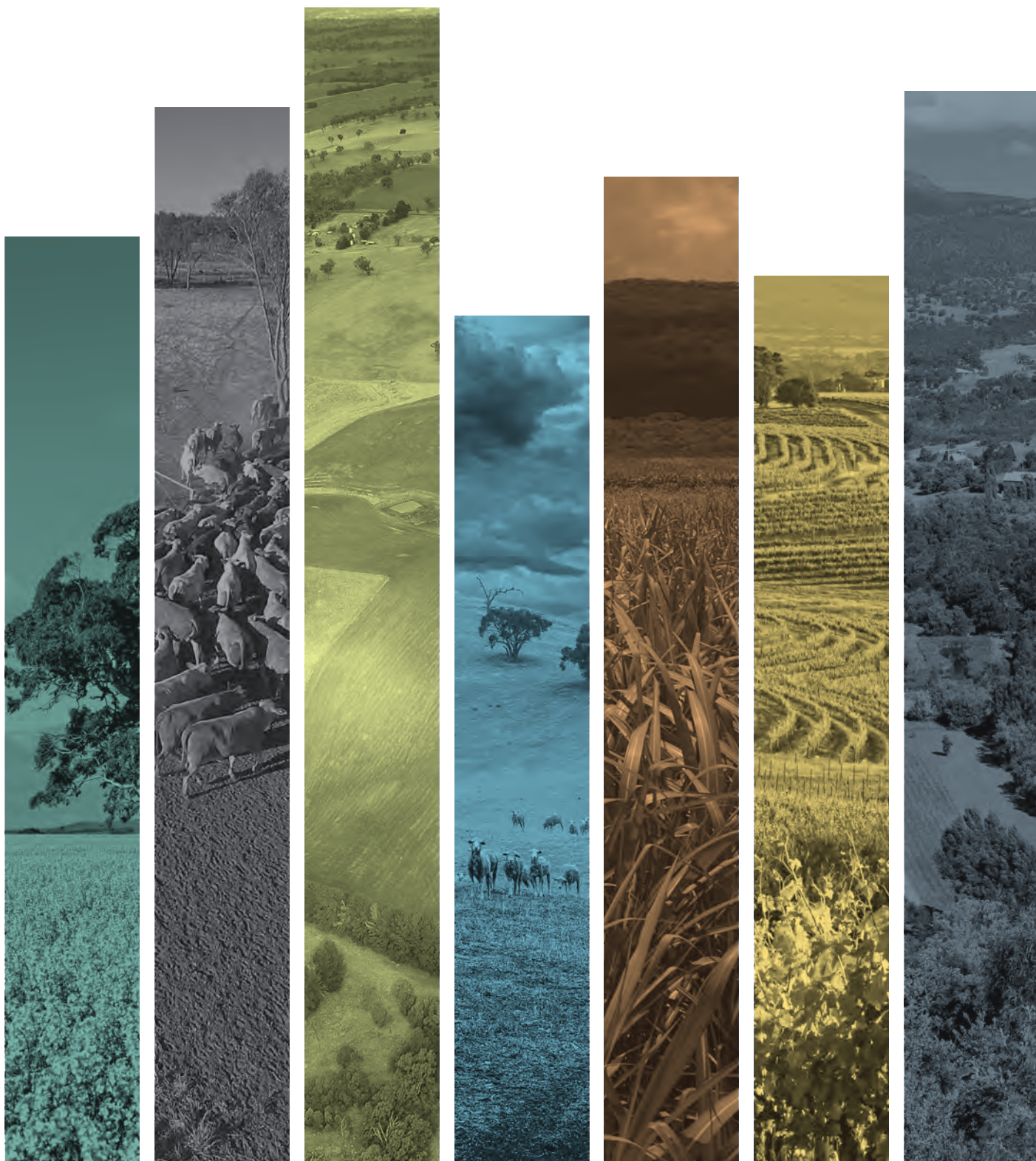


Australian Farmland Values

2021



About Rural Bank

Rural Bank is a division of Bendigo and Adelaide Bank Limited and provides exceptional financial services, knowledge and leadership for Australian farmers to grow.

About the research

The *Australian Farmland Values* report is based on actual farm sales using data collected by the official government agency in each state and territory, which is then compiled by PriceFinder.

The *Australian Farmland Values* report is a guide to market trends of commercial farming property. To that end, where possible, transactions between family members or where one party has compulsory powers are excluded from the analysis. Further, small farms are also excluded to limit the impact of 'lifestyle farming' on the results.

As property settlement periods vary, some 2020 sales will not be captured in this report at the time of publication. The median price for the most recent year is preliminary and will be revised at least annually.

The values used in this report are based on the total sale price and therefore include the value of capital improvements. The value of water entitlements attached to a land title and therefore sold with the property will be reflected in the sale price of the land. If water entitlements are sold separately from the land, this value will not be captured in the sale price.

Median prices in the report are only a guide to market activity. They are not a valuation. Median is used rather than mean as the median is not as readily distorted by unusually high or low prices. However, the median does have limitations. The mix of property sold in a given year can cause the median price to move up or down in a way that is unrelated to a move in value. For example, a higher proportion of lower-value sales can result in a lower median and vice-versa. In areas where there have been very few sales, this effect can be especially pronounced and so in these cases the median should be used with caution and may not be indicative of an actual change in farmland value.

In order to track median price per hectare growth over a range of time periods the report uses compound annual growth rate (CAGR). Compound annual growth rate is a geometric mean that accounts for compound growth, providing a more accurate measure of an investment's return compared to a simple arithmetic mean.

Farmland sales volume is reported as the number of transactions. Farms can be sold as single or multiple lots, which obscures the view of the number of farms sold, particularly in cases where one farm is sold as multiple lots to multiple buyers. Accordingly, the number of 'transactions' should not be interpreted as the number of farms sold and should only be used as a guide to market activity.

This report is not intended for use as a farm valuation tool. A qualified professional is required to assess the value of a property.

For PriceFinder terms and conditions visit:
www.pricefinder.com.au/terms-conditions/

The commodity price index quoted in the report is weighted based on the gross value of agricultural production (GVP) for each commodity in the respective states. Commodities are grouped by ANZSIC code and include wheat, barley, canola, beef, wool, lamb, mutton, dairy, cotton, sugar, fruit, grapes and vegetables. Each commodity uses a specific indicator price as a point of reference for the wider categories within each commodity group. The baseline for both the commodity price index and the farmland values index is calculated using the average price between 2010-2015, in order to get a fair representation of price over time and help smooth out seasonal volatility in any one year. This methodology only applies to the commodity price comparison section of the report.



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Understanding the value of farmland is important to everyone in agribusiness, especially Australia's farmers.

The *Australian Farmland Values* report tells the story of national and regional farmland performance over the past 26 years.



Foreword

It seems everyone is talking about the value of Australian farmland.

Record prices. Local bidding wars over “that block that won’t come up again in my lifetime”. Larger competitors with deeper pockets, and farmers from neighbouring districts swooping in and driving prices up even further.

At times, these competitive tensions feel like a force of nature in their own right. How can anyone drive a return in this market? What if farmers over-leverage and it stops raining or commodity prices are impacted by weather or geo-political events? Where will it end?

In times like these, facts matter. Farmers need clear minds and sound evidence to understand the environment and underpin investment decisions.

That’s why Rural Bank’s Australian Farmland Values 2021 is arguably more important than ever.

This annual report – which is based on actual farm sales using data collected by the official government agency in each state and territory – has tracked every farmland transaction over the past 26 years, providing accurate, unimpeachable facts on farmland value.

So, what do the findings of this latest report tell us?

Clearly, farmland value is rising strongly in every state of Australia. In many cases, it has risen to levels not seen before.

Land remains tightly held (despite transaction levels rebounding from historic lows in 2019), and consequently any land coming onto the market is generating high levels of interest.

This demand is being driven by strong, relatively consistent commodity prices, and when coupled with an excellent season has also provided farmers with capital to invest. Unlike other parts of the economy COVID-19 has (with some exceptions) not dented agricultural returns or confidence.

For those already in the market, increased land value provides strong balance sheets, equity, and further opportunities to invest. When you add in record low interest rates, you have a powerful mix, underpinned by the FOMO effect (fear of missing out).

If the history of Australian agriculture has taught us anything, the next economic shock, drought, natural disaster, or unforeseen challenge is potentially just around the corner. And we are all familiar with the ever-increasing challenges presented by a changing climate.

Which begs the question - is the market overheated? Or are we on the cusp of a longer, more sustainable boom?

As always, there are no right answers to questions like these. However, we do make some pointed observations to consider as you read through this report.

The optimism and ingenuity of Australia’s farmers cannot be underestimated. Farmers are achieving returns from seasons that would have been loss-makers a decade ago. Australian farmers manage inputs and costs more effectively than ever before, achieving returns on good and marginal land.

Similarly, despite disruption and volatility, the domestic and international demand for quality food continues to be strong and this will support healthy commodity prices well into the future.

The fundamentals are solid. Australian farmers are well-positioned for growth and this comes as no surprise to Rural Bank. We’ve understood the sector’s strengths for as long as we’ve been in business. But we also know agriculture is a long-term play – and that when it comes to property, there are markets within markets as is revealed on the following pages. Get-rich-quick schemes are not what the sector is about and sound market analysis and understanding of these markets are key.

To navigate the challenges ahead for agriculture and to capitalise on the right opportunities, Australia’s agricultural sector requires clear thinking, drawing on the right data to inform decision-making.

Rural Bank is pleased to share our findings with you and stands ready to draw on our experience wherever you may be in Australia, to discuss your future plans.

Rural Bank



Executive Summary

Despite the global economy enduring the worst pandemic in living memory, Australian farmland values again showed their resilience. Whilst economic volatility has materially impacted other sectors, the long-term outlook continues to point to growth for Australian agricultural productivity and profitability, and we expect this will continue to support the value of Australian farmland.

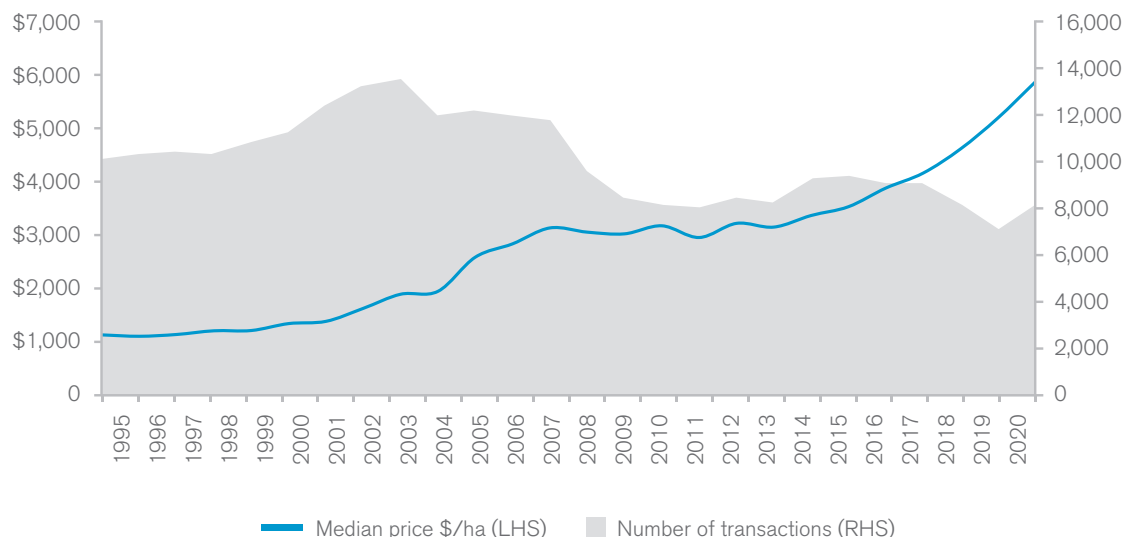
The median price per hectare of Australian farmland increased by 12.9 per cent in 2020 to \$5,907 per hectare. This marks the seventh consecutive year of growth, bringing the 20-year compound annual growth rate (CAGR) to 7.6 per cent. Keeping in line with the long-term trend, we expect farmland values will continue to rise, underpinned by strong demand for agricultural assets, increasing profitability of farming operations in an environment of low interest rates as well as strong commodity prices.

Across Australia the number of transactions increased by 14.5 per cent year-on-year to 8,187, rebounding from an historic low in 2019. This equates to a total of 8.2 million hectares of land transacted with a combined value of \$10 billion. However, over the past decade, we are seeing the number of farmland transactions decline. This may mean opportunities to expand become less frequent as fewer properties come on the market. Tightening access to suitable parcels of land, and increased competition for fewer parcels will also play a role in driving increased values.

The relevance of farmland values will often carry greater significance when looked at from a localised level, which is why in 2021 Rural Bank has researched trends down to 27 regions across the country. The Rural Bank Australian Farmland Values report draws on over 263,000 transactions, accounting for 315.9 million hectares of land with a combined value of \$167.3 billion over 26 years.

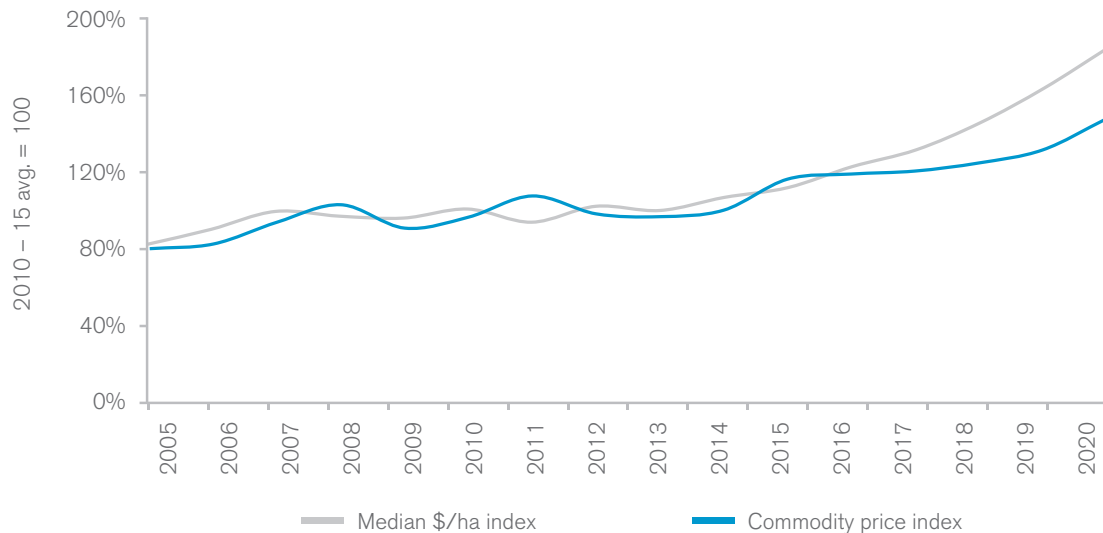
	2020 year-on-year median price growth	2020 year-on-year transaction volume growth
NSW	15.6%	24.8%
QLD	11.8%	20.1%
SA	10.9%	-1.4%
TAS	25.3%	-2.2%
VIC	6.9%	10.0%
WA	19.3%	-3.1%
NT	65.2%	-3.3%
National	12.9%	14.5%

Australia – historic performance



Commodity price comparison

Australia – commodity price comparison



New analysis for this year's report shows the correlation between commodity price and the national median price per hectare. The commodity price index is weighted based on the gross value of agricultural production (GVP) for each commodity. Australia is predominately weighted towards beef (27%), grains (24%), dairy (9%), sheep including lamb (8%), wool (8%), vegetables (8%) and fruit (8%).

Historically there is a strong correlation between commodity price and farmland values in Australia. However, a divergence in the relationship between commodity price and farmland values became apparent in 2016, widening significantly from 2018 to 2020, driven by declining interest rates and historically low transaction volume.

Key factors that influenced farmland values and commodity prices during this period include:

- The official cash rate falling from 1.5 per cent at the beginning of 2017 to 0.1 per cent at the end of 2020.
- A sharp decline in farmland listings, resulting in an historically low transaction volume in 2019 and a reduction in lower priced transactions in more marginal areas of the state.
- Difficult seasonal conditions, which saw severe drought across large parts of the country.
- High grain prices due to short supply, while livestock prices eased as slaughter rates increased.

In 2020, seasonal conditions improved, which led to an increase in transaction volume. Historically, when this happens median price per hectare growth is curtailed by an increase in low value property transactions. However, this wasn't the case in 2020. Instead, the median price per hectare kept pace with the previous year. Collectively commodity prices were strong in 2020, supported primarily by restocker demand pushing livestock prices higher. The commodity price index increased by 16 per cent compared to 2019.

Looking ahead to 2021, buying power remains strong, driven by low interest rates and historically high livestock prices, suggesting that the median price hectare could continue diverging away from commodity prices.

For context, below is a summary of the factors influencing both variables in the lead up to the divergence in 2018:

- 2005-2007: Drought caused commodity prices to increase and quality properties which wouldn't have sold in better years accounted for a higher proportion of transactions. Grain prices reached record highs, driving the index higher between 2007 and 2008.
- 2008-2013: The global financial crisis in 2008 and widespread rainfall in 2010-11 introduced volatility into both markets. Grain prices came off record highs as production levels improved. In contrast, beef and lamb prices were supported by low supply post drought and demand from restockers. The median price per hectare for farmland plateaued as drought conditions subsided resulting in fewer transactions and volatility in commodity prices increased impacting buyer confidence.
- 2014-2017: Beef prices trended higher, driven by a rapid rise in exports to China, the US and Japan. Lamb prices began a consistent growth phase, underpinned by exports to the Middle East and China. While grain prices settled into a period of consistency between 2013-2016. The median price per hectare of farmland in Australia quickly trended higher as buying power increased.





\$5,200

Median price per hectare



11.8%

2020 median price growth



3,741,612

Hectares of land traded



8.8%

Compound annual growth
over 20 years

Map shows median price movement in 2020.

North
-1.3%

West
39.4%

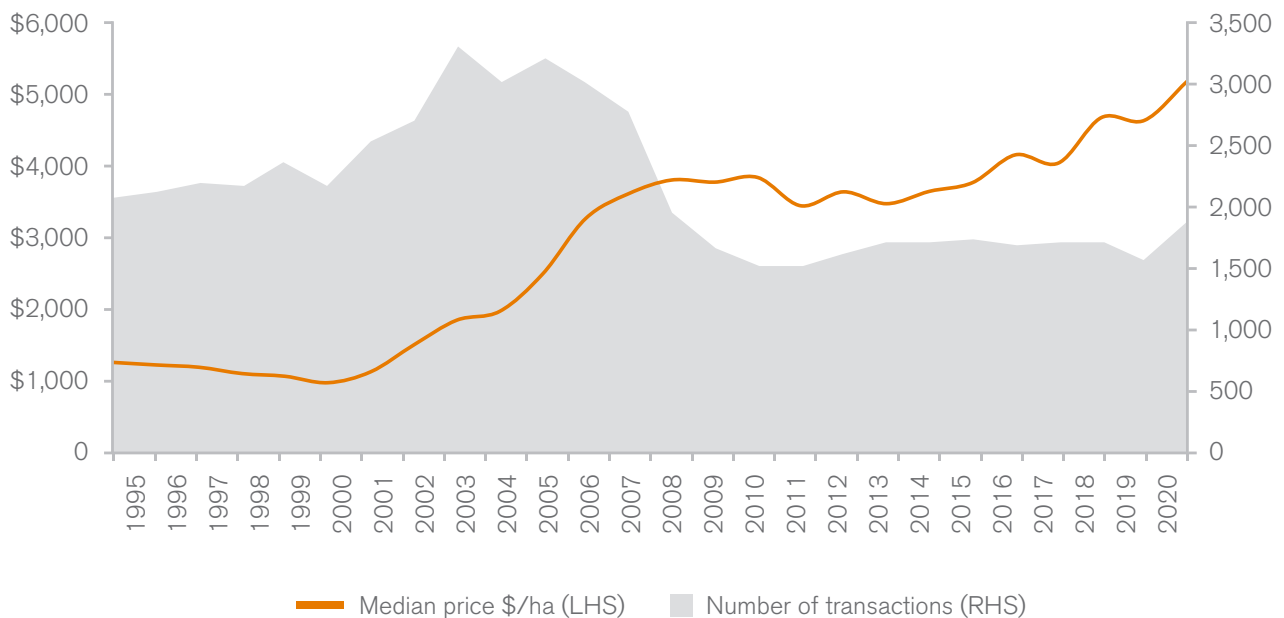
Central
20.5%

South
2.5%

Queensland

Queensland

Queensland – historic performance



Queensland farmland values reached a new record high in 2020 as the median price per hectare increased by 11.8 per cent, a strong recovery following a 0.8 per cent decline in 2019. Although there has been some volatility the last five years, a strong upward trend has prevailed with a CAGR of 6.6 per cent over that period. Growth in farmland values has been even stronger over the longer-term with CAGR of 8.8 per cent over the last 20 years.

West Queensland led the charge among the state's regions with a very strong increase of 39.4 per cent in the median price per hectare. This was followed by the Central region which recorded a 20.5 per cent increase. Growth was more subdued in the South increasing by 2.5 per cent, however a large increase in the number of transactions in this region added a greater proportion of higher-priced transactions in the state. North Queensland recorded a decline of 1.3 per cent, however there were signs of strong growth within segments of this region.

The number of farmland transactions in Queensland increased by 20.1 per cent in 2020, to 1,904. The highest since 2008 and 12 per cent above the 10-year average. All regions recorded an increase in transaction volume in 2020 however it was the South and Central regions which had the greatest increases of 32.2 per cent and 20.2 per cent, respectively.

An estimated 3.7 million hectares of farmland was traded in Queensland in 2020 which was 9.6 per cent lower than 2019, despite the significant increase in transaction volume. This was caused by an increased proportion of smaller parcels being sold which is evident in the median parcel size for Queensland farmland transactions declining by 14.5 per cent.

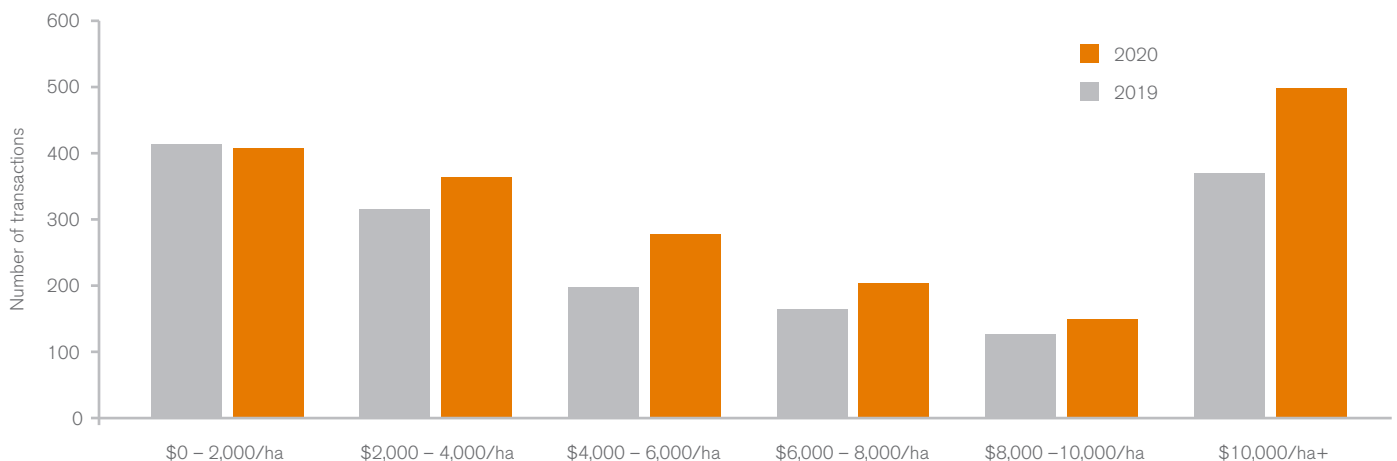
The total value of farmland traded in Queensland in 2020 was approximately \$2.9 billion, a 16.5 per cent increase from 2019. This was driven by the increase in the number of transactions and shift in transaction mix towards smaller parcel sizes which typically attract a higher dollar per hectare price.

From the field

“Queensland recorded strong growth in both transaction volume and value in 2020. In the West of the state, exclusion fencing continued to provide grazing options, drastically altering the productive capacity of the land and the value prospective buyers were willing to place on it. Grazing regions benefitted from strong cattle prices and eventual rainfall offering vendors a chance to sell well presented properties to confident buyers. This made way for a greater proportion of larger grazing parcels transacting in the Northern region in comparison to 2019. Southern areas were the first to benefit from more favourable seasonal conditions in 2020, which resulted in a significant increase in transaction volume, particularly around regional centres.”

Andrew Smith, Rural Bank, Eastern Australia.

Queensland – transactions by price range



The increased number of transactions in Queensland occurred across all price ranges except for the lowest range which recorded a small decline of 1.5 per cent. At the other end of the scale, there was a 36.1 per cent increase in transactions priced above \$10,000/ha, which accounted for 26 per cent of the state's total transactions, up from 23 per cent in 2019. The increased proportion of higher-priced transactions contributed to the rise in median price per hectare.

South Queensland was the primary contributor to the increased number of transactions above \$10,000/ha, accounting for 61.1 per cent of the state's transactions in this price range. The decline in the number of transactions below \$2,000/ha was led by the North region which offset an increase in the Central region.

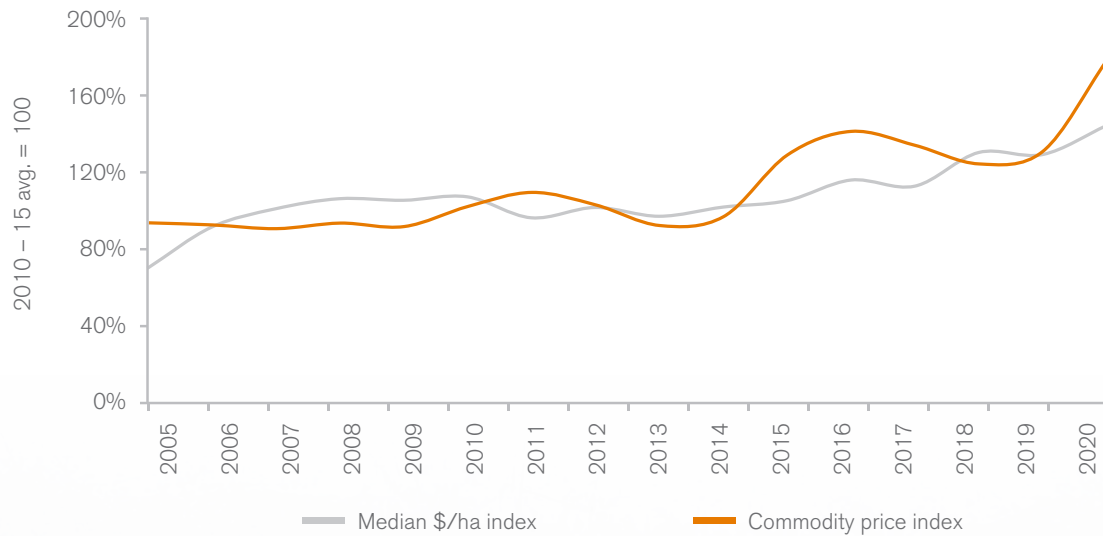
Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
30-100	\$8,682	-0.5%	2.0%	9.5	961	235
100-200	\$5,139	13.1%	4.2%	10.0	322	27
200-400	\$3,304	2.7%	3.5%	10.0	185	22
400+	\$1,307	30.6%	3.8%	10.0	436	34
Overall	\$5,200	11.8%	3.1%	10.0	1,904	318

Demand for larger properties in Queensland appeared to be very strong in 2020 as the median price per hectare increased for all parcel size ranges above 100ha, despite an increase number of transactions for each of them. The South and West regions drove the increased number of transactions larger than 400ha, which offset fewer transactions of this size in the North region. The 10-year CAGR in Queensland is relatively low due to the extended period of plateau between 2008 and 2013, however the recent growth phase in the last five years has included more encouraging growth rates including a very strong 10.4 per cent CAGR for transactions greater than 400ha.

The smallest parcel size range recorded a decline in median price per hectare in 2020 under the weight of increased supply. South Queensland contributed most of the increased number of transactions in this range and strong increases also occurred in the Central and North regions. Although the median price per hectare for transactions in this price range declined, the increased proportion of the state's transactions recorded in this range contributed to the state median price per hectare increasing due to the relatively higher price per hectare of smaller parcels.

Queensland – commodity price comparison



The commodity price index for Queensland is weighted based on the gross value of agricultural production (GVP) for each commodity. Queensland is predominately weighted towards beef (53%), fruit (12%), sugar (12%) and vegetables (11%).

Historically there is a strong correlation between commodity price and farmland values in Queensland. However, in contrast to the divergence at national level, commodity prices have outperformed farmland values since 2015. There are several factors at play during this period which have contributed to the divergence.

- The official cash rate fell from 1.5 per cent at the beginning of 2018 to 0.1 per cent at the end of 2020, continuing a downward trend.
- Transaction volume has been consistent for the past decade, constrained by drought in grazing regions.
- Seasonal conditions worsened in 2018 before severe drought was felt across large parts of the state in 2019.
- Cattle prices increased sharply in 2015 buoyed by strong export demand and compounded by high slaughter rates due to drought.

In 2020, seasonal conditions improved which led to an increase in transaction volume across the state. Land of all sizes reported an increase in transaction volume. Historically, when this happens median price per hectare growth is curtailed by an increase in lower value transactions in marginal areas of the state. However, this wasn't the case in 2020. Instead, the median price per hectare reversed a decline in 2019, increasing by 11.8 per cent.

Collectively the Queensland commodity price index surged higher in 2020, increasing by 47 per cent. Beef cattle prices were a driving force behind the appreciating index. The average price for beef cattle increased by 34.8 per cent compared to 2019 (based on trade steer prices).

Looking ahead to 2021, transaction volume will likely remain tight creating competition amongst buyers. Buying power remains strong driven by low interest rates and favourable commodity prices, suggesting that the median price hectare for farmland in Queensland could trend higher.

The Queensland commodity price index, whilst historically high, may be more subdued compared to the growth experienced in 2020. The prospect of a favourable season will underpin cattle prices driven by restocker demand for young cattle. However, so far in 2021, finished cattle prices haven't kept pace with young cattle prices, suggesting further growth will be constrained by an increase in supply as the year goes on.

For more analysis on what was driving both farmland values and commodity prices across the country between 2005-2020, please refer to the national section of this report located above.

QLD Central

Central – historic performance




\$3,268
Median price per hectare



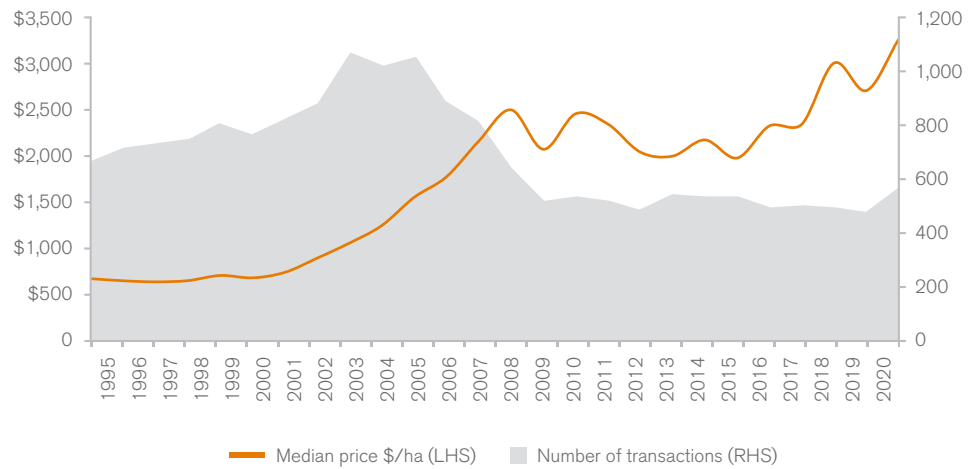
20.5%
2020 median price growth



562,526
Hectares of land traded



8.1%
Compound annual growth over 20 years



Central Queensland recorded an increase in median price per hectare of 20.5 per cent in 2020 to \$3,268/ha. This follows a decline of 9.9 per cent in 2019. The median price per hectare has increased in four of the last five years. The region recorded a five-year CAGR of 10.5 per cent, the strongest growth rate in the state.

Growth in median price per hectare was recorded across most municipalities in the region, led by increases of over 20 per cent in Gladstone, Banana and Isaac. Goondiwindi and Livingstone were the only municipalities to record a decline in median price per hectare in 2020.

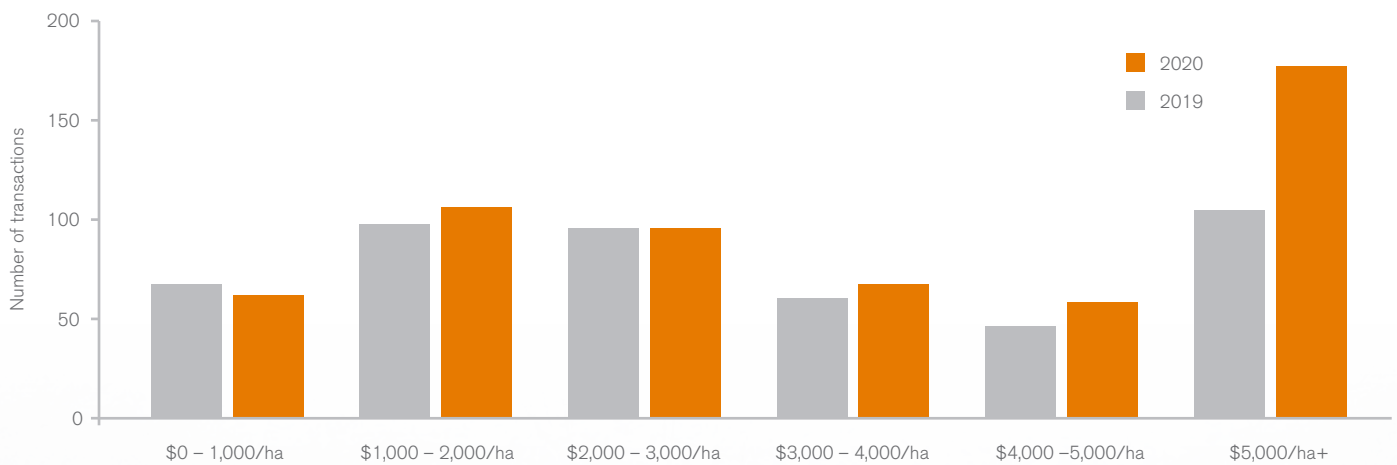
Improved seasonal conditions in parts of the region and strong demand brought more listings onto the market in 2020. This resulted in a 20.2 per cent jump in transaction volume, totalling 571. This was the highest number of transactions in the region since 2008. Livingstone, Western Downs and North Burnett recorded the largest increase in transaction volume, while there were declines in Goondiwindi, Isaac and Central Highlands.

From the field

“Rural property sales in Central Queensland achieved improved results in 2020 on the back of very strong cattle markets. However, rainfall continued to be sparse and patchy. Availability of well grassed properties also improved in 2020 as motivated vendors who received rainfall elected to take advantage of increased demand from producers who missed out on rain and actively sought out alternative locations for their stock. Demand for well grassed and well improved properties is expected to continue into 2021.”

Linda Paterson, Rural Bank, Rockhampton.

Central – transactions by price range



The number of transactions in Central Queensland increased for all but the lowest price range. The upper price range in the region recorded the largest increase in transaction volume and accounted for 31 per cent of the region’s transactions in 2020, up from 22 per cent. The increased proportion of higher-priced transactions contributed to the shift in the region’s median price per hectare.

The trend of fewer transactions in lower price ranges and an increase in higher price ranges was relatively consistent across the municipalities in the region, with Goondiwindi the only area to record a decline in transactions above \$5,000/ha.

Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
30-100	\$5,934	18.5%	3.4%	10.0	187	55
100-300	\$3,856	20.1%	3.9%	10.0	165	30
300-600	\$1,912	-14.6%	1.7%	8.5	65	-4
600+	\$1,997	9.5%	4.7%	10.0	154	15
Overall	\$3,268	20.5%	2.9%	10.0	571	96

Most parcel size ranges recorded strong growth in median price per hectare in 2020, except for transactions between 300-600ha which recorded a decline for the second consecutive year. Parcels up to 300 hectares were in strong demand with very solid growth in the median price per hectare and an increase in transaction volume. Despite a lower increase in the median price per hectare, transactions greater than 600ha recorded a third consecutive year of growth and the highest CAGR over the last five years of 12.8 per cent.

The relatively large increase in the number of transactions for parcels between 30-100ha increased the proportion of high value small parcel transactions in 2020, rising to 62 per cent, up from 56 per cent in 2019. A greater proportion of smaller transactions, which attract a higher dollar per hectare value, contributed to the increase in the region’s median price per hectare.

QLD
North

North – historic performance




\$8,826
Median price per hectare



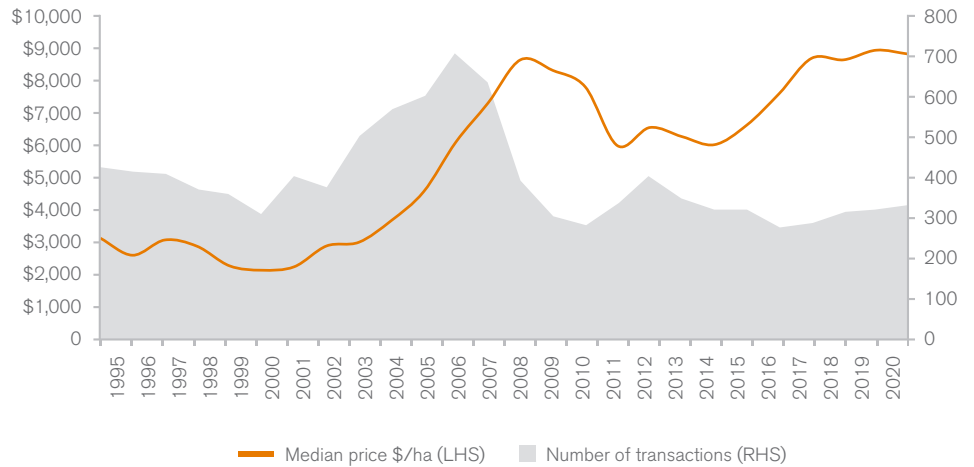
-1.3%
2020 median price growth



486,815
Hectares of land traded



7.4%
Compound annual growth over 20 years



The median price per hectare in North Queensland declined slightly in 2020, down 1.3 per cent to \$8,826/ha. This followed a 3.5 per cent increase in 2019. Strong demand for larger grazing parcels resulted in a higher proportion of comparatively lower valued properties transacting at municipality level, this contributed to the slight decline in median price per hectare for the region.

Median price per hectare increased notably in the municipalities of Charters Towers, Cook, Mackay and Mareeba. While in the municipalities of Burdekin, Cassowary Coast, Hinchinbrook and Tablelands recorded a decline, due to an increase in transaction volume for comparatively larger parcels of land which transact at a lower price per hectare. Historically, Burdekin has led the region’s recent growth phase with a CAGR of 19.4 per cent over the last five years.

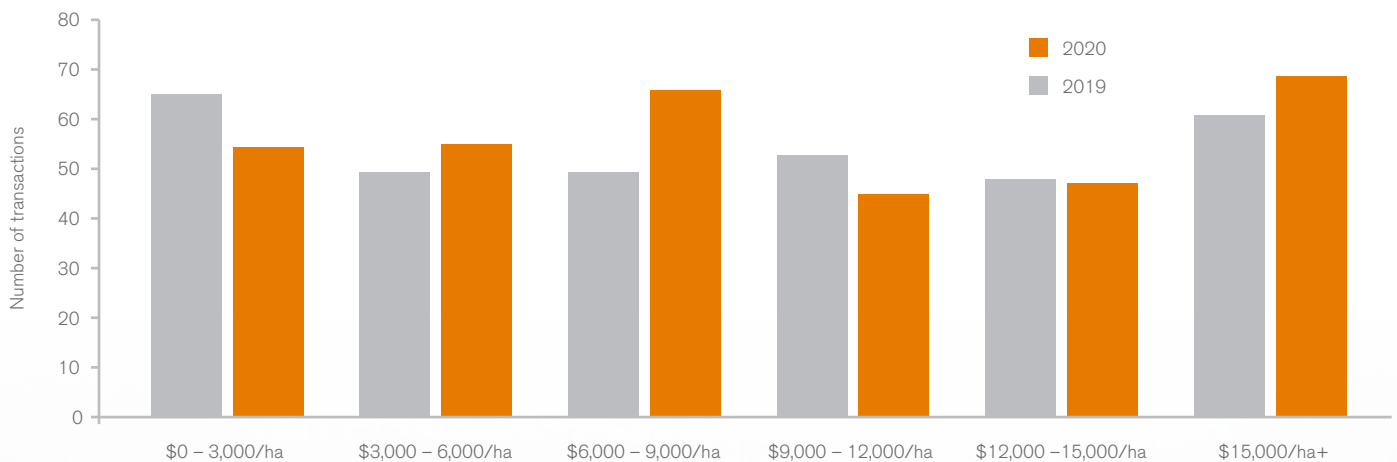
Improved seasonal conditions in parts of the region and strong demand from graziers brought more listings onto the market in 2020. Transaction volume totalled 336, 3.4 per cent higher than 2019. The municipalities of Burdekin, Cassowary Coast, Hinchinbrook, Mareeba and Tablelands accounted for most of the increase in transaction volume.

From the field

“The market for farmland in North Queensland remained strong in 2020 as buyers continued to be encouraged by low interest rates. Grazing properties in the region experienced an uplift in values on the back of high cattle prices which encouraged producers to seek expansion opportunities as they rebuild herd numbers. Horticultural properties also benefited from strong demand, particularly for bananas, citrus and avocados, however demand for sugar cane properties declined due to a weaker global outlook for sugar.”

Simon Gilbert, Rural Bank, Innisfail.

North – transactions by price range



The mid-price range of \$6,000-9,000/ha recorded the largest increase in transaction volume and accounted for 20 per cent of the region’s transactions in 2020, up from 15 per cent in 2019. The increased proportion of mid-priced transactions contributed to the shift in the region’s median price per hectare. The Tablelands municipality accounted for most of the increase in this price range, recording 10 more transactions compared to an historic low in 2019.

The increase in transactions above \$15,000/ha was most evident in the municipality of Mareeba, corresponding with demand for horticultural properties. While the decline in the \$0-3,000/ha range was the result of fewer transactions in the municipality of Charters Towers.

Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
30-50	\$13,054	7.1%	1.3%	10.0	104	11
50-100	\$8,595	-14.2%	-0.3%	6.5	124	10
100-200	\$7,884	22.9%	4.8%	9.5	50	-7
200+	\$2,202	31.4%	6.5%	9.0	58	-3
Overall	\$8,826	-1.3%	1.2%	9.5	336	11

Transaction volume increased for parcels in both the 30-50ha and 50-100ha ranges. In contrast, transaction volume decreased slightly in the 100-200ha and greater than 200ha ranges. Median price per hectare for the 50-100ha range declined 14.2 per cent. There was a higher proportion of transactions in this size range in lower priced municipalities in 2020 in comparison to 2019 which contributed to the decline in median price for the region. In contrast, larger parcels of land recorded strong growth in median price per hectare as demand from graziers increased.

Parcels greater than 200ha recorded the highest 10-year CAGR of 6.5 per cent, outperforming the region and the smaller parcel segment of the market.

QLD
South

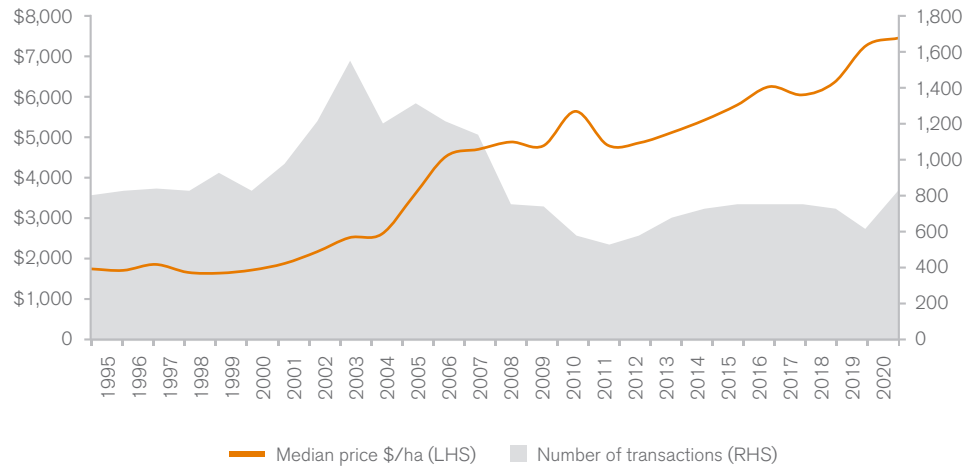
South – historic performance

\$7,451
Median price per hectare

2.5%
2020 median price growth

120,387
Hectares of land traded

7.6%
Compound annual growth over 20 years



The median price per hectare in South Queensland edged higher in 2020, increasing by 2.5 per cent. This was the third consecutive year of growth. South Queensland has been one of the most consistent growth regions in the state, with year-on-year growth in median price per hectare for eight out of the last 10 years.

Year-on-year movement in the median price per hectare was inconsistent across municipalities in the region with strong growth recorded in Somerset, Gympie, Moreton Bay and Lockyer Valley. Offsetting declines in Bundaberg, Sunshine Coast and Scenic Rim.

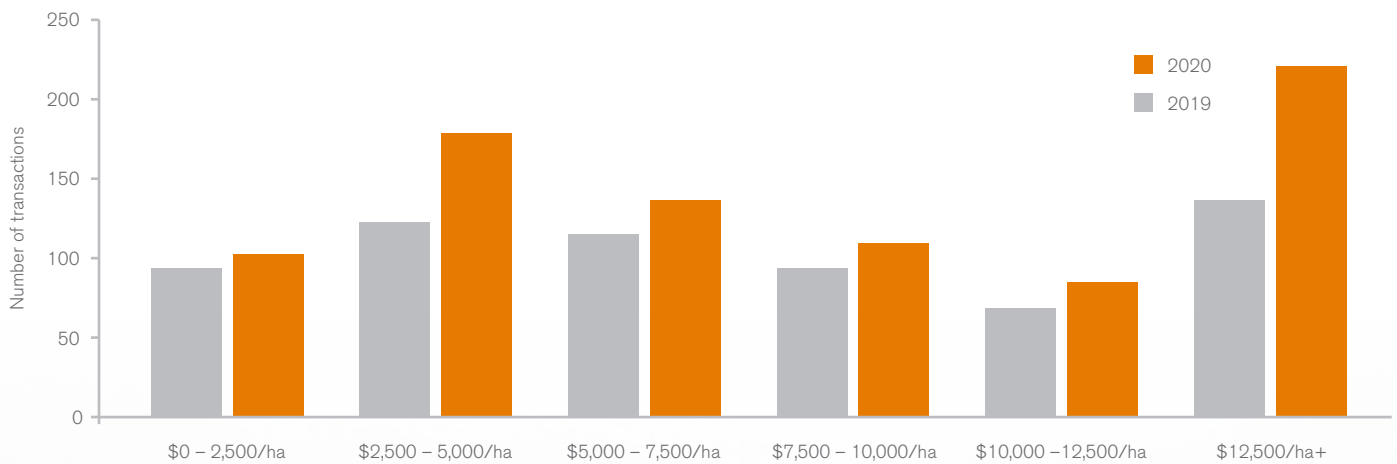
Transaction volume increased in 2020 on the back of improved seasonal conditions and strong commodity prices. The number of transactions in the region increased by 32.2 per cent to 834, following a 14.8 per cent decline in 2019. Bundaberg and Southern Downs recorded the largest increase in transaction volume, while modest declines occurred in the Fraser Coast and Moreton Bay municipalities.

From the field

“There was an increase in interest from buyers in the region driven by drought relieving rain, strong commodity prices and low interest rates. Large rural holdings with scale attracted strong competition as high net worth rural investors sought blue chip investments for long term returns. The region also became a focus for buyers looking to leave the city and secure rural lifestyle properties on the fringes of regional centres.”

Andrew Williams, Elders, Warwick.

South – transactions by price range



Transactions increased across all price ranges, but there was a larger increase in transactions greater than \$12,500/ha. This led to a greater proportion of higher-priced transactions which moved the median price per hectare higher. However, a lower proportion of mid-priced transactions and an increased proportion of transactions between \$2,500-5,000/ha partially offset the increase in the higher price range.

The trend of a relatively larger increase in the number of transactions greater than \$12,500/ha was consistent across most municipalities in the region, with Toowoomba contributing most of the transactions in this price range. Bundaberg accounted for most of the increase in the lower price ranges below \$5,000/ha.

Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
30-50	\$12,352	9.5%	4.6%	10.0	248	96
50-100	\$7,219	0.3%	1.6%	10.0	295	64
100-200	\$5,540	2.4%	4.4%	10.0	163	12
200+	\$3,247	-1.9%	2.7%	9.5	128	31
Overall	\$7,451	2.5%	2.8%	10.0	834	203

The median price per hectare increased for all parcel size ranges in 2020 except for those larger than 200ha. The consistency in the region's price growth is evident in both the 50-100ha and 100-200ha segments recording a third consecutive year of growth in the median price per hectare while the 30-50ha segment recorded a second year of growth. Despite being the only parcel size range to record a decline in median price per hectare in 2020, parcels larger than 200ha recorded the strongest CAGR over the last 10 years of 11.3 per cent. The decline in median price per hectare was due to an increased proportion of these transactions occurring in lower-priced areas such as South Burnett, Southern Downs and Bundaberg.

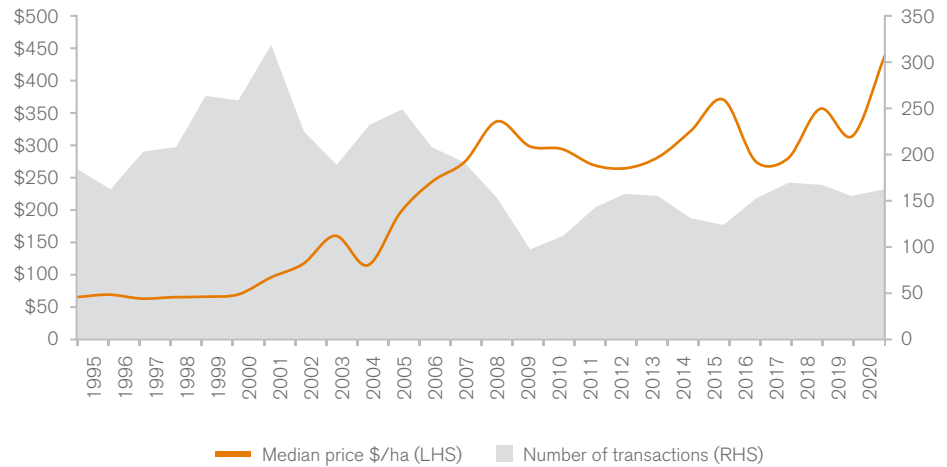

All parcel size ranges recorded an increased number of transactions in 2020, but there was an increased proportion of smaller parcels with the 30-50ha range accounting for 30 per cent of the region's transactions in 2020, up from 24 per cent. An increased proportion of smaller, and typically higher priced parcels contributed to the increase in the region's median price per hectare.

QLD
West

West – historic performance



\$441
Median price per hectare

36.4%
2020 median price growth


The median price per hectare of farmland in West Queensland increased by 36.4 per cent to \$441/ha. This follows an 11.7 per cent decline in 2019. Demand for grazing properties increased in 2020 which resulted in significant price increases for several municipalities.

The municipalities of Barcardine, Flinders, Longreach, Maranoa, Paroo, Quilpie, Richmond and Winton recorded an increase in the median price per hectare. In contrast, Balonne and Murweh recorded a decline due to a greater proportion of larger parcels of land which characteristically attract a lower price per hectare.



2,570,884
Hectares of land traded

Transaction volume increased by 5.2 per cent in 2020, totalling 163 which is in line with the long-term average. The increase in transactions centred around the municipality of Maranoa which recorded 27 more transactions after an historical low in 2019.



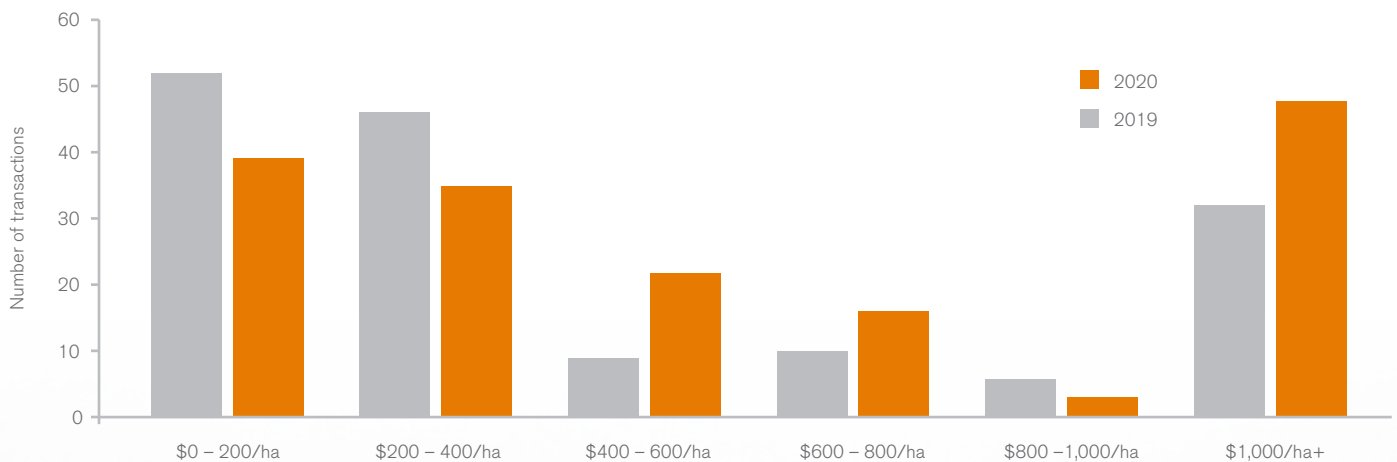
9.5%
Compound annual growth over 20 years

From the field

“Strong cattle and goat prices coupled with historically low interest rates strengthened demand for grazing land in 2020. Exclusion fenced properties proved highly desirable, offering enterprise flexibility and control over pastures, increasing productive performance and in turn the value of the property. Several generational transactions added interest to the region, as buyers moved to secure quality properties in a tightly held market.”

Malcolm Hosking, Rural Bank, Toowoomba.

West – transactions by price range



Transaction volume increased most notably in the greater than \$1,000/ha range and the mid-priced ranges of \$400-600/ha and \$600-800/ha. At the top end of the market there were 16 more transactions, most taking place in the high value municipality of Maranoa. The increase in mid-priced transactions was mostly evident in the municipalities of Barcaldine and Flinders. This contributed to the increase in median price per hectare for the region.

Transaction volume in the lower priced ranges declined by 25 per cent for the \$0-200/ha range and 23.9 per cent for the \$200-400/ha range. This equates to 24 fewer transactions at the lower priced end of the market which also contributed to the rise in the median price per hectare for the region. The municipalities of Longreach and Winton saw the largest decline in transaction volume for these price ranges.

Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
30-4,000	\$1,465	-18.5%	7.8%	9.0	62	20
4,000-8,000	\$427	-7.0%	4.3%	9.5	26	5
8,000-12,000	\$455	57.2%	6.8%	10.0	16	-10
12,000+	\$190	7.9%	9.1%	9.5	59	-7
Overall	\$441	39.4%	4.1%	10.0	163	8

Smaller parcels between 30-4,000ha saw the highest increase in transaction volume, which resulted in this size range accounting for 38 per cent of transaction volume up from 27 per cent in 2019. In contrast, larger parcels represented a smaller proportion of the total transaction volume in 2020, decreasing from 43 per cent in 2019 to 36 per cent in 2020.

The median price per hectare increased significantly for parcels greater than 8,000 hectares. This reflected strong demand for grazing land in a tightly held market, contributing to the rise in median price per hectare for the region. In contrast, increased transaction volume resulted in a higher portion of lower priced properties transacting in the smaller size ranges. Over the long term, larger parcels greater than 12,000ha have recorded the highest CAGR of 9.1 per cent, outperforming the region.

QLD

Farmland sales by municipality

Municipality	Median \$/ha				Number of transactions	
	2020	5yr CAGR	10yr CAGR	20yr CAGR	2020	YoY +/-
Central						
Banana	\$4,577	16.0%	5.7%	9.4%	55	11
Central Highlands	\$3,242	17.5%	6.0%	10.3%	31	-2
Gladstone	\$3,826	17.3%	1.9%	6.7%	73	16
Goondiwindi	\$1,672	3.1%	-0.1%	6.5%	44	-9
Isaac	\$2,694	6.4%	4.6%	9.9%	26	-2
Livingstone**	\$4,757	1.4%	–	–	51	25
North Burnett	\$3,525	7.3%	3.5%	8.1%	98	20
Rockhampton	\$5,119	16.5%	0.8%	8.6%	43	14
Western Downs	\$2,649	5.8%	2.6%	7.0%	150	23
Central	\$3,268	10.5%	2.9%	8.1%	571	96
North						
Burdekin	\$14,459	19.4%	3.4%	10.3%	28	4
Cairns Regional	\$10,047	9.1%	5.1%	7.2%	11	4
Cassowary Coast	\$9,995	4.6%	3.0%	4.5%	46	6
Charters Towers	\$3,124	1.9%	9.9%	14.2%	19	-3
Cook	\$4,639	24.6%	3.7%	3.7%	8	2
Croydon*	–	9.3%	6.3%	4.2%	0	-2
Douglas**	\$10,540	-3.1%	–	–	6	5
Etheridge	–	40.2%	8.8%	13.9%	2	-4
Hinchinbrook	\$6,634	2.4%	-2.8%	2.7%	19	7
Mackay	\$9,992	7.1%	1.1%	6.3%	75	-5
Mareeba**	\$8,688	1.1%	–	–	33	5
Tablelands	\$8,785	2.6%	1.6%	6.3%	58	9
Townsville	\$9,060	1.5%	0.0%	7.1%	10	-9
Whitsunday	\$5,660	6.2%	-3.7%	8.1%	21	-8
North	\$8,826	5.9%	1.2%	7.4%	336	11
South						
Bundaberg	\$4,704	7.9%	-1.0%	8.1%	109	45
Fraser Coast	\$6,202	2.2%	6.5%	7.0%	37	-3
Gympie	\$10,077	9.8%	7.3%	9.4%	76	3
Lockyer Valley	\$8,895	1.2%	0.9%	7.4%	56	27
Moreton Bay	\$17,192	3.4%	0.4%	7.6%	17	-1
Scenic Rim	\$11,830	7.4%	3.0%	8.6%	71	21
Somerset	\$8,401	-0.6%	2.5%	7.4%	52	6
South Burnett	\$5,082	4.4%	2.8%	6.6%	103	29
Southern Downs	\$5,881	9.4%	3.0%	8.1%	111	41
Sunshine Coast	\$20,598	11.9%	2.0%	10.2%	27	8
Toowoomba	\$7,715	7.1%	3.4%	7.6%	175	27
South	\$7,451	5.2%	2.8%	7.6%	834	203

Municipality	Median \$/ha				Number of transactions	
	2020	5yr CAGR	10yr CAGR	20yr CAGR	2020	YoY +/-
West						
Balonne	\$566	6.7%	1.1%	11.0%	11	0
Barcaldine	\$409	9.8%	5.4%	12.5%	13	4
Barcoo*	–	20.4%	8.6%	7.7%	0	-9
Blackall Tambo	\$566	7.6%	2.8%	8.8%	7	1
Boulia	\$113	9.6%	0.6%	11.3%	5	4
Bulloo	–	28.2%	0.8%	10.4%	3	2
Burke	–	20.3%	23.8%	16.6%	2	2
Carpentaria	–	24.3%	8.6%	9.7%	1	0
Flinders	\$479	15.6%	4.5%	8.8%	10	5
Longreach	\$330	78.8%	2.1%	8.3%	10	-12
Maranoa	\$1,832	21.2%	6.5%	10.6%	60	27
Mckinlay	\$366	13.1%	7.4%	8.6%	4	-3
Murweh	\$191	-4.9%	2.9%	4.8%	10	-3
Paroo	\$202	28.4%	7.7%	11.7%	12	3
Quilpie	\$103	20.7%	10.2%	8.8%	5	2
Richmond	\$371	11.7%	6.8%	8.8%	5	-3
Winton	\$267	12.5%	-0.4%	7.6%	5	-12
West	\$441	3.4%	4.1%	9.5%	163	8
QUEENSLAND	\$5,200	6.6%	3.1%	8.8%	1,904	318

CAGR: Compound Annual Growth Rate

Price information with a small volume of transactions should be used with caution. The median price for municipalities with less than four transactions in 2020 is not reported.

*Municipalities with no transactions in 2020 have compound annual growth rate for five, ten and twenty years presented using the 2019 median.

**Newly formed municipalities have not yet got enough data to provide a 10 and 20 year CAGR.



\$5,855

Median price per hectare



15.6%

2020 median price growth



1,429,709

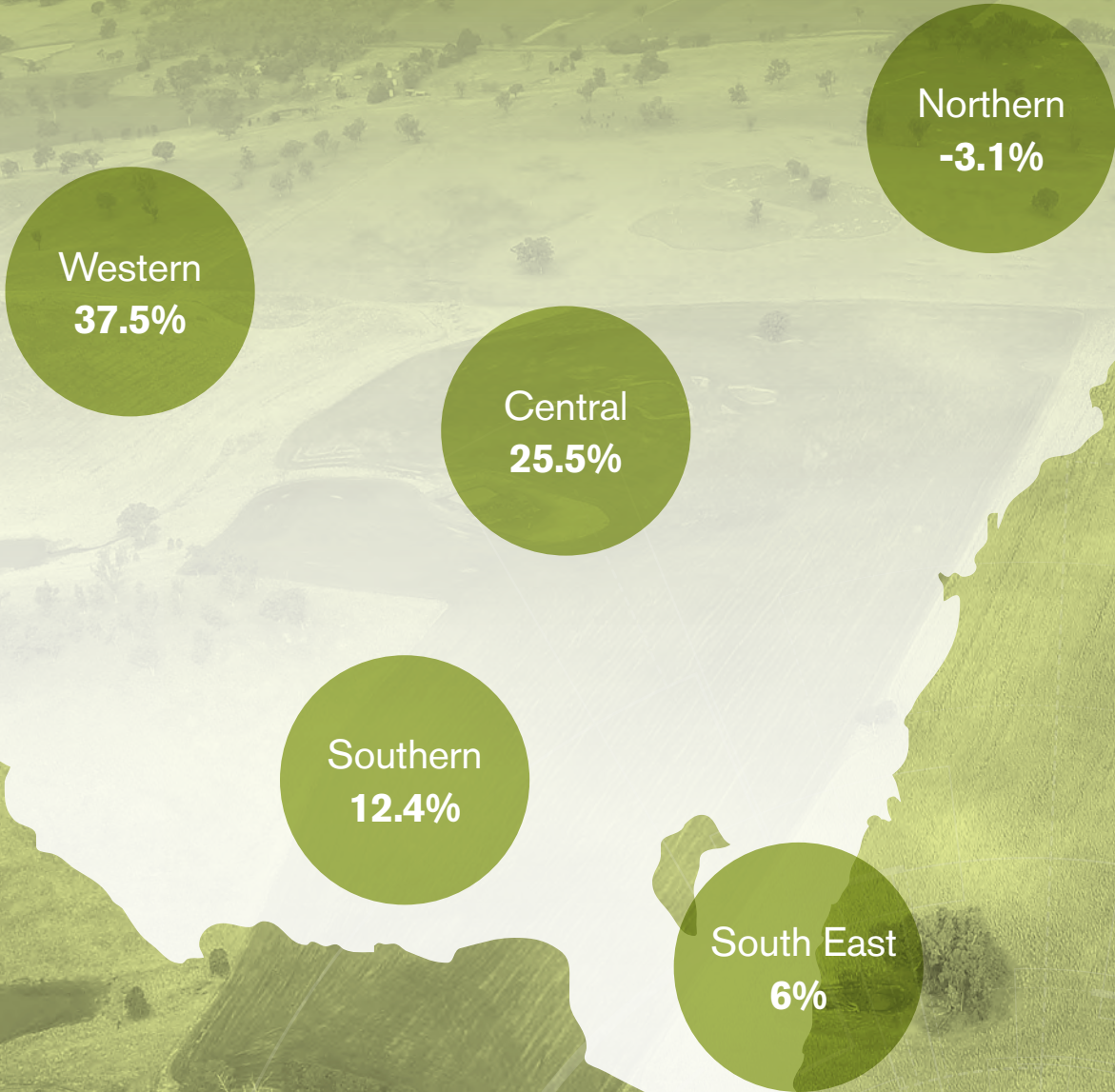
Hectares of land traded



8.1%

Compound annual growth
over 20 years

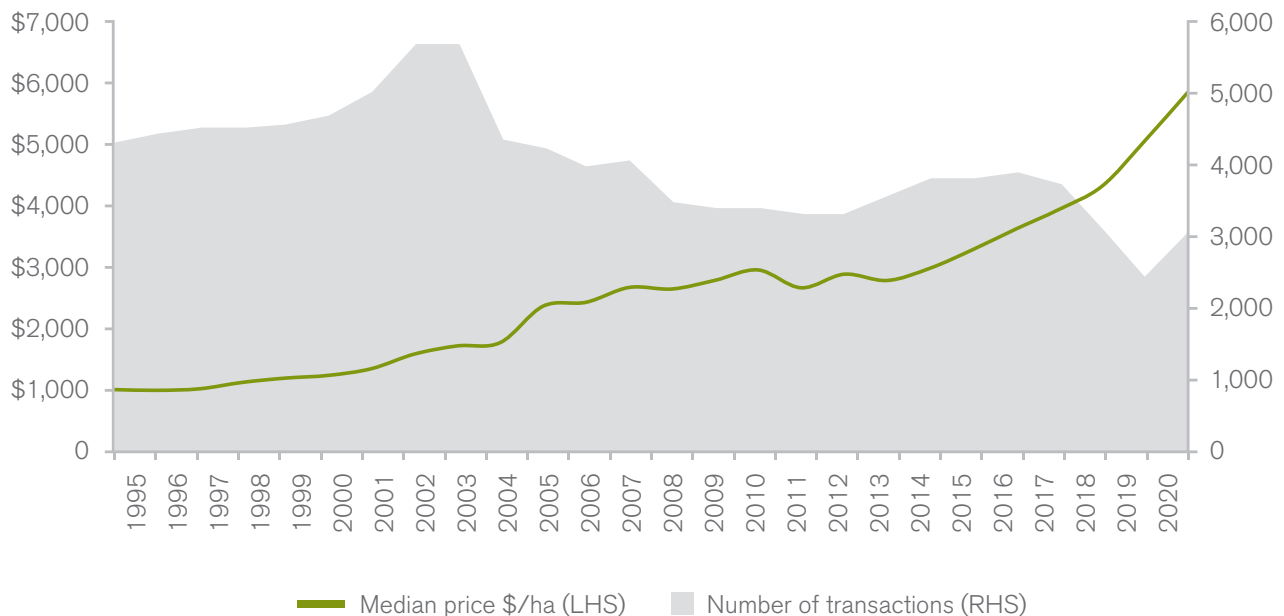
Map shows median price movement in 2020.



New South Wales

New South Wales

New South Wales – historic performance



The median price per hectare for farmland in New South Wales reached a record \$5,855/ha in 2020, increasing by 15.6 per cent. This followed an increase of 17.2 per cent in 2019, which brings the CAGR for the last five years to 12.2 per cent. The median price per hectare for the state has trended higher for the past seven consecutive years. Favourable seasonal conditions in 2020 combined with low interest rates and resilient commodity prices helped drive prices higher across the state.

At regional level, the Western and Central regions of the state recorded the highest growth in median price per hectare, increasing by 37.5 and 25.5 per cent respectively. Followed by the Southern and South East regions, increasing by 12.4 and six per cent respectively. In contrast, median price per hectare eased in Northern New South Wales, decreasing by 3.1 per cent. This was due to a 41 per cent increase in transaction volume, resulting in an influx of lower priced properties in municipalities which saw little activity in 2019.

The number of farmland transactions in New South Wales increased by 24.8 per cent in 2020, to 3,073. Favourable seasonal conditions led to a large increase in transaction volume in the Northern and Central regions, increasing by 41 and 35.3 per cent respectively. Followed by the South East region, increasing by 28.3 per cent, transaction volume was led by a recovery from earlier bushfires in the region. In contrast, the Southern region recorded a decline in transactions of 17.4 per cent, this was primarily due to severe bushfires in early 2020 which limited listings in key municipalities.

An estimated 1.4 million hectares of farmland was traded in New South Wales in 2020 which was 5.5 per cent higher than 2019.

This was driven by the increase in the number of transactions in regions with traditionally larger parcel sizes compared to 2019.

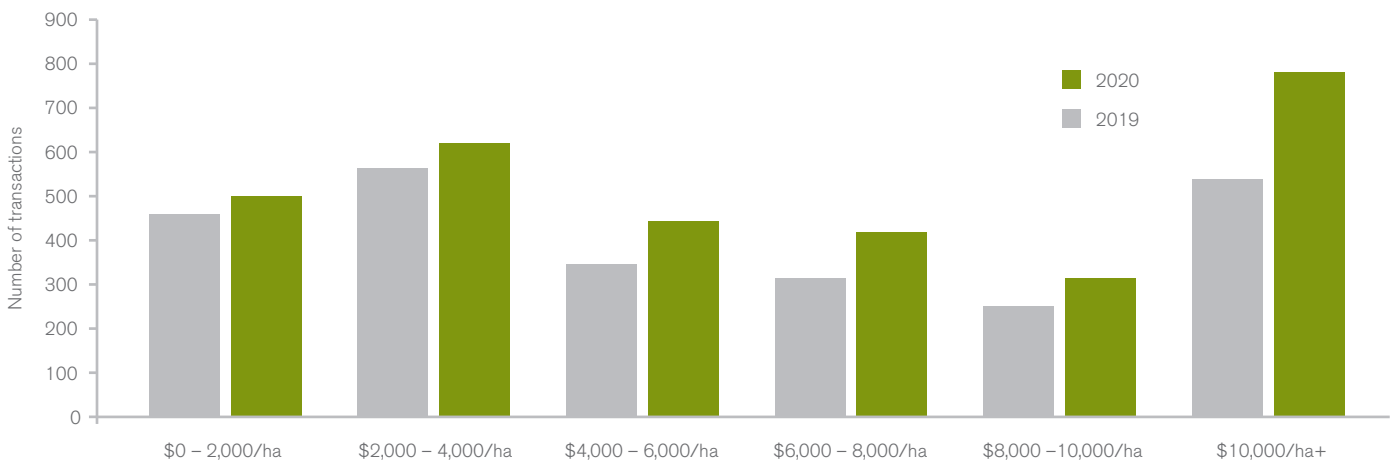
The total value of farmland traded in New South Wales in 2020 was approximately \$3.7 billion, a 19.9 per cent increase from 2019. This was driven by both an increase in transaction volume across the state and an appreciation in land values.

From the field

“New South Wales saw a rebound in listings and continued growth in value in 2020, buoyed by favourable seasonal conditions, historically low interest rates and strong balance sheets. In the North of the state drought conditions persisted into early 2020 before a break in the weather led to a significant increase in activity in cropping areas to the west of the region. The Central region was quicker to rebound, particularly in areas closer to the divide. In contrast, Southern and Western regions remained tightly held, areas impacted by bushfire saw a decline in sales activity while grazing land in the South East and cropping land in the Riverina was highly sought after.”

Andrew Smith, Rural Bank, Eastern Australia.

New South Wales – transactions by price range



The increased number of transactions in New South Wales occurred across all price ranges highlighting the impact of favourable seasonal conditions which prompted listings. Transactions greater than \$10,000/ha increased by 45.8 per cent, which equates to 246 more transactions. The Central region accounted for most of the increase in volume. Strong growth in transaction volume was also recorded in the mid-priced ranges, the \$4,000-6,000/ha range increased by 28.9 per cent, equating to 99 more transactions. The Northern region accounted for most of the increase in this range.

Lower priced ranges accounted for a smaller percentage of total transactions in 2020, declining from 19 per cent to 16 per cent in the \$0-2,000/ha range. In contrast, transactions greater than \$10,000/ha accounted for 25 per cent of the total, up from 22 per cent in 2019. This contributed to a higher median price per hectare for the state.

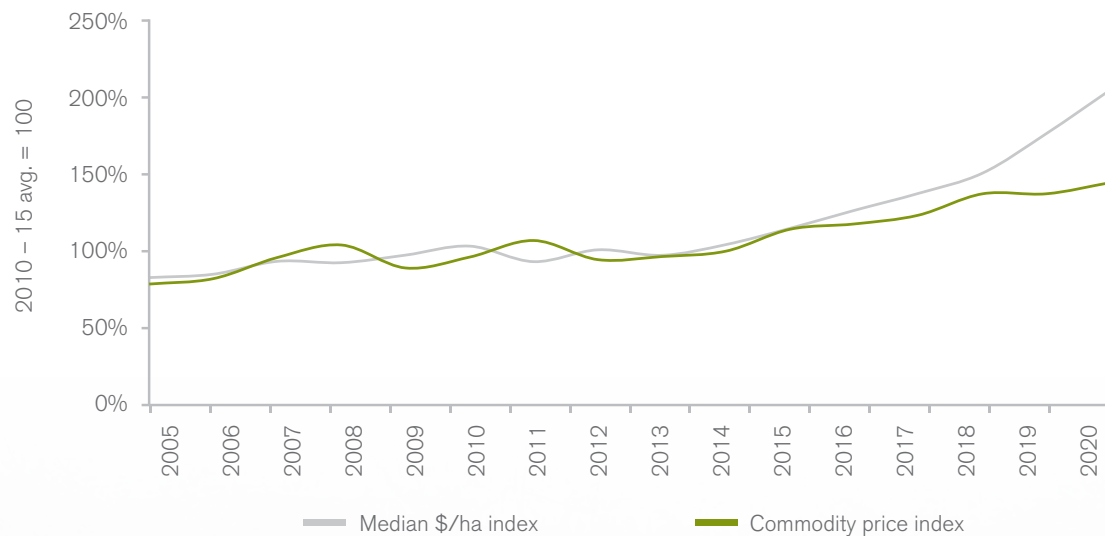
Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
30-50	\$10,249	2.7%	4.7%	10.0	770	190
50-150	\$7,248	14.5%	6.4%	10.0	991	223
150-250	\$4,330	9.4%	5.5%	10.0	382	58
250+	\$2,723	1.3%	7.4%	10.0	930	140
Overall	\$5,855	15.6%	7.1%	10.0	3,073	611

Demand for parcels of all sizes was a trend across the state in 2020. The greatest increase was for smaller parcels between 30-50ha, followed by 50-150ha parcels. The South East region accounted for most of the increase in 30-50ha parcels. The Central region saw the largest increase in 50-150ha parcels, increasing by 157 transactions. Larger parcels greater than 250ha also saw strong growth in transaction volume. The Northern region accounted for most of the increase in this size range. Parcels between 50-150ha accounted for the highest percentage of total transaction volume for the state at 32 per cent, up by one per cent. This was closely followed by parcels greater than 250ha at 30 per cent, down by two per cent.

The median price per hectare increased across all parcel sizes in 2020, resulting in record highs. The highest increase was recorded for parcels between 50-150ha. While median price per hectare edged higher for parcels greater than 250ha. Over the long-term larger parcels of land recorded the highest ten-year CAGR of 7.4 per cent, outperforming the state. In contrast, smaller higher value parcels recorded a ten-year CAGR of 4.7 per cent.

New South Wales – commodity price comparison



The commodity price index for New South Wales (NSW) is weighted based on the gross value of agricultural production (GVP) for each commodity. NSW is predominately weighted towards grain (27%), beef (25%), wool (11%) and lamb (7%).

Historically there is a strong correlation between commodity price and farmland values in NSW. However, a divergence in the relationship between commodity price and farmland values in NSW became apparent in 2016, widening significantly from 2018 to 2020, driven by declining interest rates and historically low transaction volume.

There are several factors at play during this period which have contributed to the divergence.

- The official cash rate fell from 1.5 per cent at the beginning of 2018 to 0.1 per cent at the end of 2020, continuing a downward trend.
- There was a sharp decline in property listings, resulting in an historically low transaction volume in 2019 and a reduction in lower priced transactions in more marginal areas of the state. This contributed to growth in the median price per hectare.
- Seasonal conditions worsened in 2018 before severe drought was felt across large parts of the state in 2019.
- Grain prices increased due to short supply and livestock prices eased as slaughter rates increased.

In 2020, seasonal conditions improved which led to an increase in transaction volume across the state. Land of all sizes reported an increase in transaction volume. Historically, when this happens median price per hectare growth is curtailed by an increase in lower value property transactions. However, this wasn't the case for NSW. Instead, the median price per hectare kept pace with the previous year, widening the gap between commodity price and median price per hectare.

Collectively the NSW commodity price index edged higher in 2020, increasing by seven per cent. Beef cattle prices led the way, as average price increased by 33.6 per cent compared to 2019 (based on trade steer prices). Average lamb prices also increased, up 6.9 per cent (based on trade lamb prices). Growth in livestock prices was tempered by softer grain prices. Average wheat prices for the state declined by 8.9 per cent (based on APW1 prices), while average barley prices declined by 16.7 per cent (based on feed barley prices).

Looking ahead to 2021, buying power remains strong suggesting that the median price hectare could continue diverging away from commodity prices. The NSW commodity price index, whilst historically high, may remain flat compared to the growth experienced in 2020. The prospect of another favourable season for grain and production increases for livestock on the back of restocking activity could put pressure on markets late in 2021.

For more analysis on what was driving both farmland values and commodity prices across the country between 2005-2020, please refer to the national section of this report located above.

NSW

Central

Central – historic performance



\$5,920

Median price per hectare




25.5%

2020 median price growth



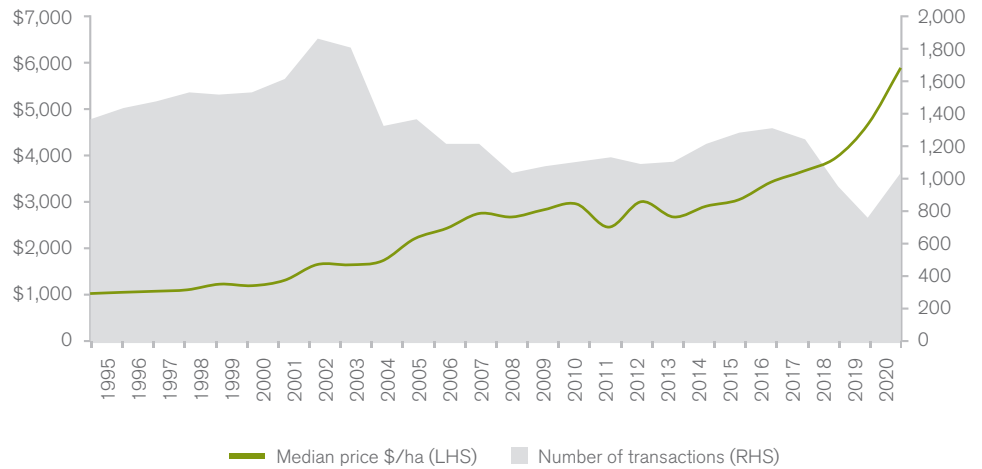
343,425

Hectares of land traded



8.2%

Compound annual growth over 20 years



The median price per hectare of farmland in Central New South Wales increased by 25.5 per cent in 2020 to \$5,920 per hectare. This resulted in the seventh consecutive year of growth for the region. A return to favourable seasonal conditions led to a higher volume of listings which was met with strong demand as buyers moved quickly to secure land after a lack of buying options in 2019.

At municipality level strong growth in median price per hectare was recorded in Cabonne, Dungog, Lachlan, Mid-Western, Narromine and Oberon. In contrast, median price per hectare declined for the Coonamble, Dubbo, Mid-Coast and Warren municipalities.

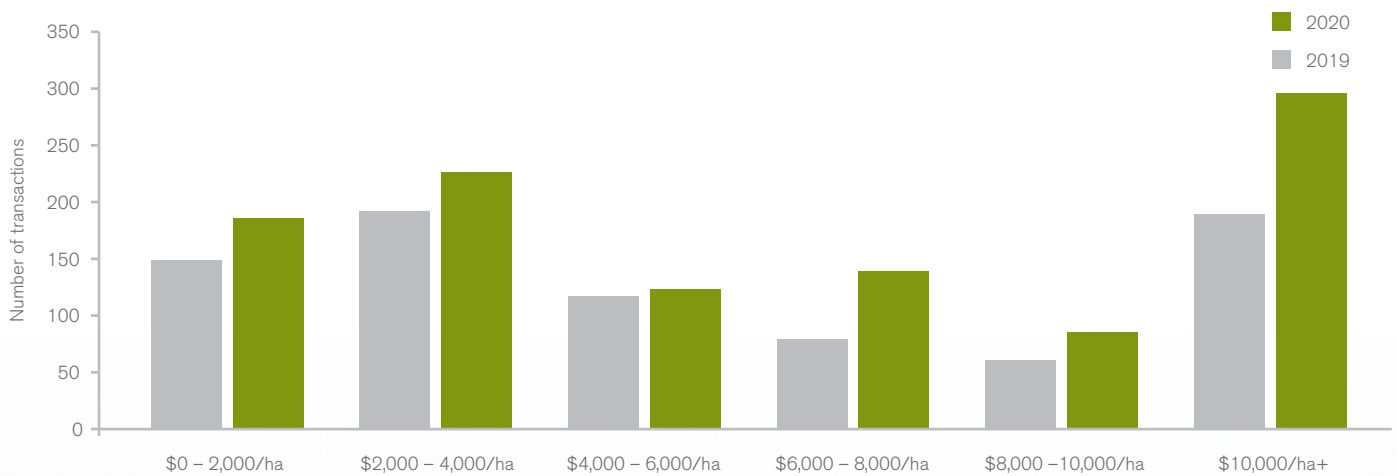
Severe drought conditions in 2019 saw transactions reach an historic low. However, the volume of transactions rebounded in 2020 to the highest level in three years at 1,047, 35.3 per cent higher than 2019, led by the Cabonne, Mid-Coast and Mid-Western municipalities.

From the field

“Recovery from the drought and never seen before livestock prices led to demand for agricultural assets which continued to outstrip supply. Strong inquiry resulting in increased market levels being set continued across all classes of rural property throughout the Central West.”

Richard Gemmell, Elders, Dubbo.

Central – transactions by price range



The volume of transactions increased across all ranges in 2020; a proportionally higher number of transactions above \$6,000/ha contributed to growth in the median price per hectare for the region. The most significant increase coming from transactions greater than \$10,000/ha, increasing by 108 transactions after a five year low in 2019. The spread of high value transactions wasn't confined to any one municipality which was reflective of strong demand across the region. Notable increases in high value transactions were recorded for the Dungog, Mid-Coast and Mid-Western municipalities.

In municipalities where the median price per hectare decreased such as Dubbo, Coonamble, Mid-Coast and Warren there was a higher proportion of mid-priced transactions despite growth in high value transactions. This was largely due to a rebound in listings in 2020 after an absence of these properties from the market in 2019 due to drought.

Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
30-50	\$11,173	-10.5%	3.2%	9.5	252	61
50-200	\$6,815	26.5%	5.3%	10.0	433	157
200-350	\$3,311	-2.7%	7.0%	9.5	119	15
350+	\$2,098	-7.0%	6.4%	9.5	243	40
Overall	\$5,920	25.5%	7.1%	10.0	1,047	273


There was an increase in transaction volume across all parcel sizes in 2020, reflecting demand for both high value small parcels and larger broadacre properties. The largest increase was for parcels between 50-200ha, these parcels represented 41.4 per cent of the total volume of transactions in the region. In addition to a higher volume of transactions in 2020, the 50-200ha range recorded a 26.5 per cent increase in median price per hectare. A greater proportion of smaller, high value parcels below 200ha in 2020 contributed to the increase in median price per hectare for the region.

The median price per hectare eased for each range except for parcels between 50-200ha. This was caused by an increase in transaction volume which saw a higher proportion in lower value properties selling in each size range, these properties didn't transact at the same rate in 2019 due to drought. Over the long-term, larger parcel sizes between 200-350ha returned the highest 10-year CAGR of seven per cent. In contrast, smaller high value parcels have recorded the lowest 10-year CAGR of 3.2 per cent.

NSW

Northern

Northern – historic performance



\$5,788

Median price per hectare




-3.1%

2020 median price growth



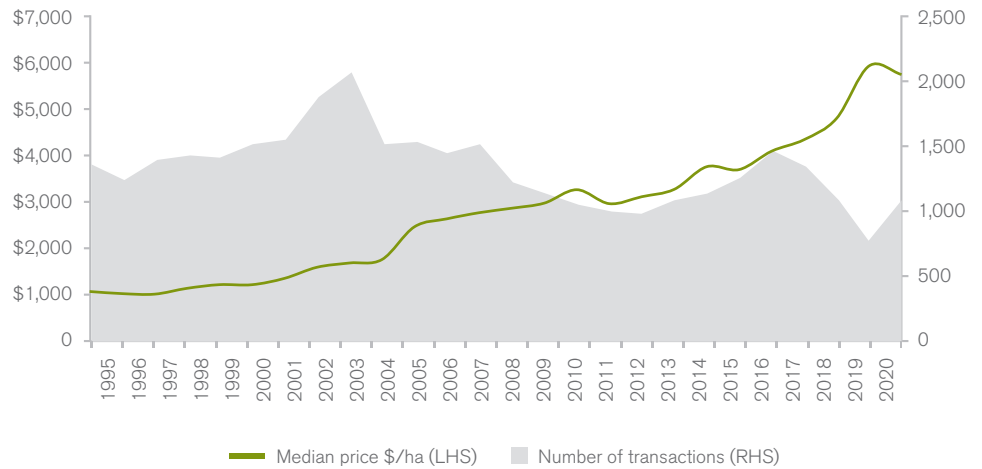
314,268

Hectares of land traded



8.2%

Compound annual growth over 20 years



The median price per hectare for farmland in Northern New South Wales decreased by 3.1 per cent in 2020 to \$5,778 per hectare. This follows an increase of 23.7 per cent in 2019. A rebound in transaction volume for lower priced municipalities driven by improved seasonal conditions contributed to the decline in median price per hectare compared to 2019.

Although median price per hectare declined at region level there was strong growth recorded for a number of municipalities including Clarence Valley, Inverell, Kyogle, Port Macquarie-Hastings, Tamworth, Tenterfield and Walgett. In contrast, median price per hectare eased for the Armidale, Liverpool Plains and Narrabri.

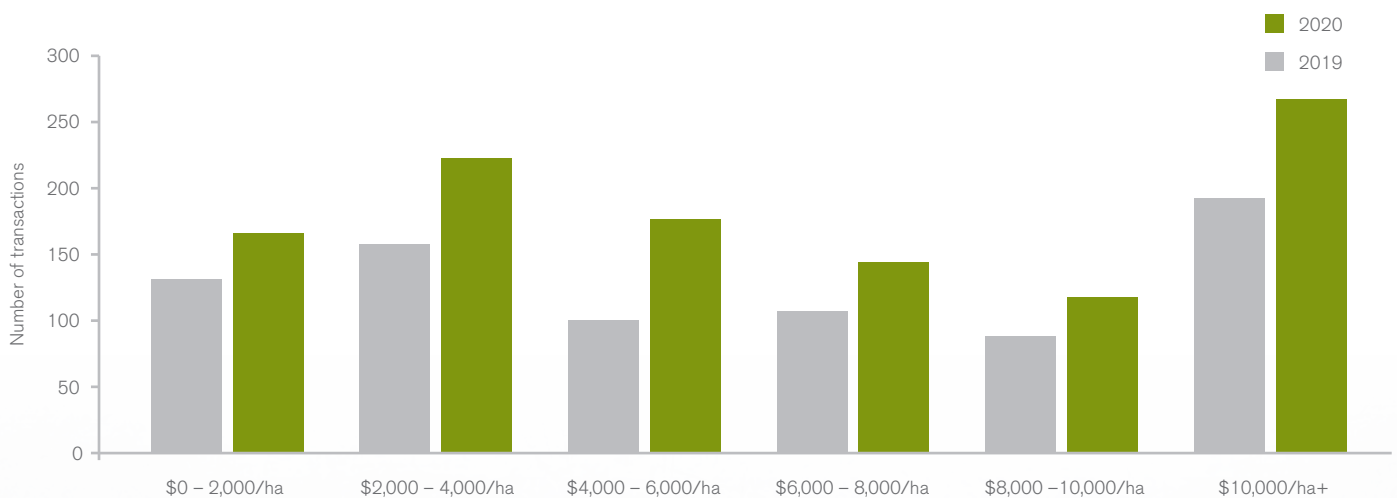
The volume of transactions rebounded in 2020 to 1,097, 41 per cent higher than the historic low caused by drought in 2019. The increase in transaction volume was widespread with 16 out of the 19 municipalities in the Northern region experiencing a higher volume of transactions in 2020.

From the field

“Mixed farming and grazing properties continued to receive very strong demand with limited supply on offer. Water security has proven to be one of the most important aspects for investors. Demand from both local investors seeking expansion opportunities and investors from further afield continued to result in high levels of competitive tension.”

Ian McArthur, Elders, Gunnedah.

Northern – transactions by price range



The volume of transactions increased across all ranges; in contrast to 2019 there was a proportionally higher number of transactions below \$6,000/ha which caused the slight decline in the median price per hectare for the region. The most significant increase in transaction volume was in the \$4,000-6,000/ha range, increasing by 74.5 per cent which equates to 76 transactions.

The increase in mid to low value transactions was most evident in the municipalities of Gwydir, Liverpool Plains and Narrabri. These municipalities are in a cropping dominate area of the region which benefitted most from improved seasonal conditions in 2020 leading to a rebound in transaction volume. While the increase in high value transactions was driven by the municipalities of Clarence Valley, Nambucca and Port Macquarie-Hastings.

Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
30-50	\$10,470	9.7%	4.3%	10.0	296	61
50-150	\$6,361	0.4%	3.5%	10.0	359	95
150-250	\$4,277	7.6%	4.6%	10.0	125	44
250+	\$3,242	-2.4%	7.5%	9.5	317	119
Overall	\$5,778	-3.1%	5.9%	9.5	1,097	319

There was an increase in transaction volume across all parcel sizes in 2020. The largest increase was for parcels greater than 250ha, increasing by 60.1 per cent which equates to 119 transactions. This increased the proportion of larger parcels in the dataset, representing 29 per cent of total transactions in 2020, an increase of four per cent. A greater proportion of larger parcels which characteristically attract a lower price per hectare contributed to the decrease in median price per hectare for the region.

The median price per hectare increased across most parcel sizes with exception of larger parcels. Smaller parcels between 30-50ha recorded the highest increase, up 9.7 per cent. The decline of 2.4 per cent for parcels of land greater than 250ha was caused by an increase in transaction volume which saw a higher proportion in lower value properties selling within this range, these properties transacted at a much lower rate in 2019 due to drought. Over the long-term parcels greater than 250ha return the highest 10-year CAGR of 7.5 per cent.

NSW Southern

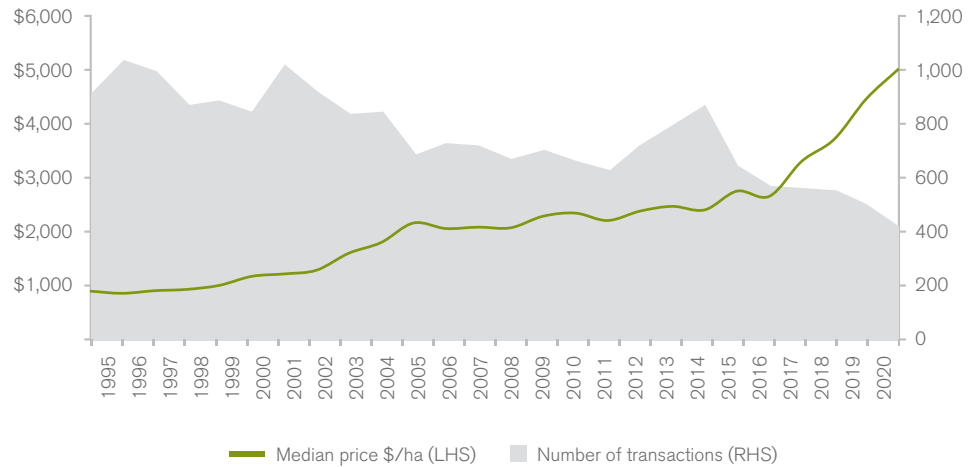
Southern – historic performance

\$5,010
Median price per hectare

12.4%
2020 median price growth

160,836
Hectares of land traded

7.5%
Compound annual growth
over 20 years



The median price per hectare for farmland in Southern New South Wales increased by 12.4 per cent in 2020 to \$5,010 per hectare. This follows an increase of 20.3 per cent in 2019. Farmland remained tightly held in the region strengthening demand and lifting the median price per hectare, particularly at the top end of the market.

There was strong growth recorded in several municipalities including Carrathool, Edward River, Narrandera and Temora. In contrast, median price per hectare eased slightly in Berrigan, Cootamundra-Gundagai, Murray River and Wagga Wagga due in part to an increased proportion of mid to low value properties returning to the market.

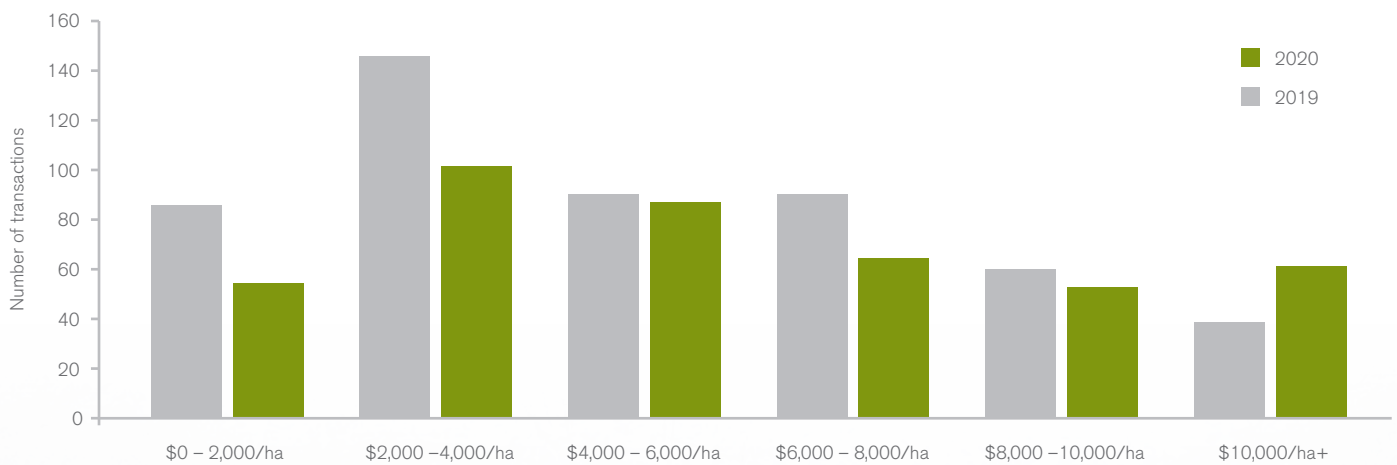
The volume of transactions decreased in 2020 to 422, 17.4 per cent lower than 2019. The decline in transaction volume was largely attributed to municipalities impacted by bushfire including Federation, Greater Hume and Snowy Valleys Council.

From the field

“The Southern NSW region remained tightly held in 2020. Bushfires in the East of the region led to a decline in listings from impacted municipalities. Overall confidence on-farm was high; driven by low interest rates, robust commodity prices and favourable seasonal conditions. Increased water allocations in the Riverina renewed confidence in the region after a tough year in 2019. Buyers were quick to react to opportunities, willing to compete on price to secure limited buying opportunities.”

Joann Heeney, Rural Bank, Wagga Wagga.

Southern – transactions by price range



The volume of transactions decreased across all ranges except for transactions greater than \$10,000/ha. The decline in transaction volume was highest in the lower priced ranges below \$4,000/ha, resulting in 76 fewer transactions. This is a trend which has continued over the past five years as land becomes more expensive. The most significant increase in transaction volume was in the greater than \$10,000/ha range, recording an increase of 23 transactions in 2020. Most of these transactions were recorded in the Hilltops municipality.

The decrease in mid to low value transactions was most evident in the municipalities of Bland, Federation and Narrandera. Bushfire activity in the Federation, Greater Hume and Snowy Valleys municipalities contributed to a collective decline of 54 transactions in 2020.

Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
30-100	\$6,531	5.9%	7.7%	10.0	109	-16
100-250	\$5,224	4.3%	7.2%	10.0	120	-36
250-350	\$4,319	-2.9%	5.5%	9.5	49	-15
350+	\$3,815	40.3%	11.0%	10.0	144	-22
Overall	\$5,010	12.4%	7.9%	10.0	422	-89

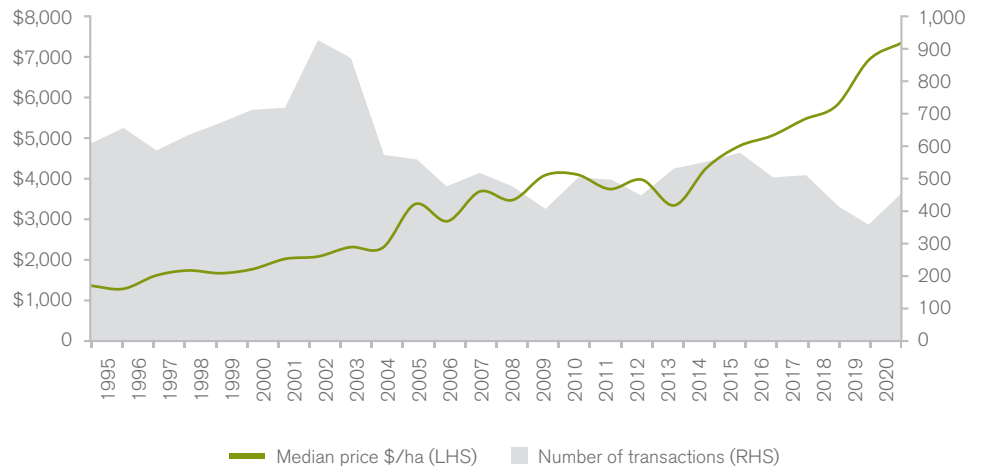
Transaction volume declined across all parcel sizes in 2020. The largest decrease was for parcels between 100-250ha, decreasing by 23.1 per cent which equates to 36 fewer transactions. The mix of transactions by parcel size remained relatively unchanged as a percentage of the total. However, an increase in median price per hectare of 40.3 per cent for larger parcels contributed to the increase in median price per hectare at region level. Strong demand for larger parcels of land is reflective of the tightly held nature of the region particularly over the past two years, there remains a higher number of buyers relative to sellers in the market.

Over the long-term parcels greater than 350ha return the highest 10-year CAGR of 11 per cent, although strong growth is evident across all parcel sizes.

NSW

South East

South East – historic performance



The median price per hectare for farmland in South East New South Wales increased by six per cent in 2020 to \$7,390 per hectare. This follows an increase of 19.5 per cent in 2019. An increase in transaction volume was met with strong demand from buyers seeking reliable grazing properties after a year of tight supply in 2019.

Strong growth was recorded in the municipalities of Bega Valley, Goulburn Mulwaree, Snowy Monaro and Upper Lachlan. In contrast, median price per hectare eased slightly in the Yass Valley after a record high in 2019.

The volume of transactions increased sharply in 2020 to 462, 28.3 per cent higher than 2019 which was an historic low for the region. The increase in transaction volume was driven by the municipalities of Queanbeyan-Palerang, Snowy Monaro and Upper Lachlan.

From the field

“Properties transacted at a higher rate in 2020 driven by increased listings in municipalities previously impact by bushfires. Commodity prices, low interest rates and seasonal conditions aided buyer confidence and led to increased demand for quality grazing properties.”

John Scarlett, Rural Bank, Goulburn.



\$7,390

Median price per hectare



6.0%

2020 median price growth



69,630

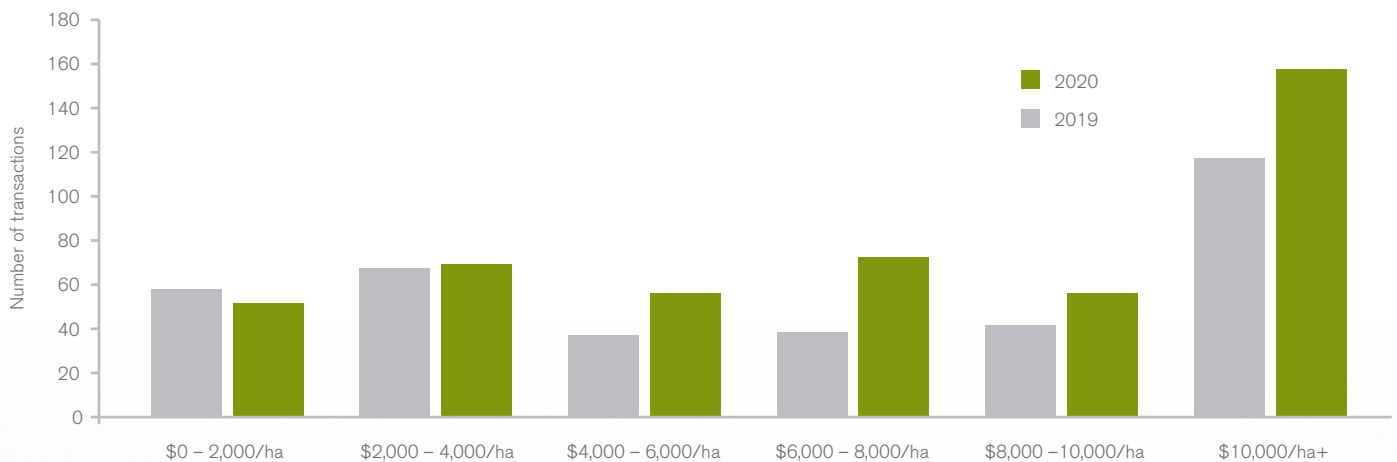
Hectares of land traded



7.4%

Compound annual growth over 20 years

South East – transactions by price range



The volume of transactions increased across all price ranges except for the \$0-2,000/ha range. The increase in transaction volume was highest in the greater than \$10,000/ha range, increasing by 33.1 per cent which equates to 39 more transactions. Most of these transactions were recorded in the Upper Lachlan and Yass Valley municipalities. The transaction mix in 2020 favoured the mid to high value ranges which contributed to the growth in median price per hectare for the region.

Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
30-50	\$9,750	-13.2%	5.0%	9.5	169	72
50-150	\$8,215	10.9%	7.6%	10.0	179	26
150-250	\$4,354	30.9%	2.9%	9.5	45	5
250+	\$2,399	5.8%	4.9%	10.0	69	-1
Overall	\$7,390	6.0%	6.0%	10.0	462	102

There was an increase in transaction volume across most parcel sizes. The largest increase was for smaller parcels between 30-50ha, increasing by 74.2 per cent which equates to 72 more transactions. A greater proportion of high value, small parcels contributed to the overall increase in median price per hectare at region level. Both the 30-50ha and 50-150ha parcels sizes recorded a transaction volume closer to the long-term average. This came after an historic low in transaction volume in 2019.

Median price per hectare increased across all parcel sizes except for the 30-50ha range. The notable increase of 30.9 per cent for the 150-250ha range, combined with a 10.9 per cent increase for the 50-150ha range contributed to the positive performance of the region. Over the long-term, parcels between 50-150ha return the highest 10-year CAGR of 7.6 per cent.

NSW

Western

Western – historic performance




\$177
Median price per hectare



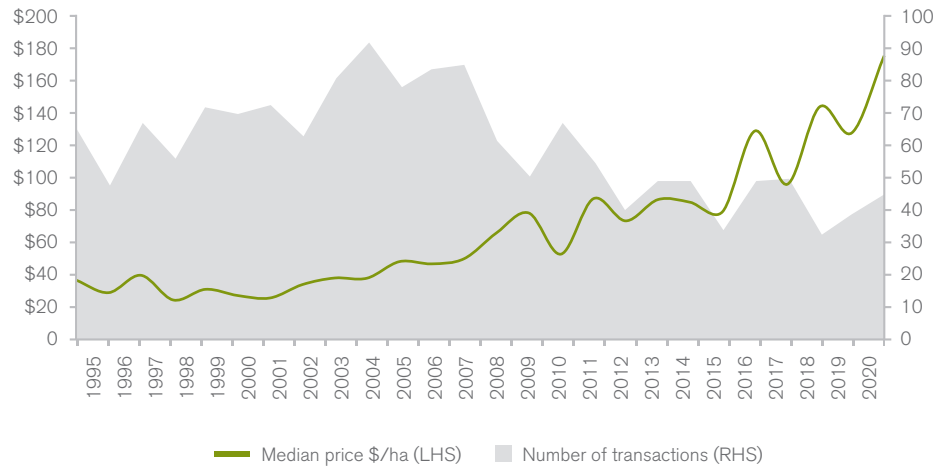
37.5%
2020 median price growth



540,551
Hectares of land traded



9.9%
Compound annual growth over 20 years



The median price per hectare for farmland in Western New South Wales increased by 37.5 per cent in 2020 to \$177 per hectare. This followed a decrease of 11.2 per cent in 2019. A rebound in transaction volume for the municipality of Brewarrina contributed to the rise in median price per hectare for the region, although demand remained strong across most municipalities.

Median price per hectare increased in the municipalities of Brewarrina, Bourke and Cobar. In contrast, the municipalities of Central Darling, Unincorporated Far West and Wentworth reported a decline due to an increase in the proportion of lower value transactions.

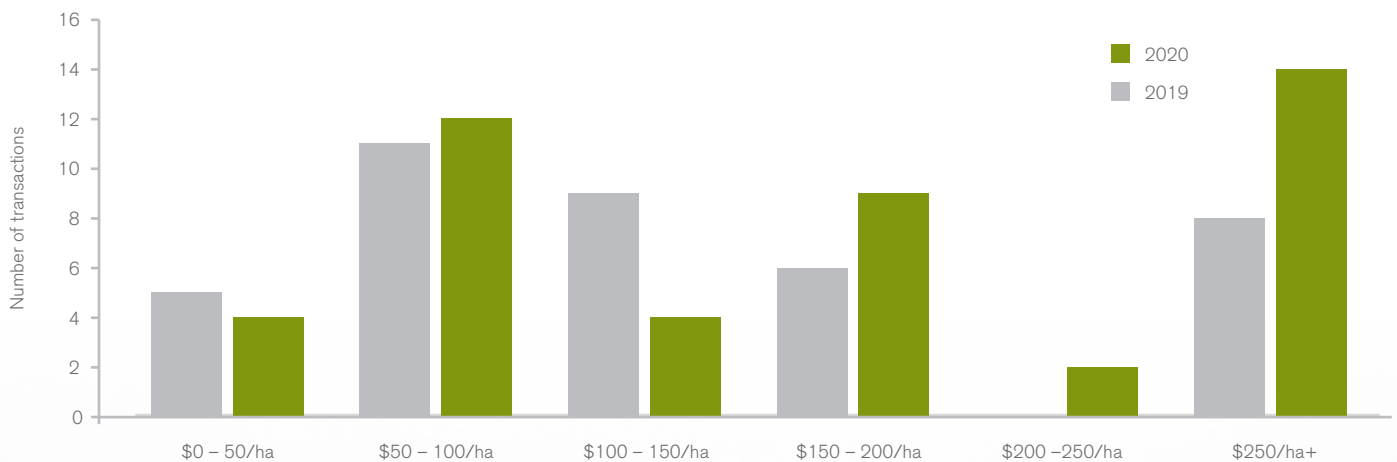
The volume of transactions increased in 2020 to 45, 15.4 per cent higher than 2019. The increase in transaction volume was primarily in the municipality of Brewarrina.

From the field

“Well maintained grazing properties with secure water supply were met with strong inquiry in 2020 underpinned by favourable seasonal conditions. Existing landholders competed with Southern and inside buyers for large scale holdings to achieve sustainable farming goals. Re-stocking has been one of the major challenges in the region with large numbers of livestock being sourced from as far as Western Australia.”

Richard Gemmell, Elders, Dubbo.

Western – transactions by price range



The volume of transactions increased most in the mid to high value ranges in 2020. The increase in transaction volume was highest in the greater than \$250/ha range, recording six more transactions. Most of these transactions were recorded in the municipality of Brewarrina. The transaction mix in 2020 favoured the mid to high value ranges which contributed to the growth in median price per hectare for the region. Transactions greater than \$250/ha made up 31 per cent of the total, up from 21 per cent in 2019.

In contrast, where the median price per hectare eased in municipalities such as Central Darling there was a higher proportion of mid to low value transactions.

Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
30-5,000	\$171	-18.6%	5.6%	9.0	16	0
5,000-10,000	\$285	162.7%	12.7%	10.0	11	3
10,000-15,000	\$147	29.4%	13.0%	9.5	10	8
15,000+	\$90	7.9%	8.6%	9.5	8	-5
Overall	\$177	37.5%	12.8%	10.0	45	6

Transaction volume was mixed across each parcel size. The largest increase was for parcels between 10,000-15,000ha. Most of the transactions in this size range occurred in the municipalities of Central Darling and Cobar. There was a decrease in larger parcels greater than 15,000ha, which traditionally record a lower value per hectare. The decrease in larger parcels was most evident in the municipalities of Cobar and the Unincorporated Far West in comparison to 2019.

Median price per hectare increased across all parcel sizes except for the 30-5,000ha range. The notable increase of 162.7 per cent for the 5,000-10,000ha range, was due to a higher volume of transactions in the municipality of Brewarrina compared to 2019. Brewarrina attracts a higher price per hectare compared to Cobar which is where most of the transactions of this size took place in 2019. Over the long-term parcels between 10,000-15,000ha return the highest 10-year CAGR of 13 per cent.

NSW

Farmland sales by municipality

Municipality	Median \$/ha				Number of transactions	
	2020	5yr CAGR	10yr CAGR	20yr CAGR	2020	YoY +/-
Central						
Bathurst	\$6,468	17.2%	4.0%	8.4%	50	14
Blayney	\$11,271	19.9%	9.8%	6.9%	10	-2
Bogan	\$1,013	20.4%	16.1%	7.0%	25	16
Cabonne	\$6,395	6.9%	4.9%	6.1%	74	30
Cessnock	\$11,493	-5.3%	0.8%	4.5%	36	13
Coonamble	\$2,289	12.3%	6.7%	8.0%	18	1
Cowra	\$7,442	9.5%	6.5%	7.0%	34	1
Dubbo	\$3,944	9.3%	5.8%	6.0%	51	6
Dungog	\$10,701	6.1%	5.7%	7.7%	40	16
Forbes	\$4,225	12.8%	8.8%	8.3%	19	5
Gilgandra	\$1,923	1.8%	3.5%	6.8%	6	-20
Lachlan	\$1,873	16.4%	11.3%	8.4%	46	11
Lithgow	\$11,127	11.6%	5.2%	7.8%	44	28
Maitland	–	7.6%	1.3%	5.3%	3	-2
Mid-Coast	\$8,971	4.6%	2.7%	5.8%	177	48
Mid-Western	\$4,804	12.5%	5.4%	7.4%	95	31
Muswellbrook	\$10,620	7.8%	4.1%	7.4%	31	11
Narramine	\$3,707	14.9%	9.6%	9.5%	27	8
Oberon	\$9,874	10.3%	8.6%	8.6%	34	5
Orange	\$8,923	-8.5%	-3.2%	3.6%	4	3
Parkes	\$2,412	12.4%	7.6%	8.7%	48	24
Singleton	\$13,413	20.3%	4.7%	8.0%	52	7
Upper Hunter	\$3,927	8.8%	3.1%	7.1%	38	-5
Warren	\$1,433	2.5%	7.3%	6.6%	15	6
Warrumbungle	\$2,138	6.1%	3.8%	7.6%	57	19
Weddin	\$4,546	12.0%	8.9%	9.5%	13	-1
Central	\$5,920	13.9%	7.1%	8.2%	1,047	273
Northern						
Armidale	\$5,659	3.4%	6.8%	9.7%	43	8
Ballina	\$18,830	23.0%	2.6%	9.7%	8	5
Bellingen	\$12,942	15.9%	8.9%	5.7%	24	5
Byron	–	5.9%	4.9%	8.7%	3	-2
Clarence Valley	\$6,785	9.2%	2.6%	9.1%	128	23
Coffs Harbour	\$17,596	21.0%	5.5%	8.5%	13	4
Glen Innes Severn	\$5,110	15.1%	8.7%	7.7%	37	13
Gunnedah	\$5,027	4.0%	2.1%	7.3%	39	10
Gwydir	\$3,421	12.7%	9.3%	10.0%	47	19
Inverell	\$4,021	12.7%	10.0%	10.4%	55	26
Kempsey	\$7,182	9.6%	4.7%	7.0%	56	12
Kyogle	\$9,267	17.1%	4.8%	8.9%	71	4
Lismore	\$14,240	12.3%	5.8%	10.1%	33	-5
Liverpool Plains	\$5,504	8.0%	4.5%	7.6%	47	19
Moree Plains	\$4,787	8.6%	8.4%	10.2%	42	11
Nambucca	\$10,730	5.0%	5.6%	8.2%	41	24
Narrabri	\$2,596	5.7%	1.8%	5.8%	50	15
Port Macquarie-Hastings	\$10,116	5.8%	4.5%	7.3%	40	13
Richmond Valley	\$7,160	12.7%	5.2%	8.7%	63	8
Tamworth	\$5,562	4.0%	5.2%	9.2%	89	40

Municipality	Median \$/ha				Number of transactions	
	2020	5yr CAGR	10yr CAGR	20yr CAGR	2020	YoY +/-
Tenterfield	\$3,836	16.2%	3.7%	8.3%	78	41
Tweed	\$17,154	7.1%	6.8%	7.1%	25	-7
Uralla	\$5,498	18.7%	5.5%	9.5%	13	3
Walcha	\$7,410	19.6%	6.0%	8.5%	37	24
Walgett	\$2,347	15.2%	13.2%	13.1%	15	6
Northern	\$5,778	9.3%	5.9%	8.2%	1,097	319
Southern						
Albury*	–	32.8%	7.0%	3.3%	0	-1
Berrigan	\$4,942	10.0%	9.4%	5.8%	22	0
Bland	\$2,580	12.0%	9.8%	7.9%	35	-14
Carrathool	\$1,977	15.1%	12.4%	8.3%	18	-4
Coolamon	\$5,746	17.7%	10.1%	11.0%	21	14
Cootamundra-Gundagai	\$7,442	18.4%	11.3%	6.8%	25	2
Edward River	\$4,379	11.9%	11.8%	4.4%	25	4
Federation	\$5,560	13.0%	7.4%	9.8%	9	-19
Greater Hume	\$9,932	18.7%	11.5%	10.0%	43	-14
Griffith	\$3,293	8.4%	2.9%	5.8%	5	1
Hay	\$357	-6.6%	-3.9%	-2.0%	4	-5
Hilltops	\$6,764	11.9%	8.2%	7.9%	54	1
Junee	\$8,463	17.6%	10.2%	9.1%	14	-8
Leeton	–	16.2%	8.0%	9.4%	2	-8
Lockhart	\$9,240	22.7%	12.0%	10.6%	8	-11
Murray River	\$2,376	4.9%	4.1%	3.8%	28	-13
Murrumbidgee	\$4,263	14.1%	16.4%	4.9%	21	5
Narrandera	\$4,564	20.7%	11.5%	10.1%	16	-7
Snowy Valleys	\$6,051	16.6%	5.0%	7.2%	10	-21
Temora	\$7,017	18.8%	12.8%	10.0%	19	2
Wagga Wagga	\$7,413	12.8%	7.5%	6.3%	43	7
Southern	\$5,010	12.7%	7.9%	7.5%	422	-89
South East						
Bega Valley	\$9,750	9.7%	7.9%	7.7%	37	1
Eurobodalla	\$13,140	14.3%	2.3%	12.0%	10	1
Goulburn Mulwaree	\$11,475	8.3%	7.2%	8.1%	69	8
Queanbeyan-Palerang	\$8,313	11.0%	5.8%	6.9%	77	26
Shoalhaven	\$19,118	3.5%	2.7%	4.6%	13	3
Snowy Monaro	\$3,598	13.5%	7.6%	7.4%	108	22
Upper Lachlan	\$6,495	13.9%	7.6%	7.8%	109	28
Yass Valley	\$10,595	16.0%	6.8%	7.7%	39	13
South East	\$7,390	8.9%	6.0%	7.4%	462	102
Western						
Balranald	–	37.1%	16.4%	12.9%	2	2
Bourke	\$198	27.0%	17.7%	12.5%	5	-1
Brewarrina	\$240	8.8%	6.0%	6.5%	8	7
Central Darling	\$148	22.4%	11.6%	9.5%	8	2
Cobar	\$94	4.0%	6.6%	6.0%	14	-3
Unincorporated Far West	\$72	14.6%	–	–	4	-2
Wentworth	\$560	23.5%	21.3%	16.4%	4	1
Western	\$177	17.4%	12.8%	9.9%	45	6
NEW SOUTH WALES	\$5,855	12.2%	7.1%	8.1%	3,073	611

CAGR: Compound Annual Growth Rate

Price information with a small volume of transactions should be used with caution. The median price for municipalities with less than four transactions in 2020 is not reported.

*Municipalities with no transactions in 2020 have compound annual growth rate for five, ten and twenty years presented using the 2019 median.



\$8,114

Median price per hectare



6.9%

2020 median price growth



202,000

Hectares of land traded



7.2%

Compound annual growth
over 20 years

Map shows median price movement in 2020.

North West
11.9%

Northern
0.9%

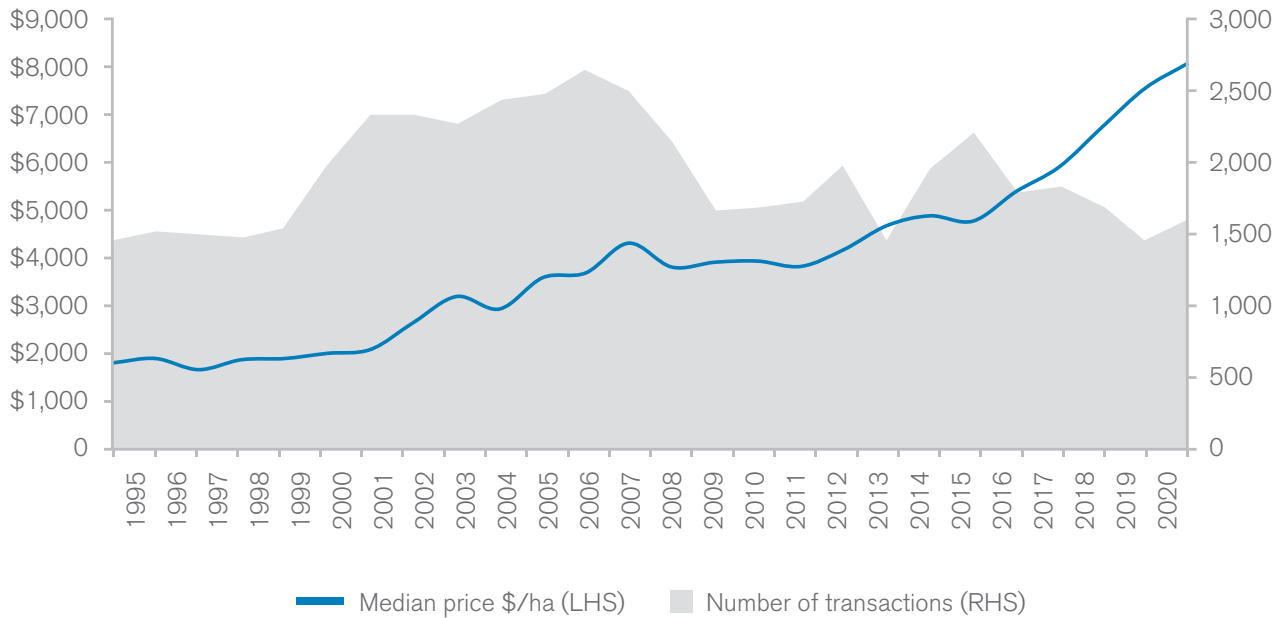
South West
14.3%

Gippsland
-5.0%

Victoria

Victoria

Victoria – historic performance



The median price per hectare for farmland in Victoria reached a record \$8,114/ha in 2020, increasing by 6.9 per cent. This followed an increase of 12.1 per cent in 2019, which brings the CAGR for the last five years to 11.1 per cent. The median price per hectare for the state has trended higher for five consecutive years. Favourable seasonal conditions in 2020 combined with low interest rates and resilient commodity prices helped drive land prices higher across the state.

At regional level, the South West and North West regions of the state recorded the highest growth in median price per hectare, increasing by 14.3 and 11.9 per cent respectively. Followed by the Northern region, increasing by 0.9 per cent. In contrast, median price per hectare eased in Gippsland, decreasing by five per cent. This was due to a 24.3 per cent increase in transaction volume, resulting in an influx of transactions in lower priced municipalities.

The number of farmland transactions in Victoria increased by 10 per cent in 2020, to 1,611. Gippsland and the North West region led the way, increasing by 24.3 and 17.7 per cent respectively; followed by the Northern and South West regions, increasing by 8.6 and 2.6 per cent respectively.

An estimated 202,000 hectares of farmland was traded in Victoria in 2020 which was 21.6 per cent higher than 2019. This was driven by the increase in the number of transactions across all regions.

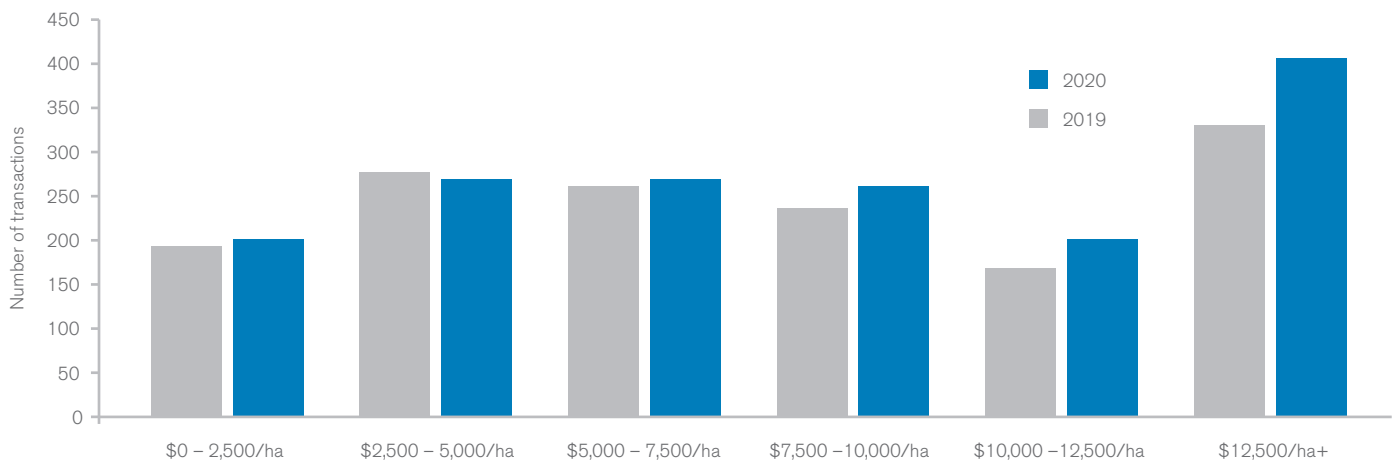
The total value of farmland traded in Victoria in 2020 was approximately \$1.2 billion, a 17.1 per cent increase from 2019. This was driven by both an increase in transaction volume across the state and an appreciation in land values.

From the field

“Buying power remained high in 2020 aided by historically low interest rates, strong balance sheets and robust commodity prices. Transaction volume rebounded across all regions of the state driven by favourable seasonal conditions. Larger parcels of land in cropping areas such as the Mallee and North Central were highly sought after. While smaller high value grazing properties were met with strong demand in reliable rainfall regions of the South West and North East. Gippsland saw strong demand for larger parcels of grazing land which altered the transaction mix in the region in 2020.”

Andrew Smith, Rural Bank, Eastern Australia.

Victoria – transactions by price range



The increased number of transactions in Victoria occurred across all price ranges except for the \$2,500-5,000/ha range which recorded a small decline of 1.8 per cent. At the other end of the scale, there was a 23.6 per cent increase in transactions priced above \$12,500/ha, which equates to 78 transactions in 2020. The increased proportion of higher priced transactions contributed to the increase in median price per hectare for the state. The South West region was the primary contributor to the increased number of transactions in this range.

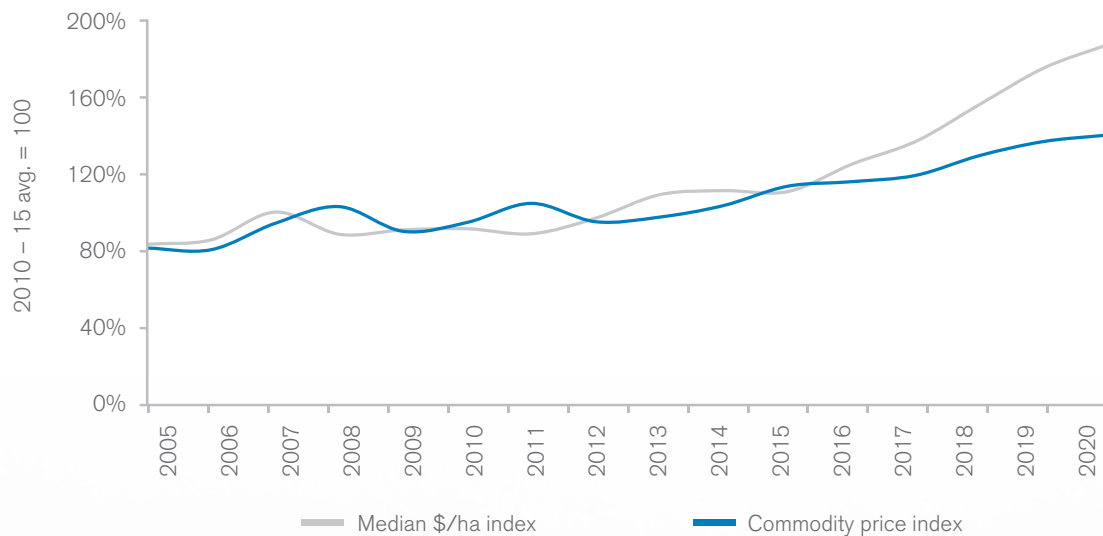
Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
30-50	\$10,357	-1.4%	2.8%	9.5	500	50
50-70	\$9,246	13.2%	6.3%	10.0	553	45
70-90	\$6,402	18.7%	8.3%	10.0	234	0
90+	\$3,350	-4.0%	7.2%	9.5	324	52
Overall	\$8,114	6.9%	7.4%	10.0	1,611	147

Transaction volume increased for most parcel sizes in 2020, except for the 70-90ha range which remained unchanged. The increase in transaction volume for parcels greater than 90ha was most evident in Gippsland. While the increase in smaller parcels occurred predominately in Northern and South West regions.

The median price per hectare increased for parcels between 50-70ha and 70-90ha. The North West and South West regions reported the highest growth in median price per hectare for parcels of this size. Growth in median price per hectare for these parcel sizes more than offset a slight decline at either end of the market.

Victoria – commodity price comparison



The commodity price index for Victoria is weighted based on the gross value of agricultural production (GVP) for each commodity. Victoria is predominately weighted towards dairy (24%), beef (19%), grain (14%), lamb (12%) and wool (9%).

Historically, there is a strong correlation between commodity price and farmland values in Victoria. However, a divergence in the relationship between commodity price and farmland values became apparent in 2016, widening significantly from 2018 to 2020, driven by declining interest rates and historically low transaction volume.

There are several factors at play during this period which have contributed to the divergence.

- The official cash rate fell from 1.5 per cent at the beginning of 2018 to 0.1 per cent at the end of 2020, continuing a downward trend.
- There was a sharp decline in transaction volume in 2019 and a reduction in lower priced transactions in more marginal areas of the state. This contributed to growth in the median price per hectare.
- Seasonal conditions worsened in 2018 before severe drought was felt across large parts of the state in 2019.
- Grain prices increased due to short supply as did milk prices while livestock prices eased as slaughter rates increased.

In 2020, seasonal conditions improved which led to an increase in transaction volume across the state. Land of all sizes reported an increase in transaction volume. Historically, when this happens median price per hectare growth is curtailed by an increase the number of lower priced transactions in more marginal areas of the state. This was the case in Victoria, median price hectare increased by 6.9 per cent in 2020 compared to 12.1 per cent in 2019. However, the gap between commodity price and farmland values widened.

Collectively the Victorian commodity price index increased by three per cent in 2020. Beef cattle prices led the way, average price increased by 26.7 per cent compared to 2019 (based on trade steer prices). On average milk prices were also higher, increasing by approximately 5.5 per cent. Followed by lamb prices increasing by an average of seven per cent (based on trade lamb prices). In contrast, average wool price declined by 31.2 per cent (based on the South market indicator) and average wheat prices for the state declined by six per cent (based on APW1 prices).

Looking ahead to 2021, buying power remains strong suggesting that the median price hectare could continue diverging away from commodity prices. The Victorian commodity price index, whilst historically high, may remain flat compared to the growth experienced in 2020. The prospect of another favourable season for grain and production increases for livestock on the back of restocking activity could put pressure on markets late in 2021. However, stronger milk and wool prices could partially offset softer prices for livestock and grain, steadying the index.

For more analysis on what was driving both farmland values and commodity prices across the country between 2005-2020, please refer to the national section of this report located above.

VIC

Gippsland

Gippsland – historic performance



\$10,450

Median price per hectare




-5.0%

2020 median price growth



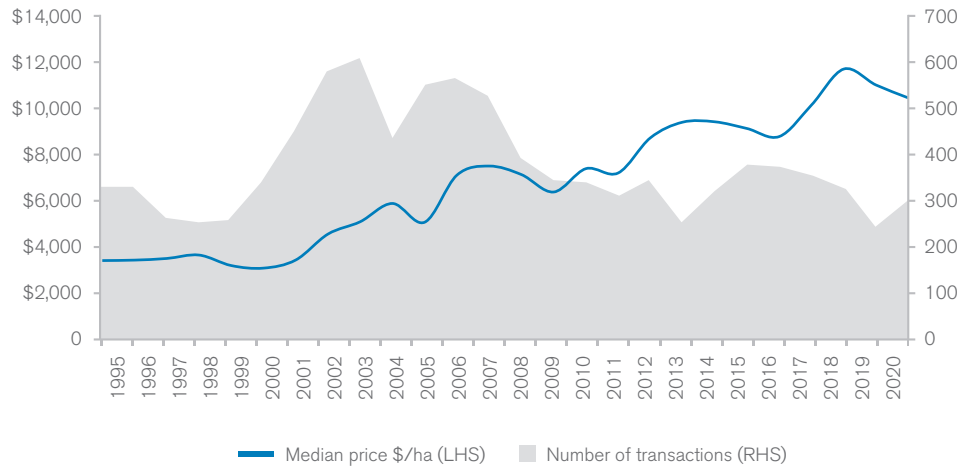
26,176

Hectares of land traded



6.2%

Compound annual growth over 20 years



The median price per hectare in Gippsland decreased by five per cent in 2020 to \$10,450 per hectare. This follows a decline of 5.9 per cent in 2019.

Similar to 2019, there was a greater proportion of larger parcels of land sold in 2020, these characteristically sell for a lower price per hectare. This changed the overall transaction mix and led to a decrease in the median price per hectare for the region. The municipality of Wellington accounted for most of the increase in larger parcel transactions.

The municipalities of Bass Coast and South Gippsland recorded strong growth in median price per hectare. In contrast, the municipalities of Wellington and Latrobe declined.

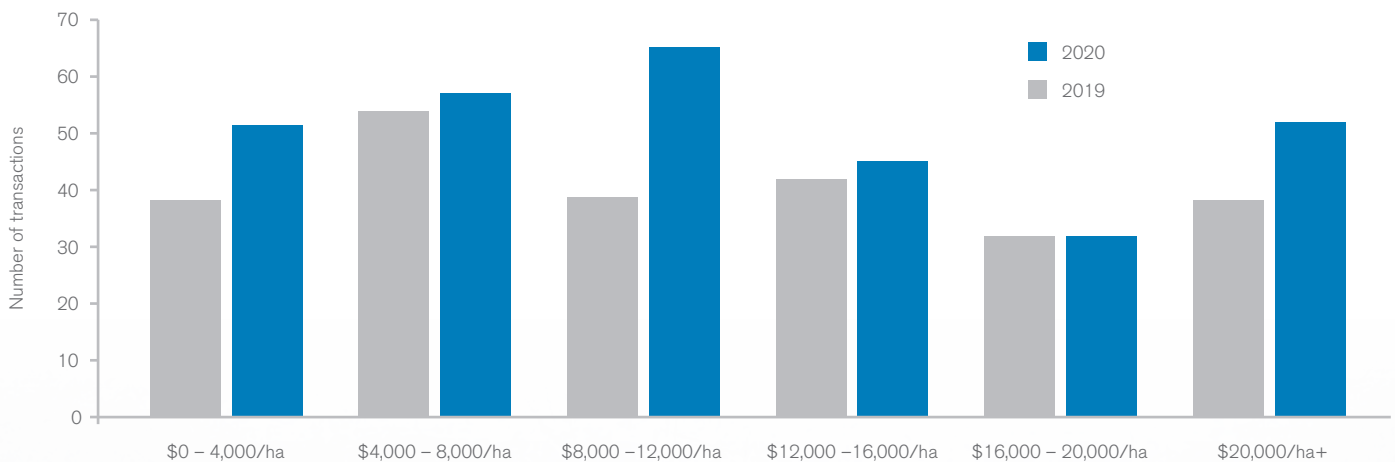
In 2020, the volume of transactions increased by 24.3 per cent to 302, rebounding from a decrease of 25.7 per cent in 2019. Transaction volume for most municipalities rebounded. Wellington and Latrobe recorded an increase of 33 and 13 transactions respectively. In contrast, East Gippsland and Cardinia remained tightly held.

From the field

“The 2020 year saw the recovery of the Eastern Gippsland region from the from the effects of drought and bushfire. The region experienced favourable seasonal conditions and land remained relatively tightly held with the exception of Wellington, South Gippsland and Latrobe. In contrast to the previous year, land which did trade, comprised of larger parcels in East Gippsland, which is comparatively cheaper than central and west Gippsland. This contributed to a decline in median price per hectare for the region.”

Josie Zilm, Rural Bank, Gippsland

Gippsland – transactions by price range



Transaction volume increased across all price ranges in 2020, except for \$16,000-20,000/ha which remained identical to 2019. The most significant increase in volume was for parcels priced between \$8,000-12,000/ha, 66.7 per cent higher, this equates to 26 more transactions. This was particularly evident in the Wellington and Latrobe municipalities. The volume of transactions priced between \$0-4,000/ha and greater than \$20,000/ha also increased by 34.2 per cent and 36.8 per cent respectively.

A significant increase in the total share of transaction volume from Wellington, which attracts a lower price per hectare compared to other municipalities, contributed to the decline in median price per hectare for the Gippsland region as a whole in 2020, despite strong growth in price per hectare for multiple municipalities.

Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
30-50	\$11,859	-10.7%	1.7%	8.0	116	18
50-70	\$11,921	22.5%	5.1%	9.0	76	12
70-90	\$12,873	29.5%	9.5%	10.0	26	1
90+	\$5,573	-19.3%	8.7%	9.5	84	28
Overall	\$10,450	-5.0%	3.5%	9.0	302	59

Median price per hectare declined for smaller parcels of land in 2020. Whilst there was an increase to the median price per hectare for the medium sized parcels 50-70ha and 70-90ha. Historically, parcels greater than 90ha have returned the highest compound annual growth rate, however, a decline in the median price per hectare in 2020 caused the 10-year CAGR to decline slightly.

All parcel sizes experienced an increase in transaction volume in 2020. However, there was a significant increase in total transactions for parcels greater than 90ha which characteristically attract a lower price per hectare, this contributed to the decrease in median price per hectare for the region in 2020.

VIC


Northern

Northern – historic performance



\$7,399

Median price per hectare




0.9%

2020 median price growth



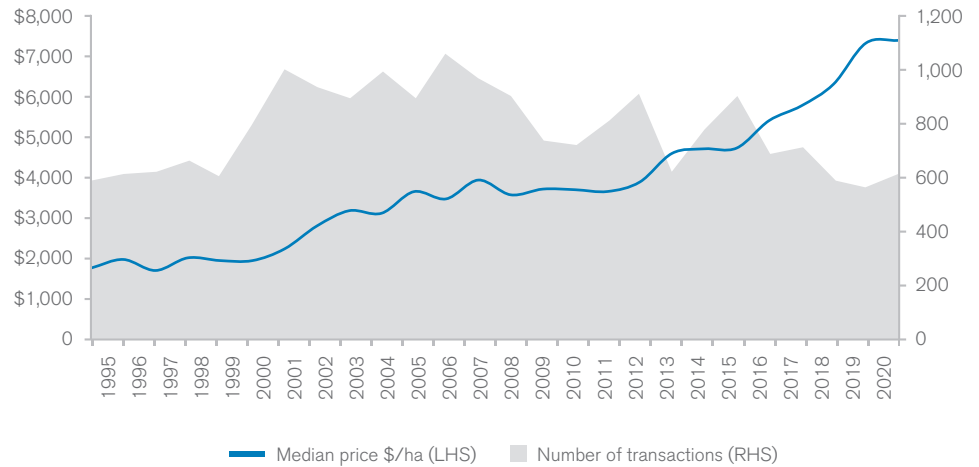
62,854

Hectares of land traded



7.0%

Compound annual growth over 20 years



The median price per hectare in the Northern region of Victoria increased by 0.9 per cent in 2020 to \$7,399 per hectare. This follows an increase of 16.1 per cent in 2019. Favourable seasonal conditions saw a rebound in transaction volume in lower priced municipalities in 2020, altering the transaction mix compared to 2019.

Median price per hectare increased in the municipalities of Mansfield, Moira and Shepparton. In contrast, the municipalities of Indigo and Towong reported a decline due to an increase in the proportion mid-priced transactions compared to 2019.

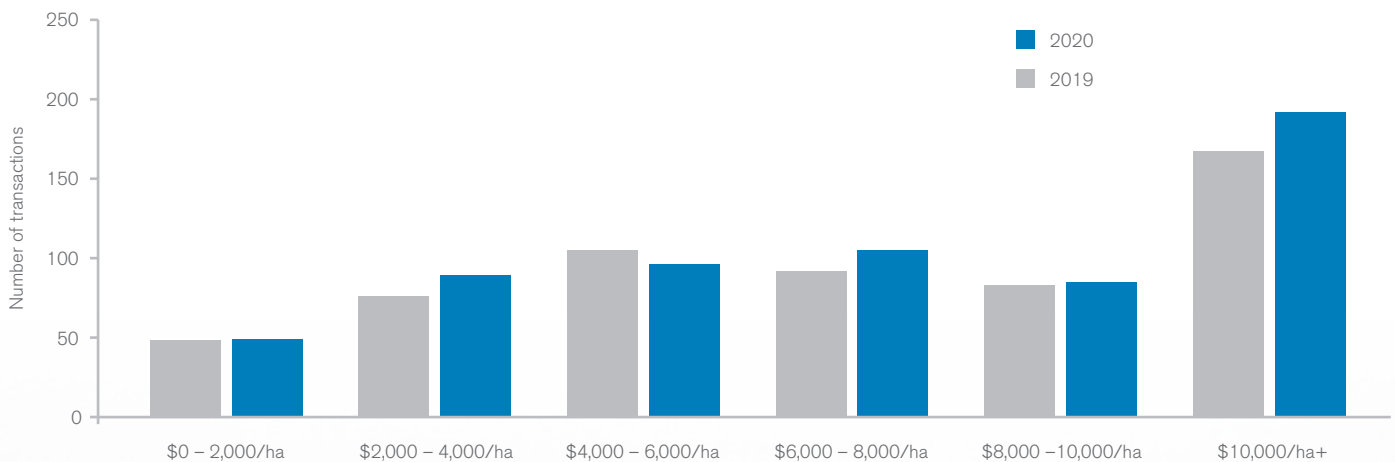
In 2020, the volume of transactions increased by 8.6 per cent to 617, rebounding from a decrease of 3.6 per cent in 2019. Transaction volume for most municipalities rebounded in 2020, led by Mitchell and Moira increasing by 11 each. In contrast, Indigo and Towong reported a decline.

From the field

“The Northern region saw strong demand for land in 2020 due to favourable seasonal conditions and strong commodity prices. Cropping and grazing land in the Campaspe and Loddon municipalities was highly sought after. While the market remained relatively competitive in the North East, outside of areas impacted by bushfires. Reliable grazing land attracted interest in the valleys. While the lifestyle segment of the market remained hot around Mansfield and Alexandra.”

Matt Gill and Melissa Walsh, Rural Bank, Bendigo and Shepparton.

Northern – transactions by price range



Transaction volume increased across all price ranges in 2020, except for the \$4,000-6,000/ha range which declined by 7.7 per cent when compared to 2019. The most significant increase in transaction volume was the \$2,000-4,000/ha range, up 18.7 per cent, this equates to 14 more transactions. This was particularly evident in the municipalities of Mitchell and Loddon. The volume of transactions greater than \$10,000/ha increased by 15.6 per cent, which equates to 26 more transactions, most of which occurred in the municipalities of Mansfield and Wangaratta.

A significant increase in the total share of transaction volume in Mansfield and Mitchell, which attracts a higher price per hectare compared to other municipalities, contributed to the increase in median price per hectare for the Northern region in 2020.

Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
30-50	\$9,664	-2.2%	4.6%	9.5	207	5
50-100	\$8,245	9.7%	6.4%	10.0	230	34
100-150	\$4,932	1.1%	5.6%	10.0	89	-4
150+	\$2,993	-15.0%	6.4%	8.5	91	14
Overall	\$7,399	0.9%	7.2%	10.0	617	49


Median price per hectare declined for smaller parcels of land in 2020. Whilst there was an increase to the median price per hectare for the medium sized parcels 50-100ha and 100-150ha. Historically, parcels greater than 150ha have returned the highest compound annual growth rate, however, a decrease in the median price per hectare in 2020 caused the 10-year CAGR to decrease slightly, equalling the CAGR of parcels between 50-100ha.

All parcel sizes experienced an increase in transaction volume in 2020, except for those between 100-150ha. However, there was a significant increase in total transactions for parcels between 50-100ha, which contributed to the increase in median price per hectare for the region in 2020 as these parcels characteristically sell at a higher price per hectare.

VIC

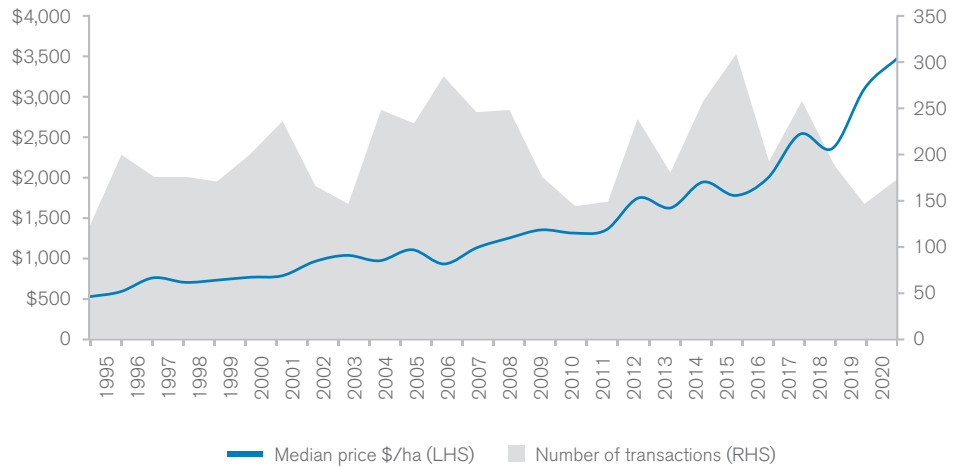
North West

North West – historic performance



\$3,459

Median price per hectare




11.9%

2020 median price growth

The median price per hectare in the North West region increased by 11.9 per cent in 2020 to \$3,459 per hectare. This follows an increase of 31.9 per cent in 2019. The region remained tightly held with buyers willing to pay a premium for properties that did list.


Median price per hectare increased in the municipalities of Buloke, Mildura and Horsham. In contrast, the municipalities of Hindmarsh and Swan Hill recorded a decline due to an increase in the proportion of lower priced transactions.



51,941

Hectares of land traded

In 2020, the volume of transactions increased by 17.7 per cent to 173, rebounding from a decrease of 21 per cent in 2019. Transaction volume for most municipalities increased in 2020. Led by Buloke and Mildura, increasing by 16 and 12 transactions respectively.



8.0%

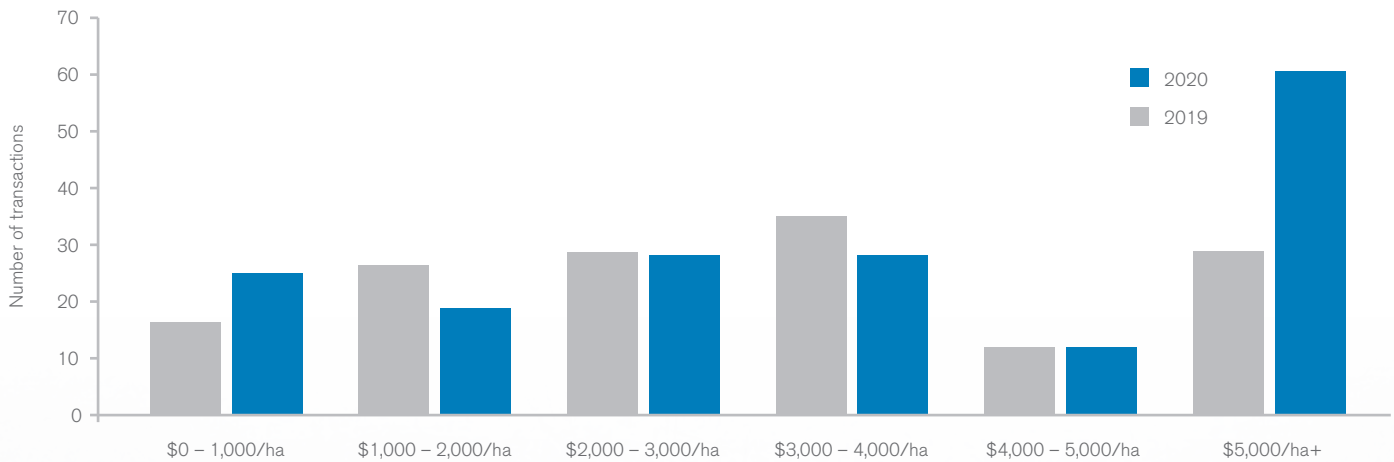
Compound annual growth over 20 years

From the field

“The North West region saw strong demand for land in a tightly held market. The region saw an increased volume of transactions when compared to 2019 off the back of strong commodity prices and more favourable seasonal conditions. When combined with historically low interest rate, the result was a larger proportion of higher value transactions in 2020 compared to 2019. Lease to purchase agreements were common across the region, which resulted in several off-market transactions where buyers were willing to pay a premium to avoid going to auction.”

Greg Kuchel, Rural Bank, Swan Hill.

North West – transactions by price range



Transaction volume decreased across most price ranges in 2020, except for the \$0-1,000/ha range and transactions greater than \$5,000/ha which increased by 56.3 per cent and 110.3 per cent respectively when compared to 2019. The most significant increase was in the greater than \$5,000/ha range, which equates to 32 more transactions. This was particularly evident in Buloke, Horsham and Yarriambiack municipalities. In contrast, transaction volume decreased in the \$1,000-2,000/ha range and the \$3,000-4,000/ha range, down by 26.9 per cent and 20 per cent respectively.

A significant increase in the total share of transaction volume in Buloke where median price per hectare increased notably and Mildura which attracts a higher price per hectare compared to other municipalities, contributed to the increase in median price per hectare for the North West region in 2020.

Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
30-100	\$6,352	86.1%	2.4%	10.0	41	5
100-200	\$4,580	48.3%	10.3%	10.0	45	2
200-300	\$3,456	6.2%	9.0%	10.0	41	4
300+	\$1,298	-24.1%	4.8%	8.0	46	15
Overall	\$3,459	11.9%	10.3%	10.0	173	26

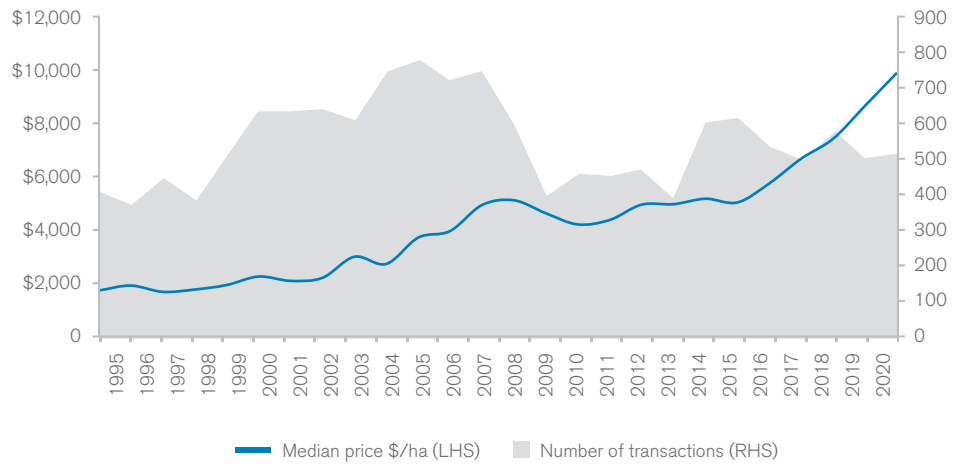
Median price per hectare increased across all parcels of land in 2020 except for parcels greater than 300ha, which declined by 24.1 per cent due to an increase in transaction volume in lower value municipalities. There was a significant increase in the median price per hectare for parcels between 30-100ha and 100-200ha, reflecting strong demand in a tightly held market. Parcels between 100-200ha returned the highest compound annual growth rate over the last 10 years.

All parcel sizes experienced an increase in transaction volume in 2020. However, there was a significant increase for parcels greater than 300ha which resulted in a decline in median price per hectare, driven by an increased proportion of transactions in lower priced municipalities.

VIC

South West

South West – historic performance



\$9,884
Median price per hectare

14.3%
2020 median price growth

61,191
Hectares of land traded

7.7%
Compound annual growth over 20 years

The median price per hectare in the South West increased by 14.3 per cent in 2020 to \$9,884 per hectare. This follows an increase of 16.7 per cent in 2019. The median price per hectare has increased in four of the last five years, resulting in the region recording a strong five year CAGR of 14.5 per cent.

Median price per hectare increased in most municipalities in the region led by Ararat, Northern Grampians, South Grampians and West Wimmera. In contrast, declines were recorded for the Pyrenees and Colac-Otway municipalities.

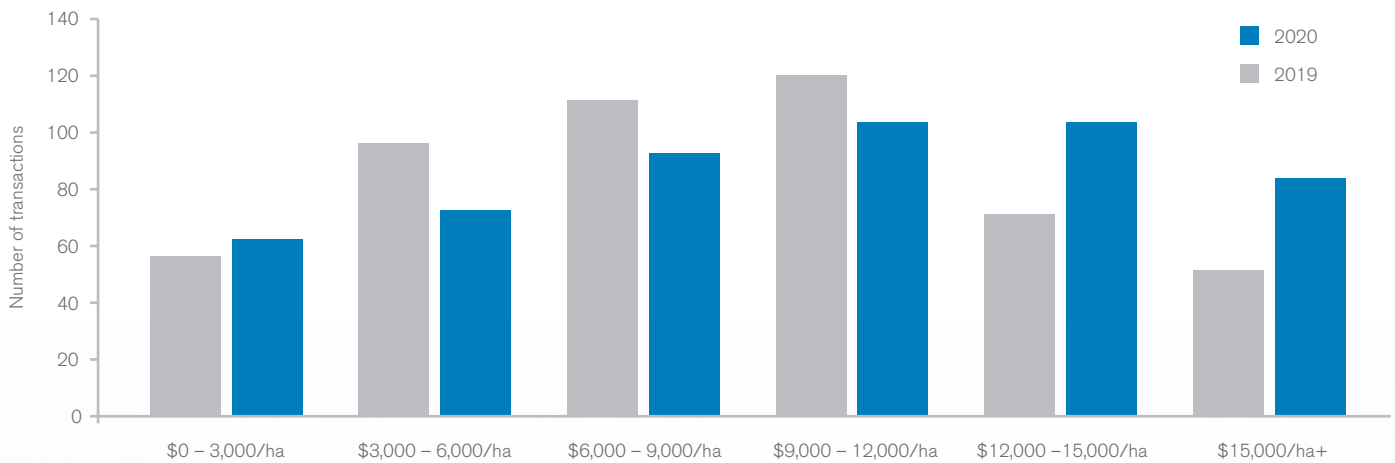
In 2020, the volume of transactions increased by 2.6 per cent to 519, rebounding from a decrease of 12.6 per cent in 2019. Transaction volume for most municipalities rebounded in 2020, led by Colac-Otway and South Grampians increasing by 16 and 10 transactions respectively.

From the field

“The South West region saw strong demand for land despite an increase in listings. Positive seasonal conditions and strong commodity prices, particular for livestock, contributed to the increased demand. The region saw an increased volume of land change hands, especially in the Colac area, which resulted in a greater proportion of high value transactions for the region in 2020. Lease to purchase arrangements remained a feature of the market, resulting in a greater number of off market transactions.”

Rachel Root, Rural Bank, Warrnambool.

South West – transactions by price range



Transaction volume was mixed across price ranges; the most significant increase in volume was for land priced above \$15,000/ha, up 64.7 per cent, which equates to 33 more transactions. This was particularly evident in Colac-Otway and South Grampians municipalities, reflecting strong demand for grazing properties. The increased number of higher priced transactions in the region contributed to the overall increase in the median price per hectare in 2020.

Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
30-50	\$11,423	10.0%	4.0%	10.0	163	21
50-100	\$10,249	10.5%	8.0%	10.0	182	-2
100-150	\$9,884	39.1%	10.3%	10.0	77	-11
150+	\$5,988	5.6%	8.5%	10.0	97	5
Overall	\$9,884	14.3%	8.9%	10.0	519	13

Median price per hectare increased across all parcel sizes in 2020, reflecting strong demand in a tightly held market. The most significant increase coming from the 100-150ha range increasing by 39.1 per cent. Historically, parcels between 100-150ha have returned the highest compound annual growth rate of 10.3 per cent.

There was an increase in transaction volume for parcels between 30-50ha, which contributed to the increase in median price per hectare for the region in 2020. Most of the increase in transaction volume for this parcel size range occurred in the Colac-Otway municipality.

VIC

Farmland sales by municipality

Municipality	Median \$/ha				Number of transactions	
	2020	5yr CAGR	10yr CAGR	20yr CAGR	2020	YoY +/-
Gippsland						
Bass Coast	\$17,949	10.6%	0.2%	6.7%	15	3
Baw Baw	\$19,763	6.2%	3.7%	7.4%	35	4
Cardinia	\$19,749	1.9%	3.8%	3.7%	9	-2
East Gippsland	\$4,803	5.8%	2.8%	5.7%	55	-2
Latrobe	\$13,123	8.4%	10.9%	7.4%	25	13
South Gippsland	\$15,509	5.5%	3.6%	6.7%	72	10
Wellington	\$7,500	-0.4%	1.8%	5.6%	91	33
Gippsland	\$10,450	2.7%	3.5%	6.2%	302	59
North West						
Buloke	\$3,089	17.3%	11.4%	7.7%	51	16
Hindmarsh	\$5,098	17.9%	13.2%	9.7%	22	-7
Horsham	\$7,575	20.4%	9.4%	9.6%	26	5
Mildura	\$1,195	4.4%	5.0%	5.2%	32	12
Swan Hill	\$2,636	12.4%	7.5%	6.8%	18	-3
Yarriambiack	\$5,368	19.0%	12.0%	8.6%	24	3
North West	\$3,459	14.5%	10.3%	8.0%	173	26
Northern						
Alpine	\$9,876	8.4%	3.4%	6.1%	8	-6
Benalla	\$8,595	8.2%	6.8%	7.9%	41	7
Bendigo	\$6,550	8.2%	6.4%	8.6%	33	3
Campaspe	\$6,763	7.6%	8.3%	4.3%	70	2
Gannawarra	\$2,699	6.4%	5.7%	3.8%	36	10
Indigo	\$8,693	6.3%	1.6%	6.8%	20	-11
Loddon	\$4,255	13.2%	10.7%	7.7%	40	4
Mansfield	\$13,650	12.6%	7.4%	9.6%	35	10
Mitchell	\$6,630	12.3%	2.8%	8.0%	30	11
Moira	\$7,128	6.4%	6.1%	5.3%	78	11
Mount Alexander	\$10,839	11.2%	12.0%	8.2%	12	-2
Murindindi	\$9,414	6.4%	10.5%	8.9%	30	-2
Shepparton	\$8,472	8.2%	6.4%	4.8%	70	8
Strathbogie	\$6,422	7.2%	5.7%	7.1%	53	7
Towong	\$6,318	17.8%	3.6%	5.7%	14	-11
Wangaratta	\$9,945	13.5%	4.8%	8.3%	41	7
Wodonga	\$13,238	3.4%	6.2%	7.7%	6	1
Northern	\$7,399	9.4%	7.2%	7.0%	617	49

Municipality	Median \$/ha				Number of transactions	
	2020	5yr CAGR	10yr CAGR	20yr CAGR	2020	YoY +/-
South West						
Ararat	\$7,808	9.6%	7.8%	9.0%	25	-1
Ballarat	\$9,752	5.9%	10.8%	7.8%	5	1
Central Goldfields	\$3,069	11.3%	-1.4%	5.7%	9	2
Colac - Otway	\$10,629	3.3%	4.1%	5.7%	54	16
Corangamite	\$12,205	7.2%	8.8%	8.1%	93	0
Glenelg	\$9,879	17.4%	7.7%	6.7%	38	-12
Golden Plains	\$11,134	11.4%	11.1%	11.2%	21	-6
Hepburn	\$9,943	6.1%	4.1%	6.7%	22	8
Macedon Ranges	\$15,385	28.1%	2.7%	1.5%	17	5
Moorabool	\$13,351	9.8%	15.7%	8.2%	6	-5
Moyne	\$12,354	14.0%	3.9%	7.8%	89	7
Northern Grampians	\$4,448	14.1%	9.4%	10.0%	43	9
Pyrenees	\$4,658	8.7%	4.0%	5.5%	19	-12
South Grampians	\$8,709	16.3%	10.6%	7.0%	46	10
Surf Coast	\$13,216	6.6%	11.2%	7.3%	7	0
West Wimmera	\$7,096	23.5%	10.1%	9.8%	25	-9
South West	\$9,884	14.5%	8.9%	7.7%	519	13
VICTORIA	\$8,114	11.1%	7.4%	7.2%	1,611	147

CAGR: Compound Annual Growth Rate

Price information with a small volume of transactions should be used with caution. The median price for municipalities with less than four transactions in 2020 is not reported.

*Municipalities with no transactions in 2020 have compound annual growth rate for five, ten and twenty years presented using the 2019 median.



\$13,691

Median price per hectare



25.3%

2020 median price growth



29,018

Hectares of land traded



8.1%

Compound annual growth
over 20 years

Map shows median price movement in 2020.

North West
26.7%

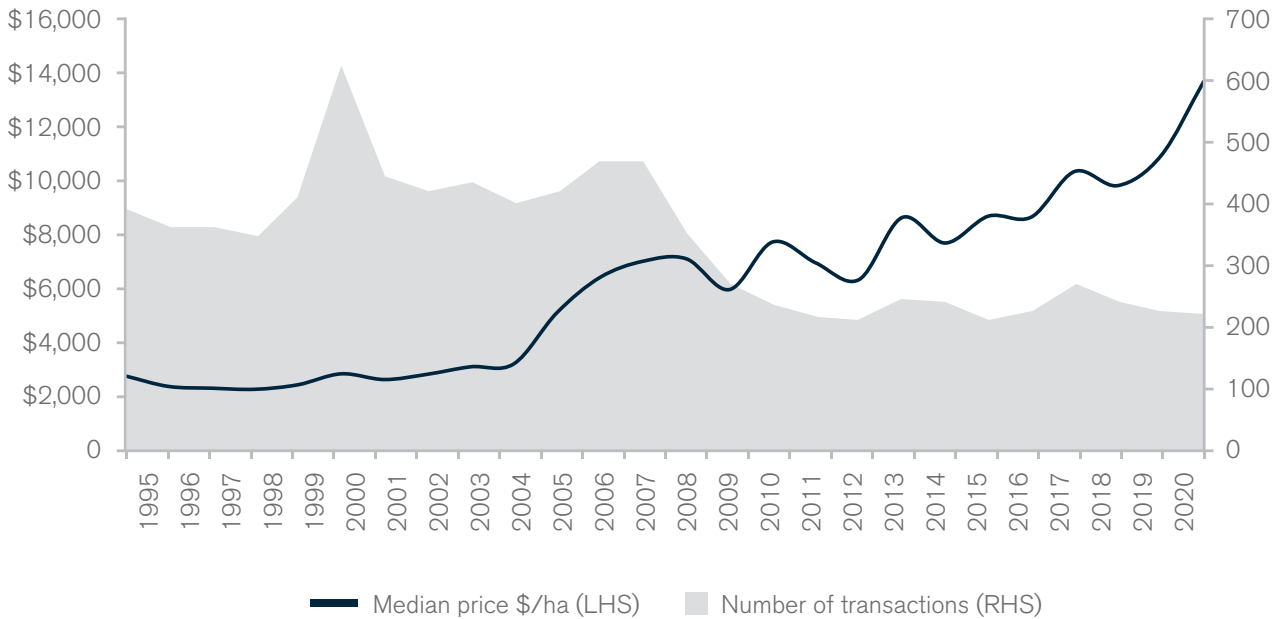
Northern
21.0%

South
-3.7%

Tasmania

Tasmania

Tasmania – historic performance



Tasmanian farmland values pushed further into record high territory in 2020 as the supply of properties available remained tight and demand from buyers continued to strengthen. This led to a 25.3 per cent rise in the median price per hectare to \$13,691, adding to a rise of 11.1 per cent in 2019. The recent growth phase in Tasmanian land values forms part of a long-term upwards trend in values over the last 20 years resulting in a CAGR of 8.1 per cent.

Growth in the value of farmland in 2020 was evident across the North of Tasmania. The largest rise in the median price per hectare was recorded in the North West region which increased by 26.7 per cent, followed by the Northern region with a strong increase of 21 per cent from 2019. The South continued to follow a different trajectory with a 3.7 per cent decline in median price per hectare in 2020.

Buyers in Tasmania competed for slightly fewer properties in 2020 as the number of farmland transactions declined by 2.2 per cent to 223. Transaction volume in 2020 was 18.6 per cent lower than 2017 after a third consecutive year of decline, but only 4.6 per cent below the 10-year average of 234 as the longer-term trend in transaction volume has been relatively stable. The decline in transaction volume occurred in the North West region, King Island and Flinders Island. The South region had a significant increase in transactions in 2020 while the Northern region had one more transaction than 2019.

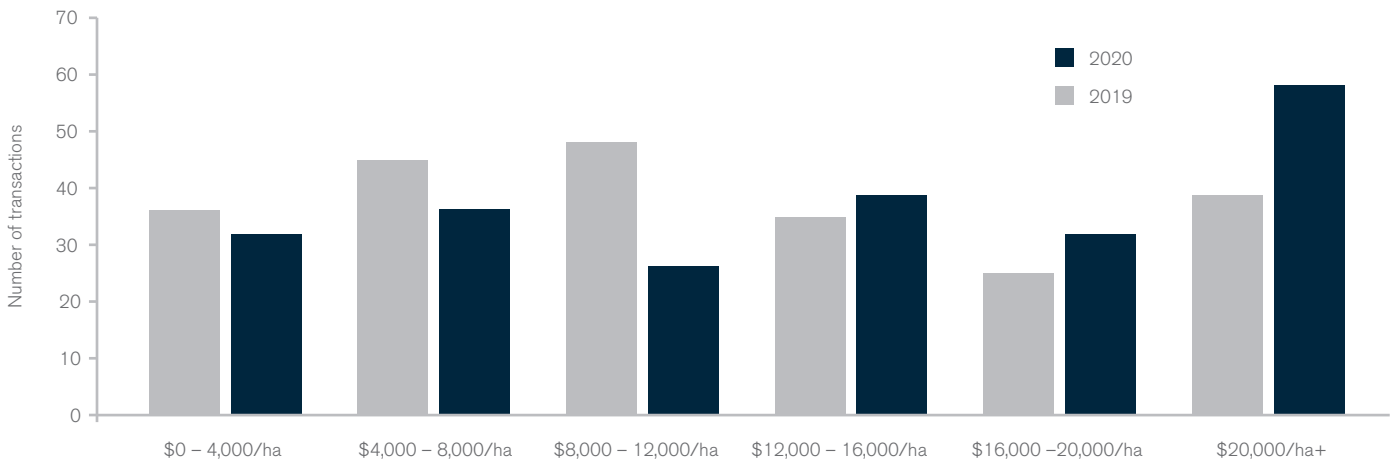
An estimated 29,018 hectares of farmland was traded in 2020, almost identical to the area traded in 2019. While the area of land traded remained relatively unchanged year-on-year, the total value of farmland increased 43.1 per cent to reach \$321.4 million, the highest value since 2007 when there were over twice as many transactions.

From the field

“Strong commodity prices coupled with historically low interest rates, increased confidence in the rural property market in 2020. However, farmland remained tightly held. The value of high surety irrigation land was recognised by buyers in the Northern and North West regions of the state. This led to a scenario whereby demand outstripped supply causing the value of farmland in these regions to increase sharply. Across the state, most properties were sold via a tender process or auction, resulting in a higher level of commitment from buyers to secure properties compared to previous years.”

Dean Lalor, Rural Bank, Launceston.

Tasmania – transactions by price range



Although the number of transactions in the state was only slightly lower in 2020, there was a shift in the number of transactions by price range towards the higher end of the market which contributed to the strong increase in the state's median price per hectare. The number of transactions priced below \$12,000/ha declined by 27.1 per cent, while the number of transactions priced above \$12,000/ha increased by 30.3 per cent. This saw the proportion of transactions priced above \$12,000/ha rise to 58 per cent, up from 43 per cent in 2019.

A decline in low-priced transactions and increase in high-priced transactions was driven by the North West and Northern regions. In contrast, South Tasmania had increased transactions across all but the highest price range, reflecting a rebound in the number of grazing properties transacting in 2020.

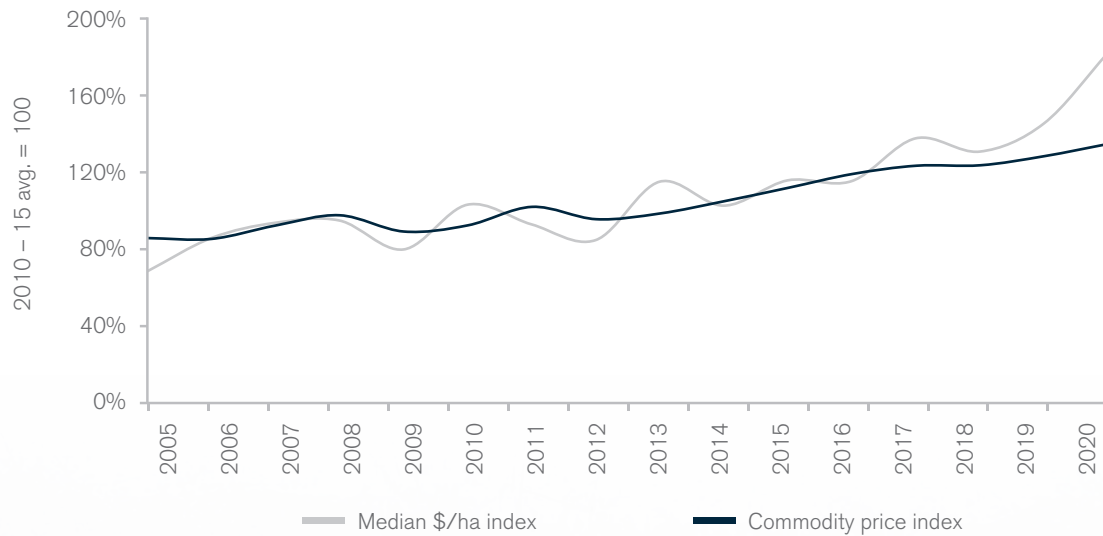
Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
15-40	\$18,564	32.8%	5.7%	10.0	83	3
40-80	\$12,600	8.3%	3.7%	10.0	56	-6
80-120	\$8,796	-1.1%	2.6%	8.0	35	6
120+	\$10,286	49.2%	10.0%	10.0	49	-8
Overall	\$13,691	25.3%	5.8%	10.0	223	-5

Tasmanian farmland transactions consisted of a greater proportion of smaller parcel sizes in 2020 which contributed to an increase in the state's overall median price per hectare, due to the higher price per hectare typically paid for smaller parcels. Transactions of parcel sizes between 15-40ha accounted for 37 per cent of the state's transactions in 2020, up from 35 per cent in 2019. The proportion of transactions above 120ha declined to 22 per cent in 2020, down from 25 per cent.

A reduced supply of parcels above 120ha was met by strong demand as the median price per hectare of this segment increased dramatically, recording the highest CAGR over the last 10 years. The North West region recorded a small increase in the number of transactions in this segment. The decline in transactions in this parcel size range occurred in the Northern region and on King Island. Median price per hectare increased across the 15-40ha and 40-80ha parcel size ranges while a decline in the median price per hectare for parcels between 80-120ha was affected by a greater proportion of transactions in lower-priced areas of the South region compared to 2019.

Tasmania – commodity price comparison



The commodity price index for Tasmania is weighted based on the gross value of agricultural production (GVP) for each commodity. Tasmania is predominately weighted towards dairy (31%), beef (24%), vegetables (18%), fruit (12%) and wool (8%).

Historically there is a strong correlation between commodity price and farmland values in Tasmania. However, a divergence in the relationship between commodity price and farmland values became apparent in 2017, widening significantly from 2019 to 2020, driven by declining interest rates and historically low transaction volume.

There are several factors at play during this period which have contributed to the divergence.

- The official cash rate fell from 1.5 per cent at the beginning of 2018 to 0.1 per cent at the end of 2020, continuing a downward trend.
- Transaction volume declined in 2019 and there was a reduction in lower priced transactions in more marginal areas of the state. This contributed to growth in the median price per hectare.
- Seasonal conditions worsened in 2018 before dry conditions were felt across parts of the state in 2019.
- Milk prices firmed as supply declined on the mainland, grain prices increased due to short supply and livestock prices eased as slaughter rates increased across the country.

In 2020, transaction volume was flat, partly due to the North of the state not being as impacted by drought in 2019 compared to other areas, however improved seasonal conditions led to an increase in transaction volume in the Southern grazing region. The median price per hectare increased by 25.3 per cent, driven by the North West region and in particular irrigated land values. Resulting in the gap between commodity price and farmland values widening even further in 2020.

Collectively the Tasmanian commodity price index increased by six per cent in 2020. Beef cattle prices led the way, average price increased by 26.7 per cent compared to 2019 (based on trade steer prices). On average milk prices were also higher, increasing by approximately 5.8 per cent. Vegetable prices remained flat overall while fruit prices eased. In contrast, average wool price declined by 31.2 per cent (based on the South market indicator).

Looking ahead to 2021, buying power remains strong suggesting that the median price hectare could continue diverging away from commodity prices. The Tasmanian commodity price index will likely edge higher in 2021, driven by strong dairy markets. However, despite high beef cattle prices currently, increased supply in 2021 may lead to softer prices for finished cattle which could temper a stronger milk price.

For more analysis on what was driving both farmland values and commodity prices across the country between 2005-2020, please refer to the national section of this report located above.

TAS

Northern

Northern – historic performance



\$12,767

Median price per hectare




21.0%

2020 median price growth



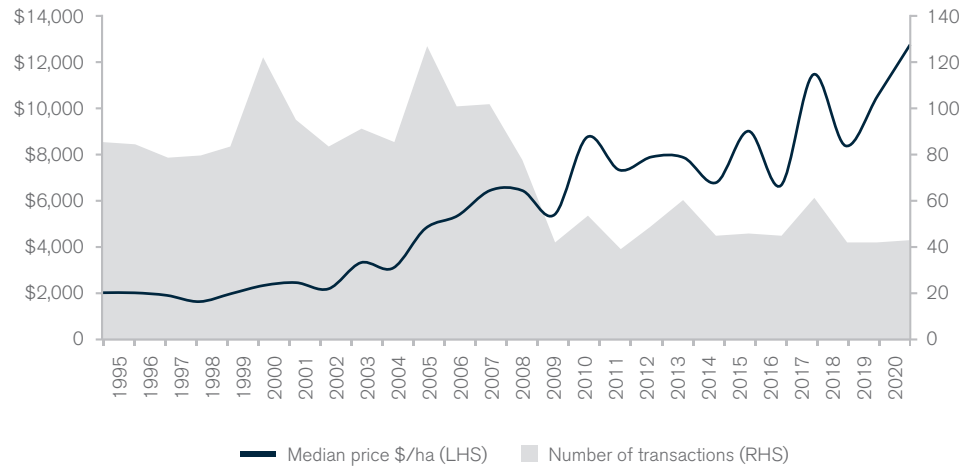
5,777

Hectares of land traded



8.9%

Compound annual growth over 20 years



Northern Tasmania continued to be a highly sought-after region for farmland in 2020 and recorded a second consecutive year of growth in the median price per hectare, increasing by 21 per cent to \$12,767, building upon growth of 26.1 per cent in 2019. Despite some volatility in the region’s median price per hectare, there has been a clear upwards trend with a CAGR of 7.2 per cent over the last five years and a CAGR over the last 20 years of 8.9 per cent.

A greater proportion of transactions in the relatively higher priced West Tamar and Northern Midlands regions contributed to the increase in the region’s median.

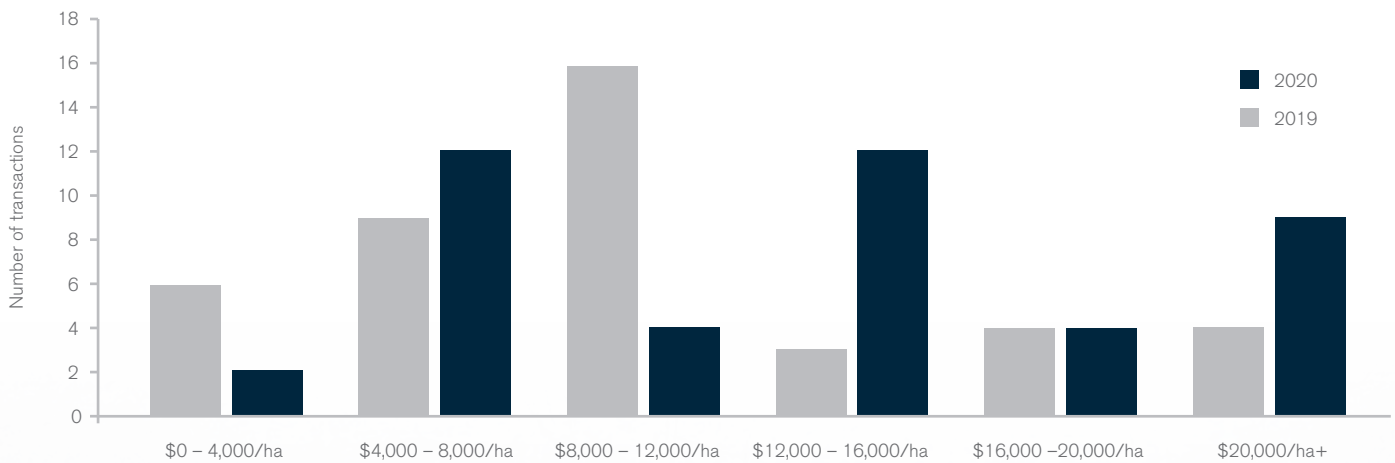
The number of transactions remained stable with only one additional transaction compared to 2019. At a municipality level, there was growth in the number of transactions in West Tamar and Northern Midlands and a decline in transactions in Launceston and Break O’Day.

From the field

“Farmland values in Northern Tasmania benefitted from further growth in demand in 2020. Buyer confidence was strong thanks to a continuation of high commodity prices, favourable seasonal conditions and low interest rates. While these factors have encouraged many local producers to expand their operations, a reputation for water surety has also helped attract more investors to the region as irrigation initiatives have provided access to water entitlements. The impacts of COVID-19 also appeared to add additional demand as investors looked to farmland in the region as an alternative to more traditional assets.”

Daniel Young, Rural Bank, Launceston.

Northern – transactions by price range



While the number of transactions in Northern Tasmania remained relatively unchanged in 2020, there was a shift in the profile of transactions by price range towards a greater proportion of higher priced transactions which contributed to the increased in the region's median price per hectare.

The proportion of the region's transactions priced above \$20,000/ha increased from 10 per cent to 21 per cent, driven by an increase in transactions in this price range in the Northern Midlands municipality. The \$12,000-16,000/ha price range recorded the largest increase in transactions with growth in this range coming largely from West Tamar and Dorset.

Performance by parcel size


Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
15-40	\$14,909	34.5%	0.9%	10.0	17	5
40-80	\$13,661	18.5%	2.7%	10.0	12	1
80-120	\$8,098	-32.4%	-0.6%	5.0	4	1
120+	\$8,195	17.3%	6.3%	10.0	10	-6
Overall	\$12,767	21.0%	3.9%	10.0	43	1

The median price per hectare increased for all parcel size ranges in Northern Tasmania in 2020 except for the 80-120ha segment, however there were very few transactions within this range. Despite being the segment with the lowest growth in 2020, the greater than 120ha parcel size range recorded the strongest growth rate over the last 10 years.

There were fewer transactions of parcels larger than 120ha and an increase in the number of transactions of smaller parcels. A greater proportion of smaller transactions, which typically attract a higher dollar per hectare price, contributed to the increase in the region's median price per hectare. Transactions between 15-40ha accounted for 40 per cent of the region's transactions in 2020, up from 29 per cent in 2019.


TAS

North West



\$17,465

Median price per hectare




26.7%

2020 median price growth



9,676

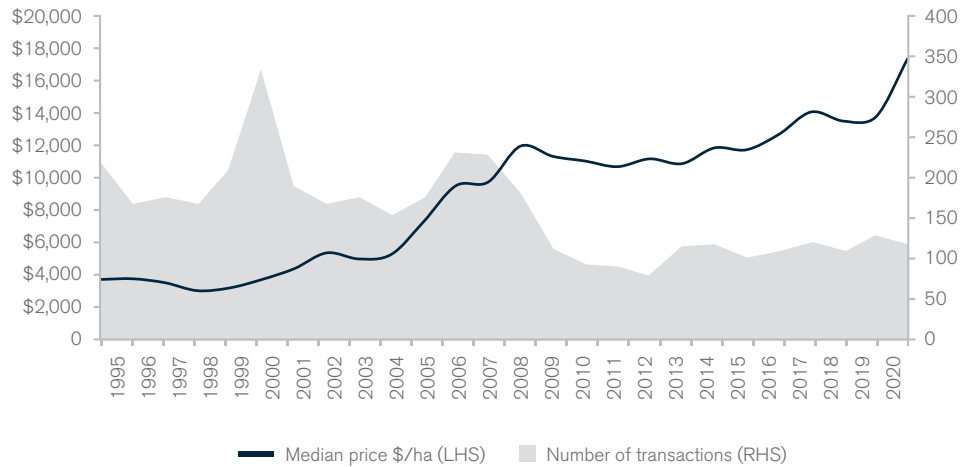
Hectares of land traded



8.1%

Compound annual growth over 20 years

North West – historic performance



North West Tasmania recorded the largest growth in median price per hectare of Tasmania's regions in 2020 with growth of 27.6 per cent adding to a two per cent increase in 2019. The median price per hectare for the region currently sits at \$17,465 per hectare. Robust demand in recent years, aided by the development of irrigation schemes in the region, has resulted in a strong upwards trend in the median price per hectare, which has increased 48.8 per cent since 2015.

The median price per hectare increased in all municipalities in the region in 2020, except for Burnie, Devonport and Waratah-Wynyard.

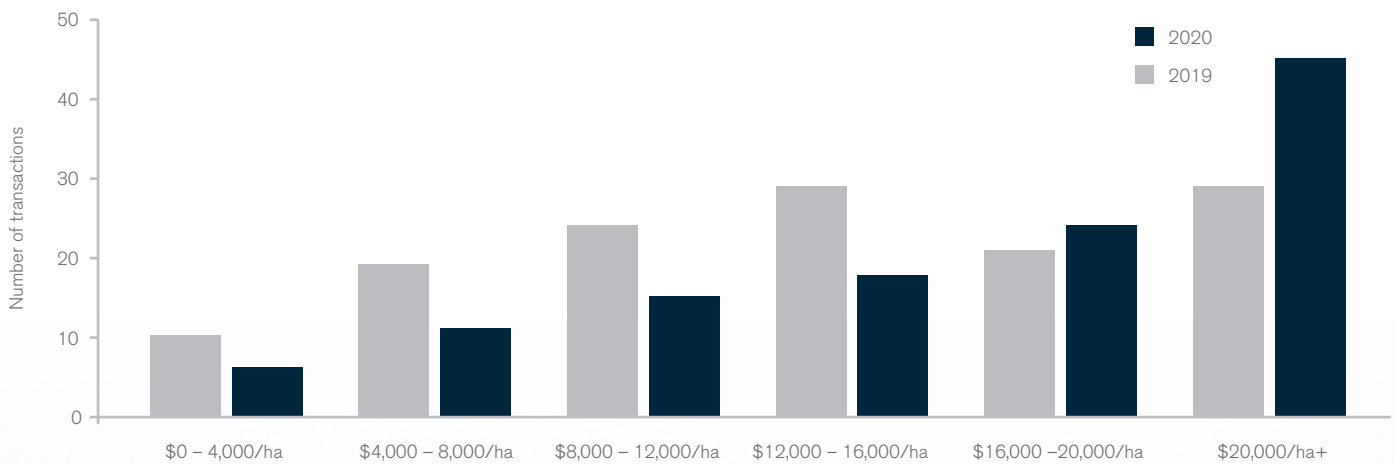
The number of transactions in North West Tasmania declined by 9.8 per cent in 2020 to 119. All municipalities in the region had either fewer transactions or the same as 2019 except for Circular Head which increased. Although 2020 saw a year-on-year decline in transactions in the region, it was still 7.3 per cent above the 10-year average of 111 transactions.

From the field

“The value of farmland in North West Tasmania rose significantly in 2020 on the back of strong interest from a range of buyers and a limited number of properties on the market which saw demand outstrip supply. Larger properties attracted competition among investors and corporate buyers who viewed farmland in the region as a strong, safe investment opportunity. Water security in the region continued to be a key factor underpinning demand as the extension of irrigation schemes and reliable rainfall makes both irrigated and dryland grazing land appealing prospects for buyers, including those from mainland Australia.”

James Cameron, Rural Bank, Launceston.

North West – transactions by price range



The decline in the number of transactions in the region was confined to the lower price ranges which offset an increased number of transactions above \$16,000/ha. Transactions priced above \$16,000/ha accounted for 58 per cent of the region's transactions in 2020, up from 38 per cent in 2019. This greater proportion of higher priced transactions contributed to the increase in the region's median price per hectare. Circular Head, Kentish and Meander Valley were the locations of most of the increase in higher priced transactions in 2020.

Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
15-40	\$20,546	35.1%	3.3%	10.0	50	-6
40-80	\$13,701	3.4%	2.2%	9.5	27	-13
80-120	\$15,555	17.4%	4.3%	10.0	20	3
120+	\$19,080	68.0%	6.8%	10.0	22	3
Overall	\$17,465	26.7%	4.7%	10.0	119	-13

Growth in the median price per hectare was recorded across all parcel size ranges in 2020. The largest price growth occurred for parcels greater than 120ha, however this was partially due to an increased proportion of transactions in this segment occurring in the relatively higher-priced Circular Head municipality where transactions in this segment increased while transactions in the lower-priced Meander Valley declined.


The decline in the region's transaction volume in 2020 was led by smaller parcel size ranges. Within the 15-40ha segment there were declines across most municipalities which offset a significant increase in transactions in Circular Head.

TAS South

South – historic performance




\$5,057
Median price per hectare



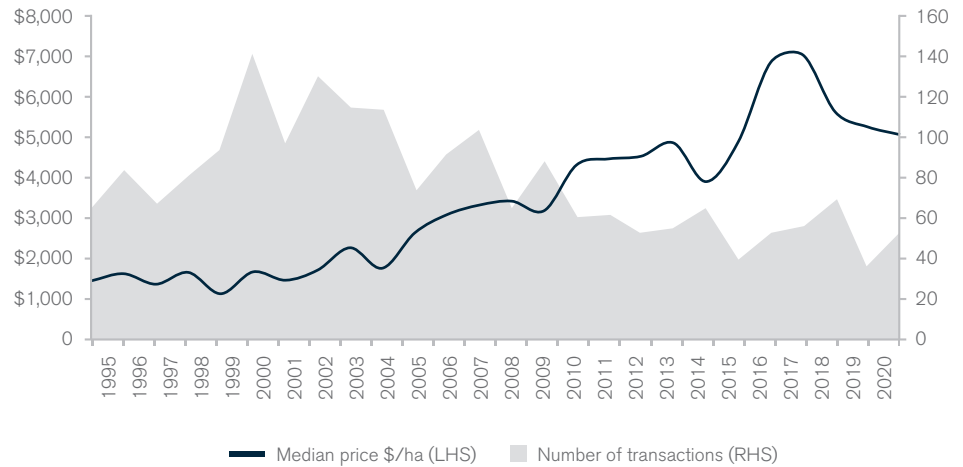
-3.7%
2020 median price growth



12,458
Hectares of land traded



5.7%
Compound annual growth
over 20 years



The median price per hectare for farmland in South Tasmania declined in 2020 for a third consecutive year. The decline of 3.7 per cent to \$5,057 per hectare in 2020 follows a 6.5 per cent decline in 2019. Grazing land was highly sought after, following dry conditions in 2019.

Despite the decline at region level, the median price per hectare increased in the Glamorgan-Spring Bay, Kingborough and Tasman municipalities, which all regained some lost ground from declines in 2019.

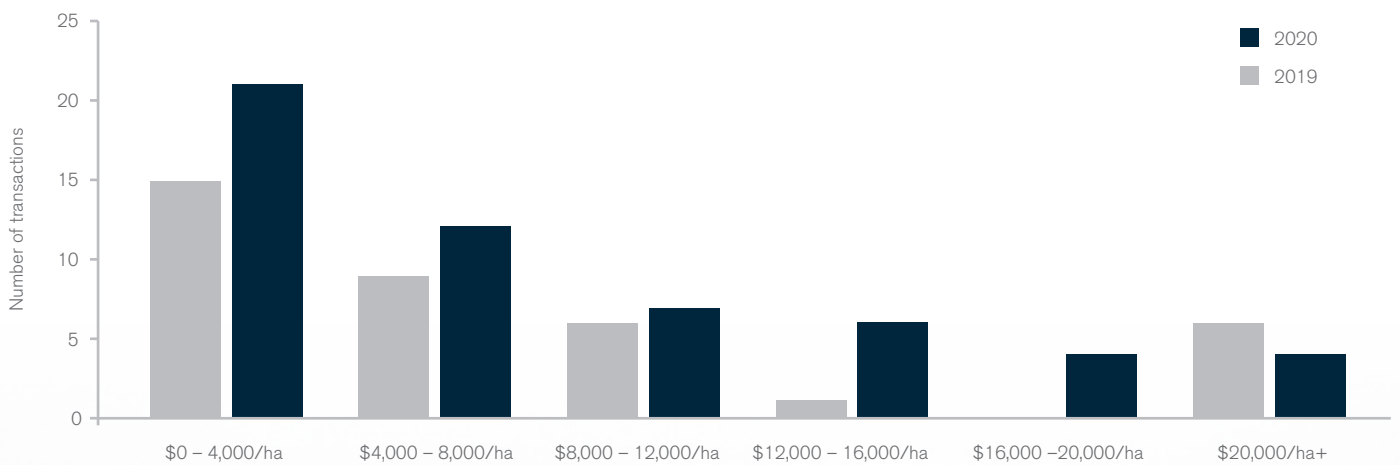
The number of transactions in the South region increased by 45.9 per cent in 2020 to 54, following an historic low in 2019. Despite the increase, transactions volume in 2020 was still 22.9 per cent below the recent peak in 2018 and just below the 10-year average. The Central Highlands, Glamorgan-Spring Bay and Southern Midlands municipalities recorded the largest increase in transaction volumes in the region which led to a greater proportion of lower priced transactions compared to 2019, contributing to the decline in median price per hectare.

From the field

“Liquidity returned to the market in 2020 after drought conditions impacted listings in 2019, particularly for non-irrigated land. Demand for quality grazing properties driven by strong commodity prices resulted in several larger parcels transacting in municipalities such as the Central Highlands, Glamorgan-Spring Bay and the Southern Midlands. In addition to grazing land, strong demand for high value orchards and vineyards was also a feature of 2020.”

Nik Preece, Rural Bank, Rosny Park.

South – transactions by price range



The increase in the number of transactions in South Tasmania occurred primarily at the lower end of the price range with a 40 per cent increase in the number of transactions below \$4,000/ha. In contrast, transactions above \$20,000/ha recorded a decline. The shift towards a greater proportion of lower priced transactions contributed towards the decline in median price per hectare in the region.

The increased number of lower valued transactions primarily occurred in the Central Highlands, Glamorgan-Spring Bay and Southern Midlands municipalities.

Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
15-40	\$12,787	73.5%	4.9%	10.0	16	5
40-80	\$4,814	-26.5%	-2.5%	5.5	15	7
80-120	\$4,424	18.3%	6.8%	8.0	9	3
120+	\$2,472	0.4%	0.0%	9.0	14	2
Overall	\$5,057	-3.7%	1.6%	8.0	54	17

Despite the decline in the overall median price per hectare for South Tasmania, there was growth for all parcel size ranges except for 40-80ha. Smaller parcels were highly sought after with a strong increase in median price per hectare and growth in transaction volume, reflecting confidence in the horticulture segment of the market. Larger parcel sizes greater than 120ha remained firm, while the 80-120ha segment recorded a more significant increase in median price per hectare, driven by demand for grazing land on the back of more favourable seasonal conditions. This segment of the market also recorded the highest CAGR for the last 10 years.

TAS

Farmland sales by municipality

Municipality	Median \$/ha				Number of transactions	
	2020	5yr CAGR	10yr CAGR	20yr CAGR	2020	YoY +/-
North West						
Burnie	\$13,700	16.4%	3.0%	6.8%	8	-2
Central Coast	\$19,737	11.8%	2.9%	8.4%	14	-2
Circular Head	\$19,759	9.6%	4.0%	8.2%	40	10
Devonport	–	-19.5%	-9.7%	5.4%	3	0
Kentish	\$20,889	5.5%	5.9%	9.7%	15	0
Latrobe	\$19,749	10.2%	5.0%	5.4%	8	0
Meander Valley	\$12,220	3.4%	2.7%	7.7%	18	-16
Waratah-Wynyard	\$13,534	3.5%	2.4%	6.4%	13	-3
North West	\$17,465	8.3%	4.7%	8.1%	119	-13
Northern						
Break O'Day	\$5,658	6.2%	6.6%	7.4%	4	-3
Dorset	\$8,995	5.1%	-1.6%	6.7%	12	0
George Town	–	2.1%	3.3%	9.2%	2	0
Launceston	–	-18.3%	-12.5%	0.1%	3	-5
Northern Midlands	\$19,894	12.1%	7.1%	12.4%	10	3
West Tamar	\$13,229	9.3%	2.2%	8.8%	12	6
Northern	\$12,767	7.2%	3.9%	8.9%	43	1
South						
Brighton*	–	–	–	–	0	0
Central Highlands	\$1,922	-3.5%	-6.4%	5.7%	10	3
Clarence	–	4.8%	8.2%	8.8%	2	1
Derwent Valley*	–	–	–	–	–	0
Glamorgan-Spring Bay	\$2,656	-1.1%	6.2%	7.5%	6	3
Huon Valley	\$5,683	-6.7%	-6.8%	4.4%	9	0
Kingborough	\$18,007	5.7%	8.3%	12.5%	6	3
Sorell	\$8,359	9.3%	3.1%	8.2%	4	0
Southern Midlands	\$4,519	6.4%	2.2%	7.7%	14	8
Tasman	–	28.2%	6.1%	11.5%	3	-1
South	\$5,057	0.7%	1.6%	5.7%	54	17
Islands						
Flinders Island	\$2,569	-0.2%	2.5%	8.0%	4	-3
King Island	–	24.2%	11.2%	10.6%	3	-7
TASMANIA	\$13,691	9.5%	5.8%	8.1%	223	-5

CAGR: Compound Annual Growth Rate

Price information with a small volume of transactions should be used with caution. The median price for municipalities with less than four transactions in 2020 is not reported.

*Municipalities with no transactions in 2020 have compound annual growth rate for five, ten and twenty years presented using the 2019 median.





\$5,482

Median price per hectare



10.9%

2020 median price growth



208,049

Hectares of land traded



7.2%

Compound annual growth over 20 years

Map shows median price movement in 2020.



Eyre Peninsula
-8.5%

Yorke & North
29.9%

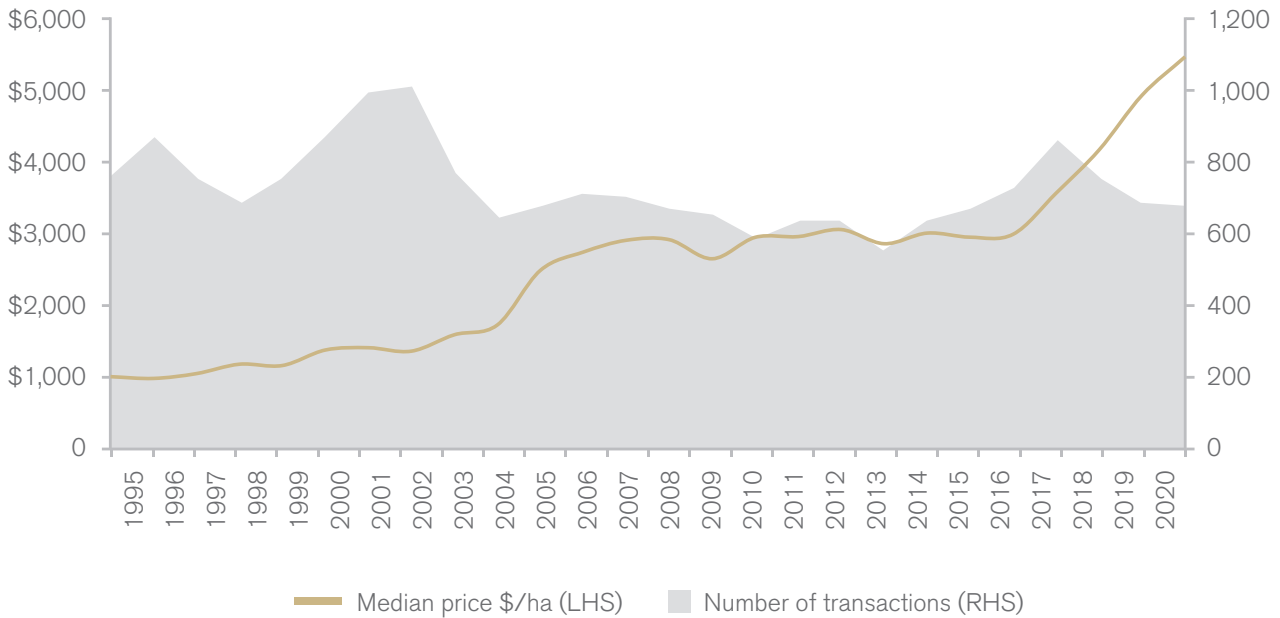
Adelaide & Fleurieu
23.3%

South East
-2.4%

South Australia

South Australia

South Australia – historic performance



South Australian farmland values rose for the fifth consecutive year in 2020 with prices hitting record highs thanks to a low cost of funding, strong appetite for expansion and continued tight land supply throughout much of the state. The median price per hectare rose by 10.9 per cent in 2020 following rises of 18.4 per cent and 17.0 per cent in 2019 and 2018 respectively. While the 2020 rise is slightly below the five-year CAGR of 13.2 per cent, it is a substantial jump when compared to the 10 and 20 year CAGR of 6.4 per cent and 7.2 per cent respectively. The median price per hectare across the state now sits at a record \$5,482 per hectare.

Median price per hectare growth was driven by the central regions of South Australia in 2020. The Yorke and North region saw strong median price per hectare growth of 29.9 per cent, on the back of solid commodity prices and a strong season. The Adelaide and Fleurieu region saw a jump of 23.3 per cent in median price per hectare following a poor 2019. This increase was driven by a sharp rise in prices on Kangaroo Island following last year's devastating bushfires, with tight supply increasing the proportion of high value transactions. In contrast, the South East and Eyre Peninsula regions both saw prices dip in 2020 with a fall in the median price per hectare of 2.4 per cent and 8.5 per cent respectively. In both regions, the drop in median price per hectare occurred due to a rise in the number of transactions in lower priced municipalities.

The total volume of transactions across the state declined by 1.4 per cent to 683, this is in line with the 10-year state average of 689 transactions. The Adelaide and Fleurieu region saw an 11.7 per cent fall while the Yorke and North region also saw a 4.1 per cent decline in transaction volume. The decline in farmland supply within these regions is one of the major drivers behind the subsequent increase in farmland prices. Both regions within

South Australia that saw a dip in prices, the Eyre Peninsula and South East, experienced an increase in transaction volume of 17.2 per cent and 1.4 per cent respectively with most of these additional transactions occurring in lower price range municipalities.

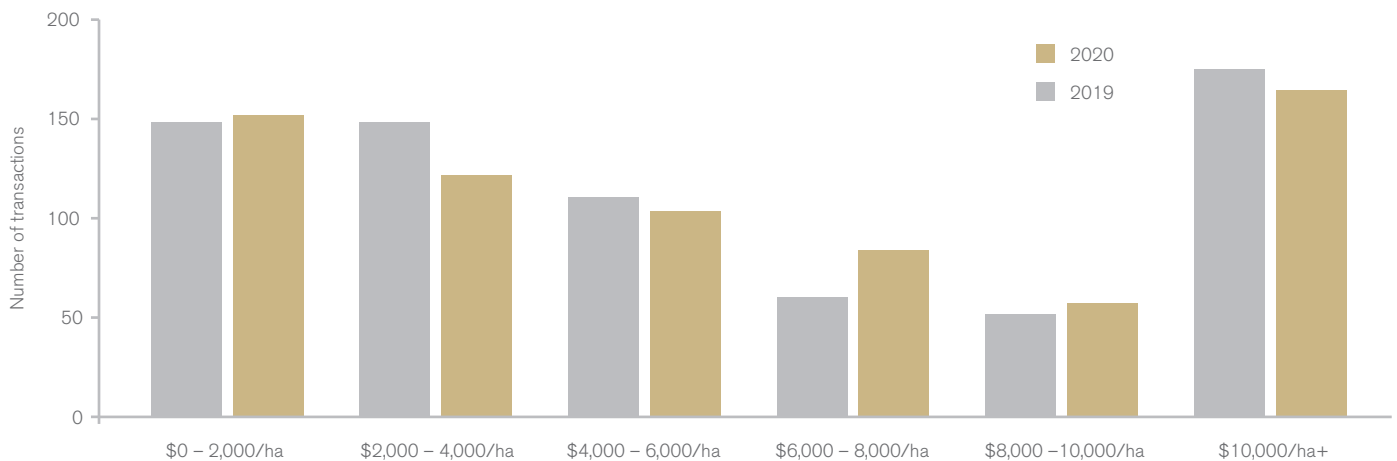
Approximately 208,049 hectares of land was traded in South Australia during 2020, a decrease of 4.8 per cent on 2019. The total value of land transacted in 2020 fell by 2.6 per cent to \$736.9 million.

From the field

"Despite the impact of drought, bushfires and COVID-19, the strong demand for farmland seen throughout South Australia in 2019 further intensified in 2020. Strong commodity prices and a low interest rate environment supported farmers appetite for expansion resulting in higher farmland values across much of South Australia. It was predominantly local buyers taking advantage of these low financing costs thanks to increased equity on the back of land value appreciation. Supply does remain tight across much of the state, with majority of new listings selling at record levels. Prices are reflecting this lack of supply, particularly given the high level of demand, with multiple buyers continuing to miss out on land."

Neil Verringer, Rural Bank, Adelaide.

South Australia – transactions by price range



For the third year in a row transaction volume fell; the decline in transactions primarily occurred in the lower end of the price range. This was a key factor in moving the median price per hectare higher in 2020. Transactions in the \$6,000-8,000/ha range increased by 40 per cent; this rise was partially offset by a 17.6 per cent decline in the \$2,000-4,000/ha and a 5.7 per cent fall in the greater than \$10,000/ha range.

The significant increase in transactions in the \$6,000-8,000/ha range was primarily driven by the South East and Yorke and North regions. These areas saw a respective increase of 120 and 50 per cent, equating to 31 more transactions within this price range.

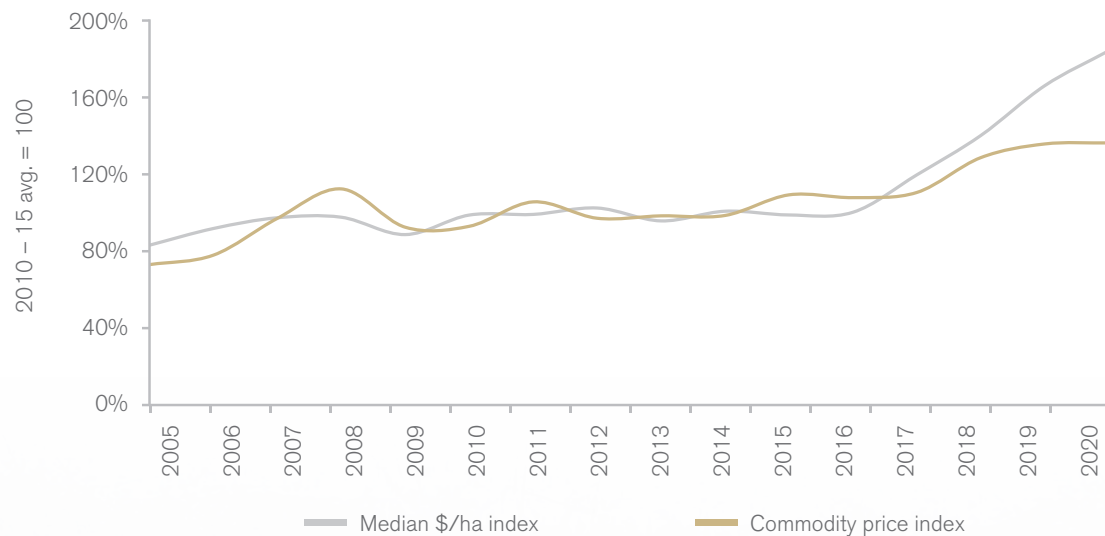
Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
30-100	\$9,048	-4.3%	4.9%	9.5	278	-2
100-200	\$4,929	14.6%	6.0%	10.0	147	-18
200-300	\$4,455	5.5%	4.8%	10.0	65	6
300+	\$2,437	3.1%	10.9%	10.0	193	4
Overall	\$5,482	10.9%	6.4%	10.0	683	-10

There was a greater proportion of larger parcels sold in 2020 and a lower proportion of smaller parcels in comparison to 2019. The number of transactions in the 100-200ha parcel range fell by 18, this decline saw transaction volume in the 200-300ha and the greater than 300ha ranges increase by six and four transactions respectively.

Fewer transactions in the 100-200ha range contributed to the considerable increase in median price per hectare for this segment, following a decline in median price per hectare in 2019. The Adelaide and Fleurieu region saw the greatest median price per hectare increase in this segment due to an almost 50 per cent fall in transactions. The remaining parcels all saw moderate increases in median price per hectare with the exception of the 30-100ha segment which fell by 4.3 per cent.

South Australia – commodity price comparison



The commodity price index for South Australia is weighted based on the gross value of agricultural production (GVP) for each commodity. South Australia is predominately weighted towards grain (38%), vegetables (13%), beef (12%), wool (11%) and lamb (10%).

Historically there is a strong correlation between commodity price and farmland values in South Australia. However, a divergence in the relationship between commodity price and farmland values became apparent in 2017, widening significantly from 2018 to 2020, driven by declining interest rates and a tightly held rural property market.

There are several factors at play during this period which have contributed to the divergence.

- The official cash rate fell from 1.5 per cent at the beginning of 2018 to 0.1 per cent at the end of 2020, continuing a downward trend.
- There was a decline in property transaction volume in 2019 and a reduction in lower priced transactions in more marginal areas of the state. This contributed to growth in the median price per hectare.
- Seasonal conditions worsened in 2018 before drought was felt across parts of the state in 2019.
- Grain prices increased due to short supply while livestock prices eased as slaughter rates increased.

In 2020, transaction volume was flat coming off a high in 2017 and settling close to the long-term average. The median price per hectare increased by 10.9 per cent, driven by the Yorke and North region and the high value Adelaide and Fleurieu Peninsula. A greater proportion of high value transactions relative to 2019 resulted in the gap between commodity price and farmland values widening even further in 2020.

Collectively the South Australian commodity price index plateaued in 2020. Wheat prices declined by two per cent and barley prices eased by nine per cent. This downward movement in grain prices was partially offset by a 30.5 per cent increase in average beef cattle prices (based on trade steer prices) and a 1.5 per cent increase in average lamb prices (based on trade lamb prices).

Looking ahead to 2021, buying power remains strong suggesting that the median price hectare could continue diverging away from commodity prices. The South Australian commodity price index will likely come under downward pressure if grain prices soften as result of another favourable season. This may be partially offset by growth in wool prices after a tough 2020, in addition to milk price growth driven by strong global dairy markets.

For more analysis on what was driving both farmland values and commodity prices across the country between 2005-2020, please refer to the national section of this report located above.

SA

Adelaide and Fleurieu

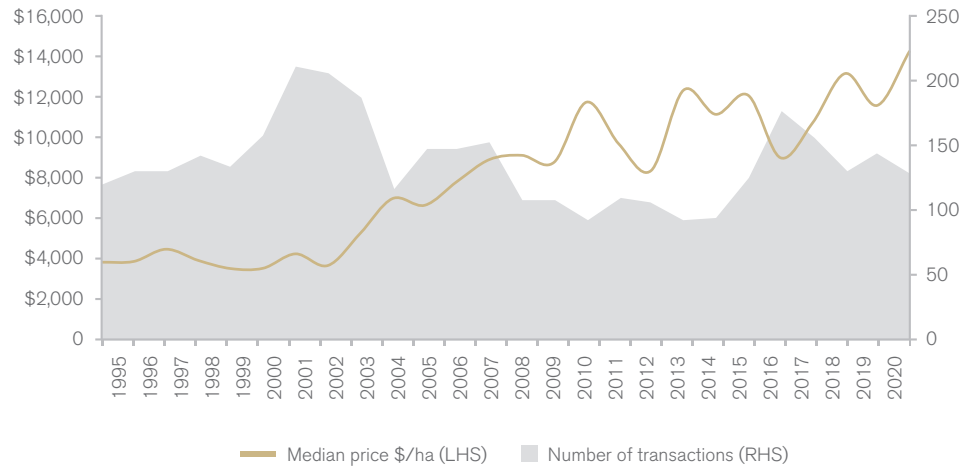
Adelaide and Fleurieu – historic performance

\$14,253
Median price per hectare

23.3%
2020 median price growth

12,893
Hectares of land traded

7.3%
Compound annual growth over 20 years



The median price per hectare for farmland in the Adelaide and Fleurieu region increased by 23.3 per cent to \$14,253 per hectare in 2020, following a decline of 12 per cent in 2019. The median price per hectare continues to trend upwards despite some volatility in the region with a CAGR of 3.4 per cent over the past 5 years and a CAGR of 7.3 per cent over the past 20 years. The region saw the second largest growth in median price per hectare in South Australia as an increase in buyers within metropolitan Adelaide helped to push prices higher.

At a municipality level Kangaroo Island saw a substantial rise in the median price per hectare which can be credited to a reduction in transaction volume of 17.1 per cent following widespread bushfires across the region in late 2019 and early 2020. The municipalities of Victor Harbor, Alexandria and Yankalilla all recorded an increase in the median price per hectare in 2020. This helped to offset a decline in the median price per hectare for farmland in the Adelaide Hills, the most expensive municipality in the region.

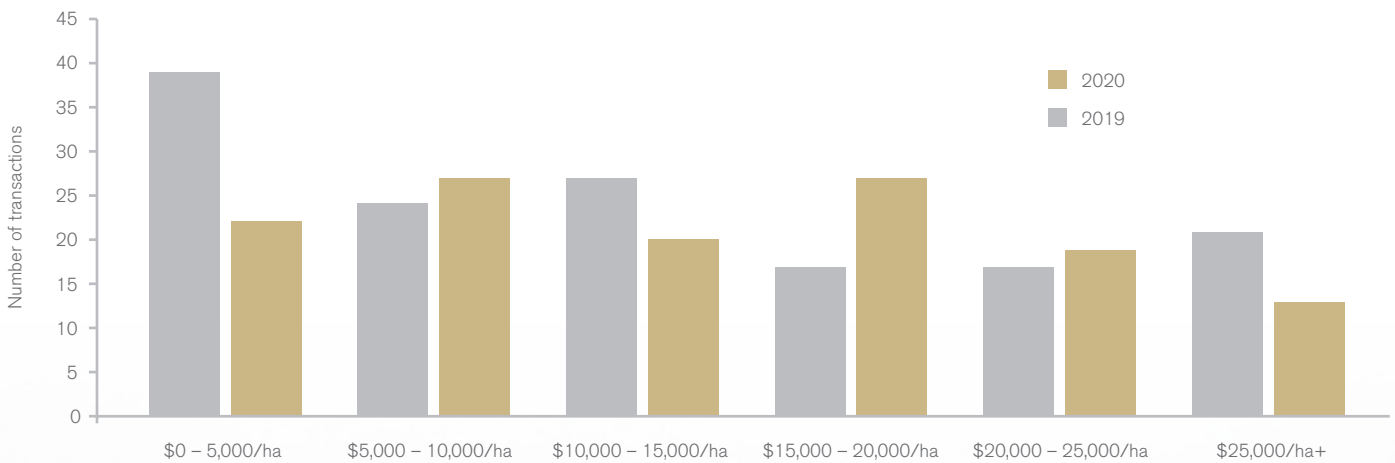
The increase in the median price per hectare can be partially attributed to the 11.7 per cent reduction in transaction volume, down to 128 total transactions after an increase in 2019.

From the field

“The Adelaide and Fleurieu region saw high buyer demand amid reduced farmland supply with the anticipated price per hectare increasing accordingly. Supply remains tight with many farmers who leave the industry in this area choosing to lease out or share farm their properties as opposed to selling. A significant number of local family farmers submitted offers on the larger rural properties that were sold in the area during 2020. Smaller rural properties placed on the market also received strong interest from potential purchasers who currently reside in the Adelaide metropolitan area. These buyers tend to lease out their rural properties to local farming families across the region.”

Tom Kennedy, Rural Bank, Adelaide.

Adelaide and Fleurieu – transactions by price range



The Adelaide and Fleurieu region saw transaction volume in the lower price range of \$0-5,000/ha decline by 43.6 per cent in 2020, while transactions greater than \$25,000/ha declined by 38.1 per cent. The decline of transaction volume within these price ranges was offset by a 58.8 per cent increase in transaction volume for the \$15,000-20,000/ha range, this jump was primarily driven by a 55.6 per cent rise in farmland transactions from the Barossa municipality.

The transition from lower price range transactions into the more concentrated \$15,000-20,000/ha range was key to the rise in the overall median price per hectare in the region.

Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
30-50	\$18,360	-4.5%	1.7%	9.5	64	-6
50-100	\$12,980	22.5%	3.7%	10.0	30	-1
100-150	\$4,138	31.4%	-3.2%	5.5	10	-9
150+	\$4,648	53.3%	10.0%	10.0	24	-1
Overall	\$14,253	23.3%	2.0%	10.0	128	-17

An increase in median price per hectare was recorded across all parcel size ranges in the Adelaide and Fleurieu region except for the 30-50ha segment. A modest decline in the median price of the 30-50ha parcel size range followed three consecutive years of growth and occurred despite a tightening of supply of parcels in this range.

Strong growth in the median price of larger parcel size ranges indicated robust demand for larger parcels in the region in 2020. The largest parcel size range led the charge, recording the largest year-on-year increase in median price per hectare and remained the strongest growth segment over the last 10 years.

SA

Eyre Peninsula

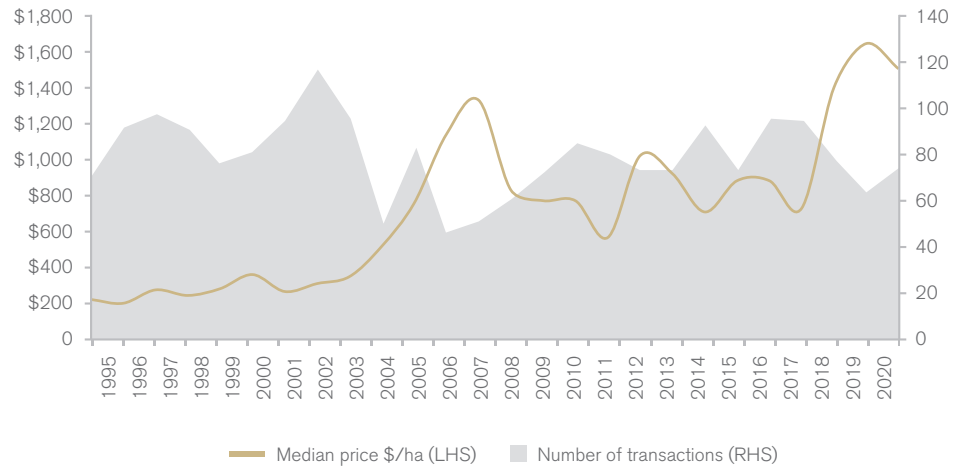
Eyre Peninsula – historic performance

\$1,507
Median price per hectare

-8.5%
2020 median price growth

45,618
Hectares of land traded

7.4%
Compound annual growth over 20 years



Farmland values within the Eyre Peninsula declined for the first time since 2017 with the median price per hectare falling by 8.5 per cent to \$1,507 per hectare. The decline in median price per hectare occurred due to a higher proportion of transactions in lower priced municipalities, particularly Franklin Harbour and Kimba.

Overall, farmland values within the region have performed strongly with tight farmland availability and a strong appetite for expansion from current landholders. The Lower Eyre Peninsula was the only municipality to see any significant fall in median price per hectare with a 15.2 per cent drop following significant crop losses in the 2019/20 harvest.

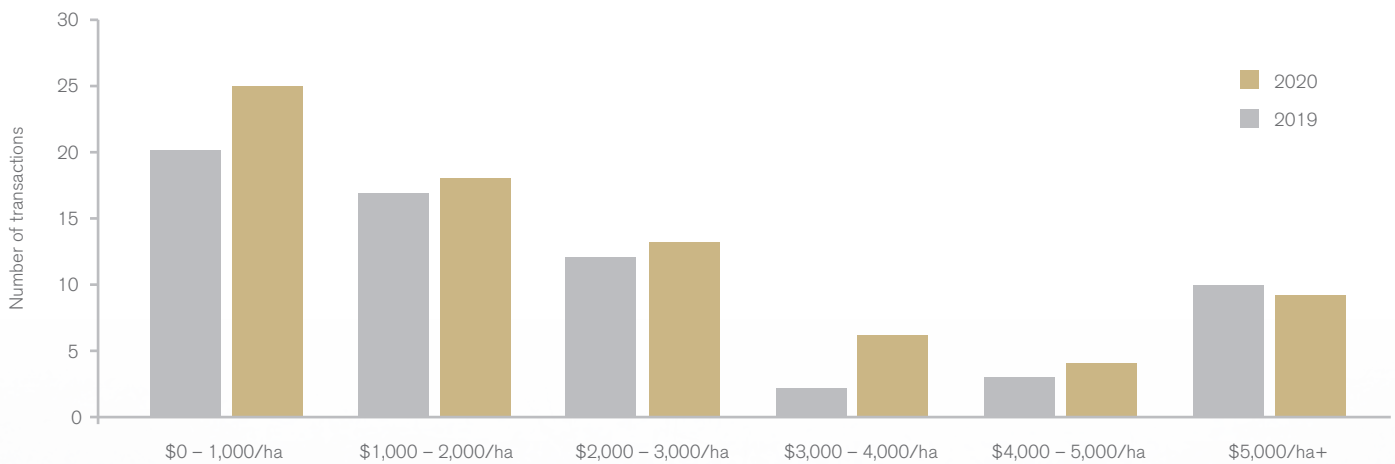
Total transaction volume increased by 17.2 per cent in 2020 to 75. Franklin Harbour, Ceduna and Kimba municipalities recorded the largest increases within the region. This rise in transactions follows three consecutive years of declining transaction volume.

From the field

“Farmland supply remains tight within the Eyre Peninsula, particularly throughout the more expensive, sought after municipalities, with the top end of the market continuing to perform particularly well. Buyer demand remains strong, driven by the low cost of funding, and a continued appetite for growth amongst growers and continued expansion throughout the region. ”

Chris Miller, Rural Bank, Cummins.

Eyre Peninsula – transactions by price range



The Eyre Peninsula saw a rise in total transaction volume with the lower price range of \$0-1,000/ha experiencing the greatest increase, up 25 per cent in 2020. Transaction volume in the \$3,000-4,000/ha range also tripled, though this was coming off a low base with only two transactions recorded in the price range during 2019.

The additional transaction volume in areas with lower land prices was the primary contributing factor behind the overall fall in median price for the region with all price range recording an increase in transaction volume except for the greater than \$5,000/ha range.

Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
30-300	\$2,186	-36.8%	-2.5%	6.0	25	5
300-600	\$1,725	-22.0%	6.9%	9.0	21	6
600-900	\$1,246	-20.8%	7.8%	8.5	14	4
900+	\$626	25.1%	7.0%	10.0	15	-4
Overall	\$1,507	-8.5%	6.9%	9.5	75	11

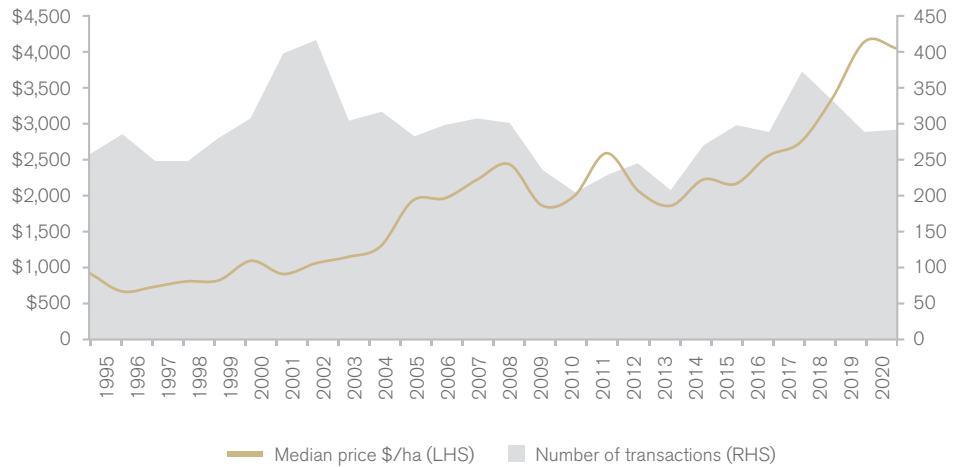
A fall in the median price per hectare was recorded across all parcel sizes in the region except for the greater than 900ha range, which recorded a strong increase in 2020 after a decline of 14.1 per cent in 2019. The largest parcel size range was also the only range to record a decline in the number of transactions. The decline in median price per hectare in the smaller parcel size ranges was attributed to a greater proportion of transactions in these ranges occurring in the relatively lower-priced Upper Eyre Peninsula. The Upper Eyre Peninsula accounted for 48 per cent of transactions smaller than 900ha in the region in 2020, up from 38 per cent in 2019.

SA
South East

South East – historic performance



\$4,051
Median price per hectare





-2.4%
2020 median price growth

The South East region of South Australia recorded a decline in the median price per hectare for the first time since 2015. While anecdotal evidence suggests strong market growth throughout the South East region, the significant increase in transactions from lower priced municipalities resulted in a decline of 2.4 per cent to \$4,051 per hectare. Despite the decline in median price per hectare recorded in 2020, the South East region performed well at a local level with 10 of the regions 13 municipalities recording an increase in median price per hectare.



112,651
Hectares of land traded

The strong upward trend in median price per hectare over the past five years has been driven by a significant increase in the median price per hectare of properties in higher priced municipalities such as Grant, Naracoorte and Tatiara. However, in 2020 the median price per hectare for the region moved lower on the back of a 27.4 per cent increase in transaction volume for lower priced municipalities. The increase in transaction volume occurred primarily in municipalities with lower land values, including Murray Bridge, Loxton-Waikerie and Southern Mallee. Transactions in municipalities with higher priced land values such as Wattle Range and Kingston declined by 46.7 per cent and 20 per cent respectively.



6.8%
Compound annual growth over 20 years

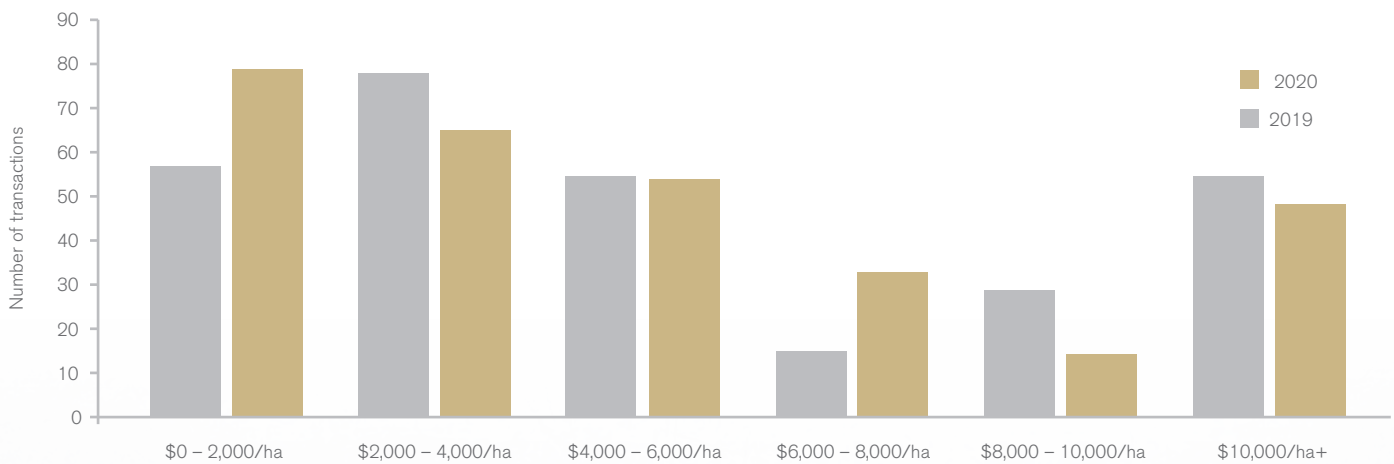
The total volume of transactions in the South East region increased by 1.4 per cent to 293 in 2020, above the 10-year average of 277 transactions as low cost of funding and strong equity positions drove demand higher.

From the field

“The South East region has seen farmland values at a local level perform strongly over the last year thanks to robust demand and a general restriction in available land to purchase. The combination of sound commodity prices and a lack of viable investment options should farmers decide to sell has seen supply remain relatively constrained in 2020. Demand for farmland has been driven higher by the continued desire for expansion especially amongst family farms with stronger equity positions due to increases in land values. Greater levels of cash flow from consistent commodity prices, low funding costs and federal taxation benefits were also key demand drivers.”

Tim Valente, Rural Bank, Robe.

South East – transactions by price range



Transaction volume within the Murray and Mallee sub-region which includes the municipalities of Loxton-Waikerie, Murray Bridge and Southern Mallee increased by 56.6 per cent. This led to an increase in transaction volume within the lower price range of \$0-2,000/ha. Transactions below \$4,000/ha accounted for 49.1 per cent of all transactions in 2020 up slightly from 46.7 per cent in 2019. A jump of transactions in the \$6,000-8,000/ha range of 120 per cent was recorded, though was offset by a 51.7 per cent fall in transactions within the \$8,000-10,000/ha range.

The overall increase of transactions within the lower price ranges was the primary factor behind the fall in median price per hectare.

Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
30-100	\$5,908	5.8%	3.9%	10.0	101	-3
100-200	\$4,103	-1.0%	8.0%	9.0	67	4
200-300	\$4,276	1.6%	4.3%	9.5	21	-9
300+	\$2,969	-7.7%	11.6%	9.5	104	12
Overall	\$4,051	-2.4%	7.4%	9.5	293	4

Growth in the median price per hectare was relatively inconsistent in 2020 with the 30-100ha and 200-300ha parcels both increasing. While the 100-200ha and greater than 300ha parcel sizes experienced a decline. The increase in median price per hectare for smaller parcel sizes occurred as supply saw a small decline in 2020. The split of transactions between parcels was mostly unchanged from 2019 with the 30-100ha and 300+ha ranges making up 69 per cent of all transactions. Larger parcels greater than 300ha recorded the highest 10 year CAGR of 11.6 per cent, outperforming the region.

SA

Yorke and North

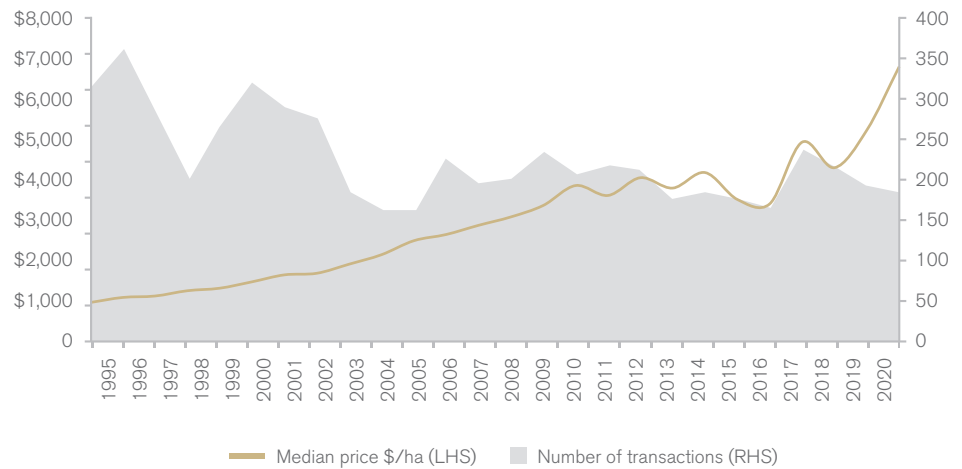
Yorke and North – historic performance

\$6,799
Median price per hectare

29.9%
2020 median price growth

36,866
Hectares of land traded

7.9%
Compound annual growth over 20 years



The Yorke and North regions median price per hectare rose by 29.9 per cent to \$6,799 in 2020, this follows an increase of 21.5 per cent in 2019. The region recorded the highest growth of any region in South Australia. A general lack of supply and increase in demand, supported by strong commodity prices were key drivers of growth in 2020.

The recent upward trend in median price per hectare was driven by strong price growth in high value municipalities including the Northern Areas, Yorke Peninsula and Copper Coast.

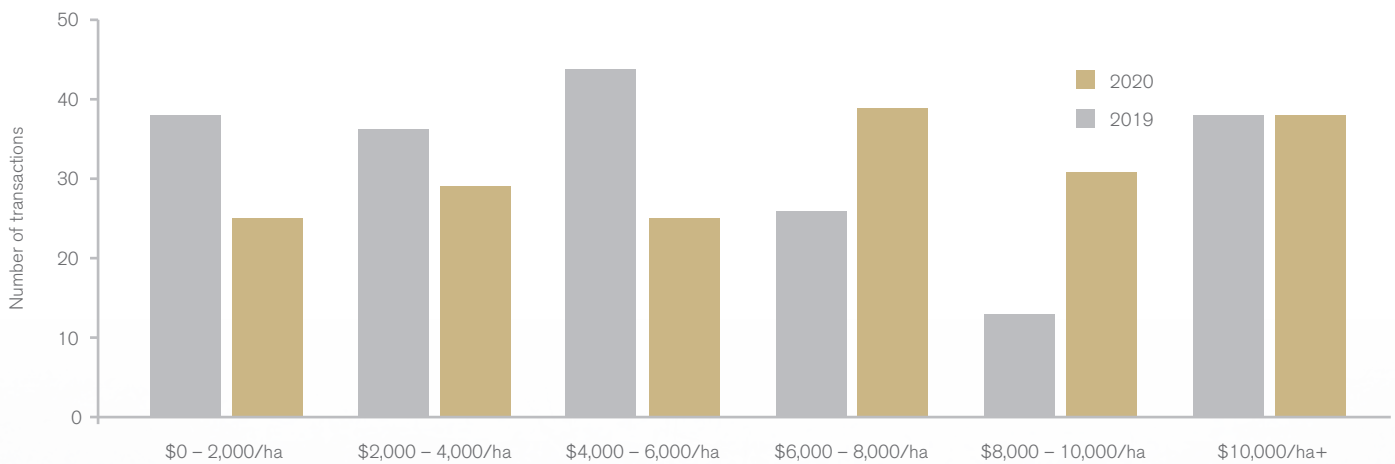
The number of transactions in the Yorke and North region declined by 4.1 per cent to 187. The Northern Areas municipality saw a 48.6 per cent decline in transactions during 2020, lack of supply was a significant driver in median price per hectare growth for the area.

From the field

“Farmland values within the Yorke and North region rose significantly in 2020 due to red hot demand for land and a general lack of supply across much of the region. Local family-based farmers continue to look at expanding their operations thanks to historically low rates, good commodity prices and a strong season in 2020. Good livestock prices have increased demand for grazing land with buyers quickly purchasing land as it comes to market.”

Tony Harrison, Rural Bank, Roseworthy.

Yorke and North – transactions by price range



The number of transactions within the Yorke and North region declined to 187 in 2020 with a general shift in profile, as a significant number of transactions moved towards the higher price ranges. This shift contributed to the increase in median price per hectare of farmland in the region.

Transactions priced below \$6,000/ha declined by 33.1 per cent in 2020. In contrast, transactions above \$6,000/ha increased by 40.3 per cent. The \$8,000-10,000/ha price range saw the greatest increase in transaction volume with an additional 18 transactions recorded in 2020, this was driven by a substantial increase of transactions in the Adelaide Plains and Copper Coast municipalities.

Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
30-100	\$8,249	3.0%	4.9%	10.0	73	8
100-200	\$6,565	25.6%	6.7%	10.0	56	-9
200-300	\$5,657	20.2%	7.3%	10.0	29	6
300+	\$3,764	64.4%	15.3%	10.0	29	-13
Overall	\$6,799	29.9%	5.8%	10.0	187	-8

The median price per hectare increased for all parcel segments in the Yorke and North region. Parcels greater than 300ha recorded the largest increase in median price per hectare, this was due to a lack of supply. This parcel size range also saw the largest drop in transaction volume of 30.1 per cent. Smaller parcel sizes in the 30-100ha bracket continue to make up the largest proportion of transactions within the region, accounting for 39 per cent in 2020 up from 33.3 per cent in 2019. Larger parcels greater than 300ha recorded the highest 10-year CAGR of 15.3 per cent, almost tripling the region.

SA

Farmland sales by municipality

Municipality	Median \$/ha				Number of transactions	
	2020	5yr CAGR	10yr CAGR	20yr CAGR	2020	YoY +/-
Adelaide and Fleurieu						
Adelaide Hills	\$20,446	-0.5%	-2.5%	4.8%	11	-2
Alexandrina	\$16,301	7.2%	6.0%	7.7%	32	-15
Barossa	\$16,296	4.2%	1.6%	5.6%	14	5
Kangaroo Island	\$4,515	12.7%	8.1%	10.0%	29	-6
Mount Barker	\$16,431	-2.0%	3.1%	7.0%	9	-4
Onkaparinga	–	2.1%	3.2%	4.9%	3	0
Victor Harbor	\$16,016	-1.9%	0.1%	6.7%	13	-1
Yankalilla	\$14,548	5.3%	2.6%	8.3%	17	6
Adelaide and Fleurieu	\$14,253	3.4%	2.0%	7.3%	128	-17
Eyre Peninsula						
Ceduna	\$452	8.7%	8.1%	5.8%	6	3
Cleve	\$1,640	10.7%	6.7%	8.8%	5	-2
Elliston	\$1,520	23.7%	12.2%	6.2%	4	-3
Franklin Harbour	\$938	7.9%	4.1%	3.9%	10	7
Kimba	\$1,393	13.6%	6.5%	7.1%	13	8
Lower Eyre Peninsula	\$4,320	9.5%	2.9%	7.6%	13	0
Streaky Bay	\$626	21.1%	9.5%	7.5%	8	-2
Tumby Bay	\$3,634	8.2%	2.6%	9.6%	13	0
Wudinna	–	-5.2%	3.5%	7.6%	3	0
Eyre Peninsula	\$1,507	11.2%	6.9%	7.4%	75	11
South East						
Berri Barmera	–	1.4%	10.2%	2.7%	2	2
Coorong	\$4,206	19.7%	11.0%	9.9%	38	5
Grant	\$15,109	15.6%	6.4%	8.3%	20	-3
Karoonda East Murray	\$861	9.5%	3.0%	7.3%	9	0
Kingston	\$7,666	19.2%	13.0%	10.8%	8	-2
Loxton Waikerie	\$1,112	13.5%	6.6%	10.0%	11	8
Mid Murray	\$1,391	1.9%	4.1%	3.7%	50	-1
Murray Bridge	\$3,429	17.3%	1.8%	8.8%	26	16
Naracoorte	\$8,063	14.3%	8.6%	8.8%	36	-2
Renmark Paringa	\$995	-0.2%	8.6%	9.6%	4	3
Robe	\$10,472	14.8%	14.8%	10.8%	10	-1
Southern Mallee	\$1,708	7.9%	3.4%	4.8%	21	11
Tatiara	\$4,252	13.7%	5.4%	7.8%	34	-11
Wattle Range	\$11,105	15.3%	5.3%	7.8%	24	-21
South East	\$4,051	13.4%	7.4%	6.8%	293	4

Municipality	Median \$/ha				Number of transactions	
	2020	5yr CAGR	10yr CAGR	20yr CAGR	2020	YoY +/-
Yorke and North						
Adelaide Plains	\$9,197	-1.7%	2.2%	6.5%	12	8
Barunga West	–	7.8%	5.7%	5.2%	2	-3
Clare & Gilbert Valleys	\$11,885	4.3%	4.4%	7.7%	20	-7
Copper Coast	\$7,383	20.2%	2.7%	9.1%	8	2
Flinders Ranges	–	2.7%	1.5%	5.0%	2	-3
Goyder	\$2,249	1.3%	5.2%	5.5%	36	17
Light	\$12,568	7.7%	3.6%	7.3%	14	-2
Mount Remarkable	\$3,806	15.3%	6.1%	8.8%	17	5
Northern Areas	\$7,057	21.0%	5.8%	7.5%	18	-17
Orroroo Carrieton	–	-19.4%	-3.1%	-0.6%	2	-4
Port Pirie	\$6,347	16.6%	12.8%	9.6%	16	3
Wakefield	\$4,629	16.5%	0.0%	5.1%	16	-4
Yorke Peninsula	\$9,929	16.0%	7.5%	10.3%	24	0
Yorke and North	\$6,799	14.1%	5.8%	7.9%	187	-8
SOUTH AUSTRALIA	\$5,482	13.2%	6.4%	7.2%	683	-10

CAGR: Compound Annual Growth Rate

Price information with a small volume of transactions should be used with caution. The median price for municipalities with less than four transactions in 2020 is not reported.

*Municipalities with no transactions in 2020 have compound annual growth rate for five, ten and twenty years presented using the 2019 median.



\$3,066

Median price per hectare



19.3%

2020 median price growth



526,155

Hectares of land traded



6.2%

Compound annual growth
over 20 years

Map shows median price movement in 2020.

Western Australia

Northern
20.5%

Central
13.3%

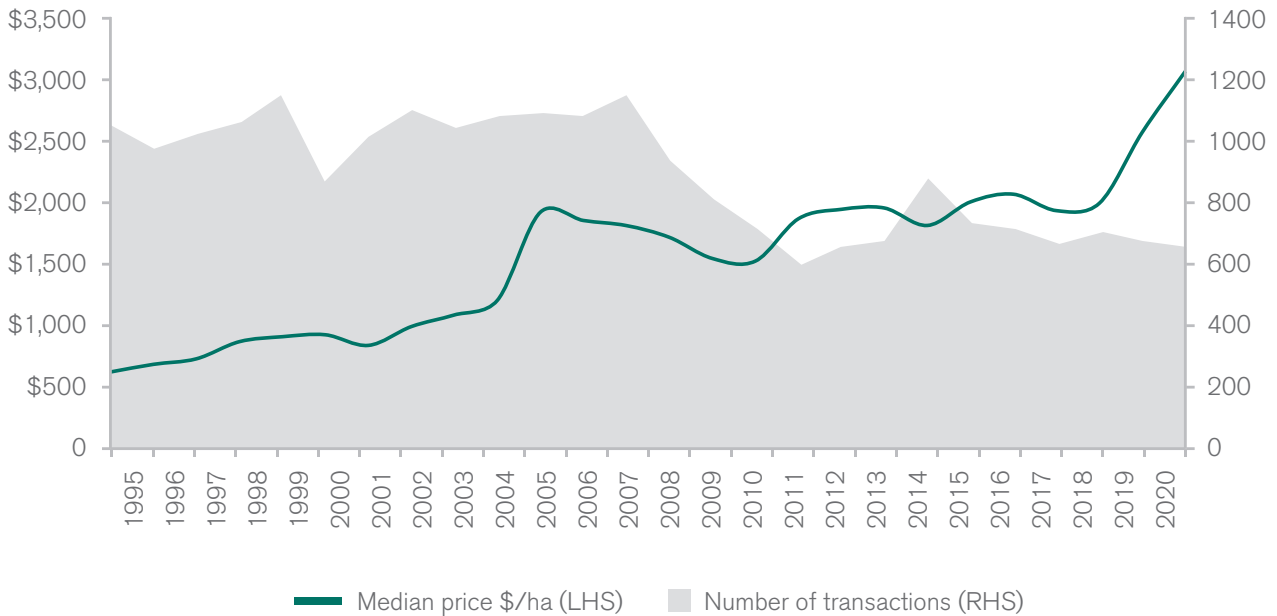
Eastern
16.6%

South West
11.5%

South Coast
21.7%

Western Australia

Western Australia – historic performance



The median price per hectare of farmland in Western Australia increased by 19.3 per cent in 2020, with land values reaching record highs in the state, bolstered by a better-than-expected season. This follows growth of 29.1 per cent in 2019. Above average soft commodity prices combined with record low interest rates, have been key drivers of growth in land values.

Strong demand in the Northern and South Coast regions of Western Australia drove the states median price per hectare higher. Median price per hectare increased by 21.7 per cent in the South Coast region and 20.5 per cent in the Northern region. All five regions in Western Australia recorded an increase in median price per hectare, which can be attributed to a greater number of smaller parcels transacting at a higher price.

The number of transactions decreased in 2020 to 664, down by 3.1 per cent year on year. This was 22.2 per cent below the 20-year average of 854 transactions.

The area of farmland traded in 2020 was approximately 526,000 hectares, an increase of 1.1 per cent on the year prior. The increase in area of farmland traded came despite a drop in transaction volume and a decrease of 12.7 per cent in the median parcel size, down to 352.4 hectares. This is explained by the increase in large parcels trading in the Northern region which increased the overall area traded for the state.

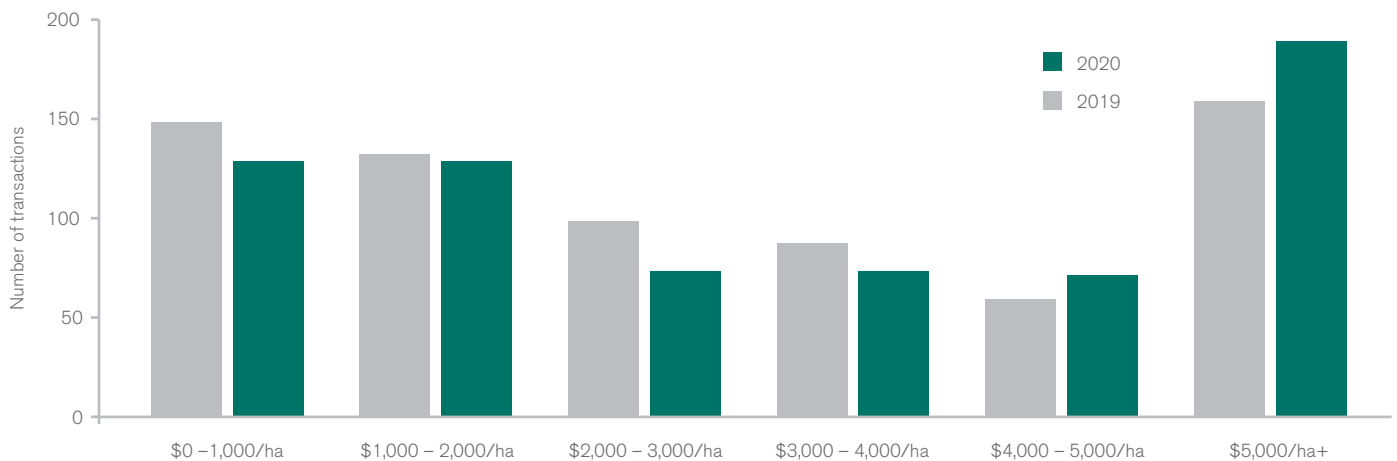
The total value of farmland traded in 2020 was approximately \$995 million, a slight decrease of 0.7 per cent, and can be attributed to the lower number of transactions.

From the field

“Farmland values in Western Australia had another strong year of growth in 2020, driven by low interest rates and improving terms of trade. Higher rainfall areas continued to be sought after, particularly in the South. Grain and livestock enterprises had a better-than-expected season due to the soft finish and commodity prices that were historically above average. Farmer confidence is driven in part by favourable seasonal conditions and if 2021 results in average or better seasonal conditions combined with strong demand for properties and exceedingly tight supply, then the trend of stronger farmland values in Western Australia is anticipated to remain strong.”

James Robinson, Rural Bank, Western Australia.

Western Australia – transactions by price range



The decline in the number of transactions at the lower end of the price range was more than offset by the increase in the number of transactions priced greater than \$4,000/ha. This led to a shift in the profile of transactions in Western Australia towards the higher end of the market which pushed the median price per hectare higher.

There was significant growth in transactions at the higher end of the market. The number of transactions priced greater than \$5,000/ha increased by 18.9 per cent which led to this price range accounting for the largest number of transactions in 2020 at 189, equating to 28.5 per cent of total transactions, up from 23.2 per cent in 2019.

The number of transactions priced less than \$1,000/ha declined by 14.1 per cent in 2020. This accounted for 19.3 per cent of the state's transactions, down from 21.8 per cent in 2019. There was also a lower proportion of mid-priced properties that traded within \$1,000-4,000/ha in 2020, only accounting for 42 per cent of sales, compared to 46 per cent of sales in 2019.

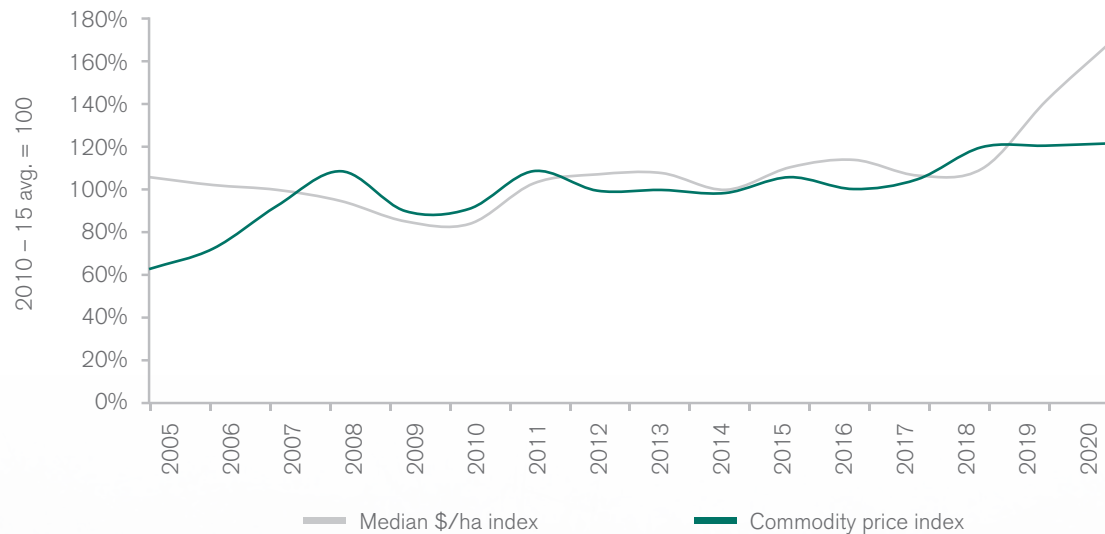
Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
50-250	\$5,796	13.7%	4.5%	10.0	287	17
250-500	\$2,552	8.9%	9.2%	10.0	91	-31
500-750	\$2,334	32.5%	4.8%	10.0	60	-7
750+	\$1,364	23.9%	4.9%	10.0	223	-3
Overall	\$3,066	19.3%	7.3%	10.0	664	-21

Growth in median price per hectare was recorded across all parcel size segments in Western Australia in 2020. The 500-750ha range saw the largest increase in median price per hectare and was 33.8 per cent above the five-year average in 2020. The South Coast and Northern regions accounted for most of the growth in median price per hectare in 2020, with smaller high value lots making up nearly 30 per cent of transaction volumes in these regions.

The smallest parcel size range saw a rise in the median price per hectare of 13.7 per cent, with these properties highly sought after in coastal regions or near large regional centres. The 250-500ha range had the highest 10-year CAGR at 9.2 per cent, well above the other ranges.

Western Australia – commodity price comparison



The commodity price index for Western Australia is weighted based on the gross value of agricultural production (GVP) for each commodity. Western Australia is predominately weighted towards grain (61%), wool (11%), beef (10%) and lamb (6%).

Historically there is a strong correlation between commodity price and farmland values in Western Australia. However, a divergence in the relationship between commodity price and farmland values became apparent in 2019, widening significantly in 2020, driven by declining interest rates and historically low transaction volume.

There are several factors at play during this period which have contributed to the divergence.

- The official cash rate fell from 1.5 per cent at the beginning of 2018 to 0.1 per cent at the end of 2020, continuing a downward trend.
- Transaction volume remained constrained in 2019 and there was a reduction in lower priced transactions in more marginal areas of the state. This contributed to growth in the median price per hectare.
- Seasonal conditions worsened in 2018 before drought was felt across parts of the state in 2019.
- Grain prices were firm in 2019 driven by low supply on the East coast. Wool prices declined, as did cattle prices, partially offsetting the small increase in grain prices.

In 2020, transaction volume was flat, settling close to the long-term average, increasing competition for properties that did list, driven by increased buying power in recent years and limited opportunities for expansion. The median price per hectare increased by 19.3 per cent, driven by double digit growth in every region of the state. Commodity prices didn't increase at the same rate, further widening the gap between the two indexes.


Collectively the commodity price index for Western Australia increased by two per cent in 2020. Average wheat prices increased by 7.5 per cent (based on APW1 prices). However, barley prices eased by 2.2 per cent (based on FED1 prices). Average beef cattle prices increased by 21.3 per cent (based on trade steer prices). However, lamb prices eased by 0.6 per cent (based on trade lamb prices). Average wool prices declined by 30.9 per cent (based on the West market indicator) partially offsetting growth in livestock and grain prices, restricting growth in the index.

Looking ahead to 2021, buying power remains strong suggesting that the median price hectare could continue diverging away from commodity prices. The commodity price index for Western Australia could come under downward pressure from softening grain prices driven by the prospect of another favourable growing season across the country. Livestock prices may also ease late in 2021 due to increased supply from restocking activity. In contrast, wool prices are expected to be stronger after a tough 2020.

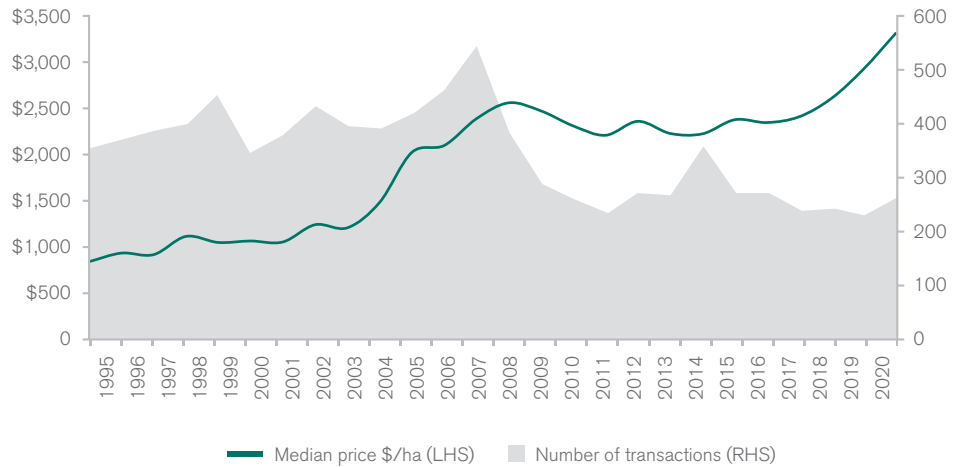
For more analysis on what was driving both farmland values and commodity prices across the country between 2005-2020, please refer to the national section of this report located above.

WA
Central

Central – historic performance



\$3,314
Median price per hectare




13.3%
2020 median price growth


The median price per hectare for farmland in Central Western Australia increased by 13.3 per cent in 2020 to \$3,314 per hectare. This was the fourth consecutive year of growth and followed a 12.3 per cent increase in 2019. Strong demand for tightly held land in this region, as well as above average soft commodity prices, were drivers of the growth in the median price.

Strong growth in median price per hectare and transaction volumes saw approximately 70 per cent of municipalities report an increase in median price per hectare in 2020. Corrigin and Wyalkatchem led the municipalities with the greatest year on year increases.



121,459
Hectares of land traded

The number of transactions in 2020 increased by 13.8 per cent to 264, a notable difference from 2019 when transaction volumes decreased by 4.9 per cent to an historic low of 232. Transaction volume increased in most municipalities led by Northam and Traying.



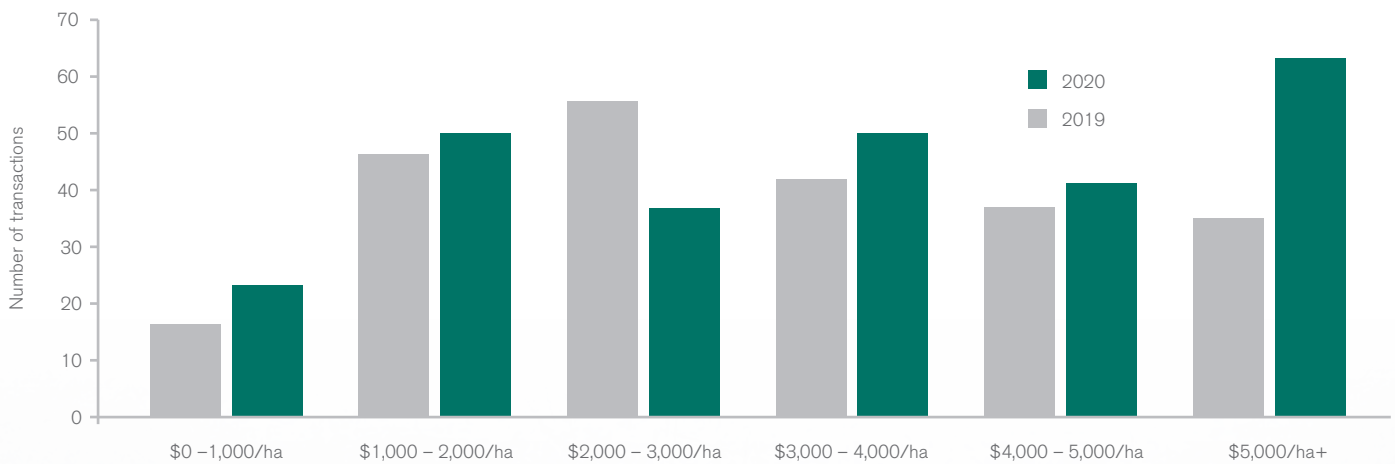
5.9%
Compound annual growth over 20 years

From the field

“The upward price trend of high and medium rainfall mixed dryland farming properties continued into 2020 with record prices being achieved again in the Central wheatbelt zones. This has been attributed to a combination of demand plus low interest rates making it more attractive to purchase rather than lease, and changes to marketing practices by selling agents to Expressions of Interest (EOI), Fixed Date Sale Offers and Auction.”

Garry Harvey, Rural Bank, Perth.

Central – transactions by price range



There was an increase in the number of properties sold within the higher value price ranges. Those greater than \$3,000/ha aided overall growth in the median price per hectare. The number of transactions declined significantly for properties priced between \$2,000-3,000/ha, down 33.9 per cent. This was more than offset by growth in the number of higher value transactions with properties traded above \$5,000/ha increasing by 80 per cent.

The region saw an increase in the transaction volume of properties within the higher half of price ranges with properties prices higher than \$3,000/ha accounting for 58.3 per cent of sales compared to 49.1 per cent in 2019. The main increase came from the highest price range which had a share of 23.9 per cent of sales, this was a key driver of median price per hectare growth. The increase in transactions in this price range was largest in Northam, Boyup Brook and Kojonup.

Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
50-250	\$4,170	19.0%	3.6%	10.0	129	21
250-500	\$3,125	28.5%	6.1%	10.0	52	-1
500-750	\$3,253	42.8%	6.6%	10.0	33	2
750+	\$1,711	-28.9%	0.5%	6.5	48	8
Overall	\$3,314	13.3%	3.7%	10.0	264	32

Transaction volume increased in all parcel sizes except for those between 250-500ha. The small parcel size range of 50-250ha reported the strongest increase in transaction volume which corresponded to a rise in median price per hectare. The median price per hectare increased for each parcel size in 2020 except for the greater than 750ha range, which fell by 28.9 per cent. The 500-750ha range saw the largest increase in median price per hectare of 42.8 per cent, continuing the upward trend from the previous two years.

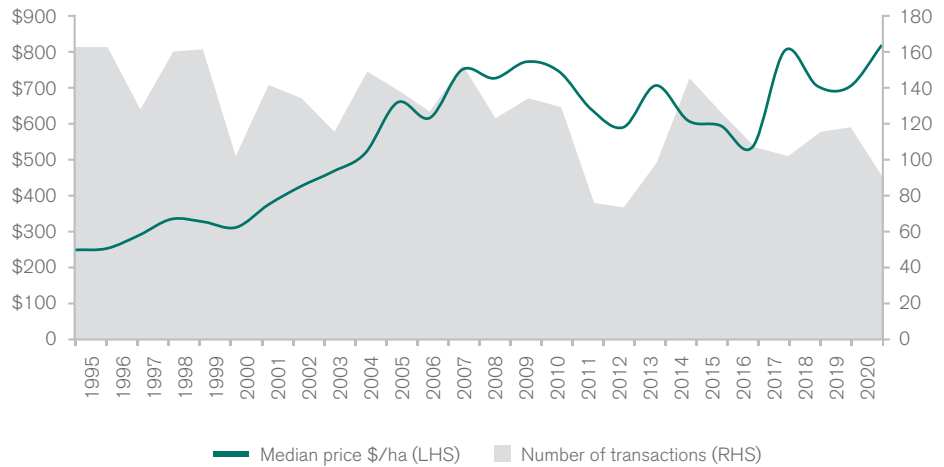
The 50-250ha parcel size range continued a trend of strong growth. This parcel size range has been the most consistent driver of median price per hectare growth in the region in recent years and accounted for 48.9 per cent of transactions, an increase from the 46.6 per cent of transactions in 2019. Despite stable growth in the 50-250ha range, the 500-750ha range has the highest 10-year CAGR at 6.6 per cent.

WA Eastern

Eastern – historic performance



\$820
Median price per hectare




16.6%
2020 median price growth


The median price per hectare of farmland in the Eastern region of Western Australia increased by 16.6 per cent in 2020, to \$820 per hectare. Low supply drove strong competition for land which saw the median price per hectare increase.

Farmland values were mixed across municipalities. Kulin, Nungarin and Yilgarn recorded strong growth in median price per hectare. In contrast, Merredin and Narembeen recorded a small decline in median price per hectare.



128,653
Hectares of land traded

Transaction volume was down by 23.7 per cent in 2020 to 90. This is a significant decrease considering the ten-year average is 108 transactions per year. Lower transaction volume contributed to the increase in median price per hectare, as lower supply led to increased demand. This is reflected in the reduction in area of land sold with 128,653 hectares traded, compared to 187,336 in 2019.



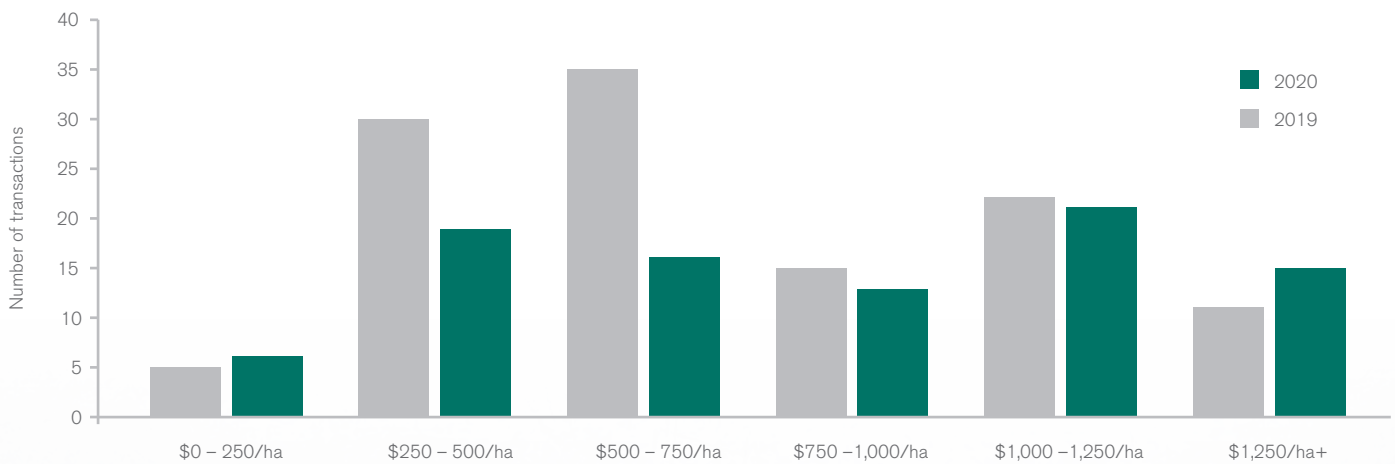
5.0%
Compound annual growth over 20 years

From the field

“There was strong demand for properties of all sizes in 2020 which resulted in about a 10-12% increase in price per hectare values. An increase in off market transactions reflected buyers wanting to secure land in a tightly held market. Low supply and strong balance sheets were responsible for higher prices. Higher value more reliable municipalities such as Lake Grace led the way in terms of transaction volume in the Eastern region whereas the lower value municipalities often didn't list.”

Ron Dewson, Elders, Lake Grace.

Eastern – transactions by price range



The decline in the number of transactions in the Eastern region was not spread evenly across price ranges. Properties within the mid-price ranges, from \$250-1,250/ha, saw decreased transaction volumes. As did the \$500-750/ha price range which saw a 54.3 per cent decrease year on year. This was driven by a decrease in transaction volume in Merredin, Narembeen, Westonia and Yilgarn.

The number of transactions priced greater than \$1,250/ha accounted for 16.7 per cent of land traded in 2020, up from 9.3 per cent in 2019. Growth in this price range was driven by an increased volume of transactions in the Lake Grace, Kulin and Kondinin municipalities. This contributed to a higher median price per hectare for the region in 2020.

Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
50-500	\$824	11.1%	-0.6%	6.0	21	-5
500-1000	\$791	-2.5%	0.9%	9.0	22	-4
1000-1500	\$1,167	68.8%	8.3%	10.0	17	-8
1500+	\$596	10.1%	0.0%	7.0	30	-11
Overall	\$820	16.6%	0.9%	10.0	90	-28

The median price per hectare increased for each parcel size in 2020 except for the 500-1,000ha parcel range, which decreased marginally by 2.5 per cent. The 1,000-1,500ha range saw the largest increase in median price per hectare of 68.8 per cent, continuing the upward trend from the year prior. Transaction volume decreased 32 per cent for the 1,000-1,500ha parcel size, the greatest decrease out of all parcel ranges. Parcels within the 1,000-1,500ha range have the highest 10-year CAGR at 8.3 per cent, well above the other parcel sizes.

WA

Northern

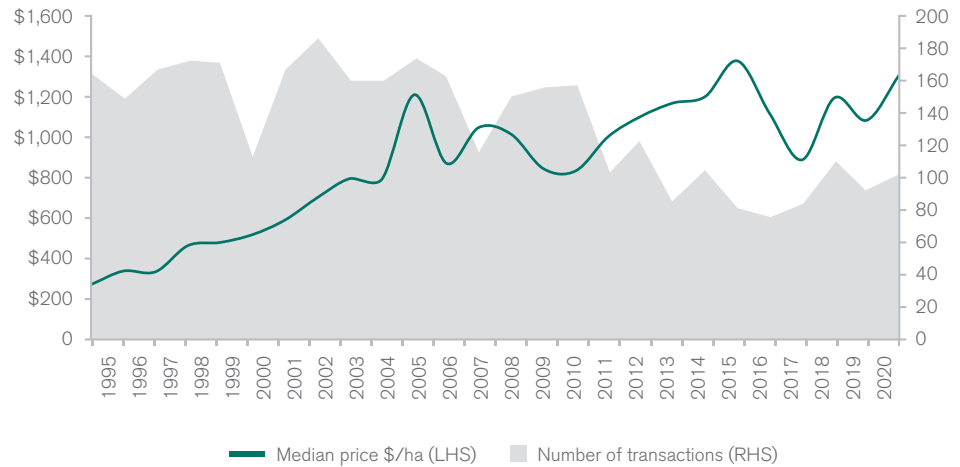
Northern – historic performance

\$1,310
Median price per hectare

20.5%
2020 median price growth

193,364
Hectares of land traded

4.7%
Compound annual growth over 20 years



The median price per hectare for farmland in Northern Western Australia saw an increase of 20.5 per cent in 2020 to \$1,310 per hectare. This followed a decrease of 9.3 per cent in 2019. The rise in median price per hectare was largely due to an increase in transaction volume for higher value properties. Strong demand continued for larger properties in the region, with farms expanding to make use of economies of scale.

Perenjori and Irwin recorded strong growth in median price while Morawa, Northampton and Dalwallinu declined.

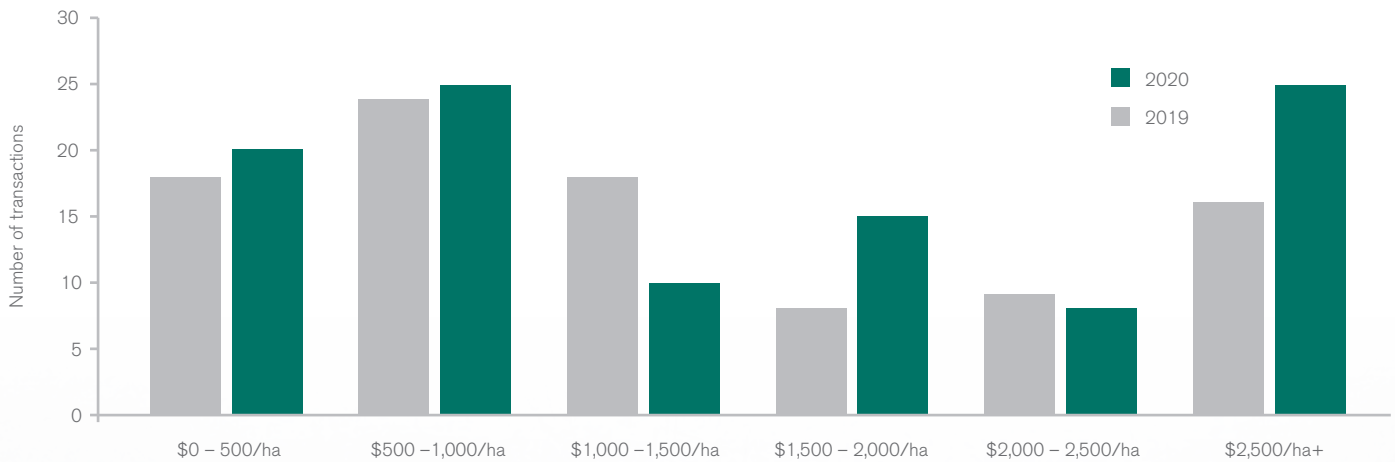
Transaction volume rebounded in 2020, increasing by 10.8 per cent to 103. Dandaragan, Three Springs, and Coorow led transaction increases. In contrast, Irwin, Northampton and Perenjori recorded the largest declines in transaction volume. Better than expected seasonal conditions drove the increase in transaction volume in 2020.

From the field

“Land values in the Northern Wheatbelt remain strong, with demand exceeding supply for arable grain producing properties. Corporate buying activity has reached unprecedented levels with some high-profile sales of large family farms. Mixed farming and livestock land also had solid support; however, buyers can negotiate on price far more due to the mixed quality of properties available.”

Darren Gooding, Rural Bank, Geraldton.

Northern – transactions by price range



The increase in transaction volume in the Northern region was evident in most price ranges. The \$1,000-1,500/ha price range was the main exception, which saw the largest decline in transactions in 2020, falling by 44.4 per cent. As a result, this price range only made up 9.7 per cent of transactions in 2020, compared to 19.4 per cent in 2019. The largest increase in transactions was seen in the \$1,500-2,000/ha and greater than \$2,500/ha ranges which grew by 87.5 per cent and 56.3 per cent respectively. This was a key driver in the median price per hectare increasing within the region.

Performance by parcel size


Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
50-500	\$2,774	48.1%	7.6%	10.0	17	-12
500-1000	\$1,068	76.3%	4.8%	8.0	15	-6
1000-1500	\$1,608	128.2%	6.7%	10.0	20	5
1500+	\$831	-20.3%	3.3%	6.5	51	23
Overall	\$1,310	20.5%	4.6%	9.5	103	10

Growth in the median price per hectare was recorded in all parcel sizes except for the greater than 1,500ha parcel size range, which fell 20.3 per cent. This was partly due to the increased volume of properties trading above 1,500ha, with a year-on-year increase of 82.1 per cent. These larger properties tend to sell for a lower price per hectare with 66.7 per cent being sold below \$1,500 per hectare. However, price growth in the smaller and medium parcel sizes helped to shift the median price per hectare higher.

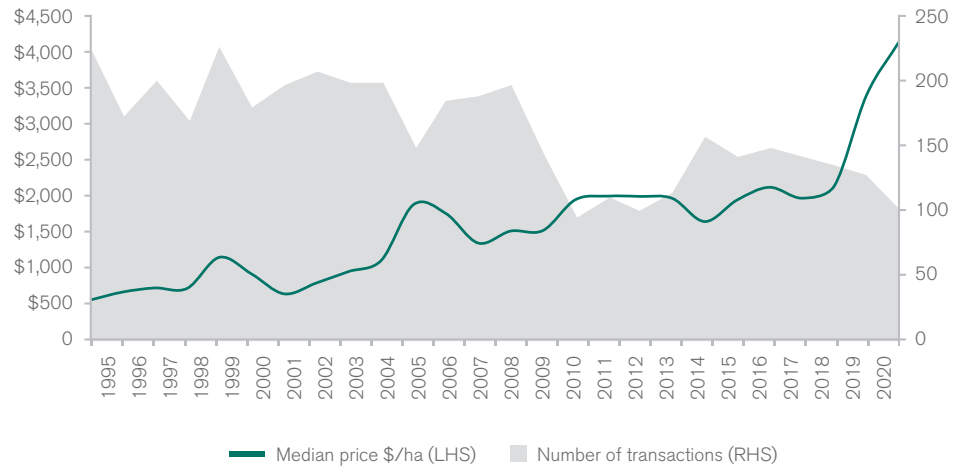
Parcels within the 50-500ha range had the highest 10-year CAGR at 7.6 per cent, followed closely by the 1,000-1,500ha parcel size at 6.7 per cent. This shows that there was demand for smaller and medium sized properties, perhaps as additions to existing holdings.

WA South Coast

South Coast – historic performance



\$4,145
Median price per hectare





21.7%
2020 median price growth

The median price per hectare for farmland in the South Coast region of Western Australia increased by 21.7 per cent in 2020 to \$4,145 per hectare, with land values in most areas of this region trending higher. Low supply was a key driver of the solid growth in the median price per hectare for the region.



67,857
Hectares of land traded

Albany and Plantagenet saw the largest growth at municipality level, with modest growth in Gnowangerup, Kent and Ravensthorpe also contributing to the stronger median price per hectare for the region. In contrast, Esperance and Jerramungup recorded a decline but only accounted for 18 per cent of transactions which was unable to offset the growth in other municipalities.



7.8%
Compound annual growth over 20 years

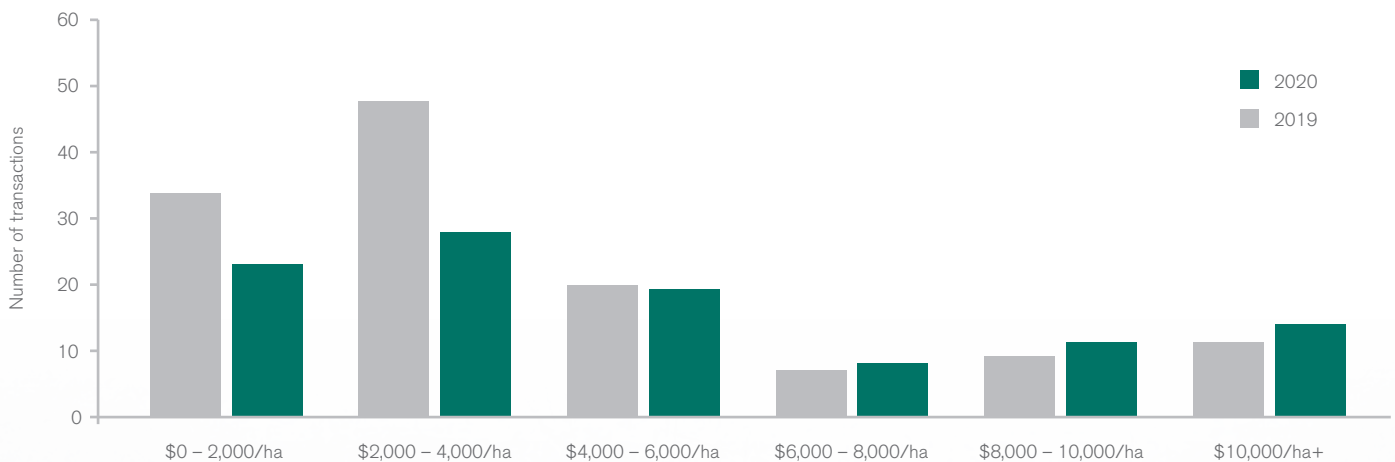
The number of transactions in the region was notably lower in 2020, experiencing a decline of 20.2 per cent to 103. All municipalities had lower transaction volumes than 2019, Jerramungup recorded the largest decline in transaction volume, with ten fewer transactions year-on-year.

From the field

“Farmland in the South Coast region is tightly held as reliable rainfall makes it one of the safer places to farm within WA. Strong commodity prices and low interest rates in 2020 instilled confidence within the property market, which corresponded to strong competition for land when it came available. Prices have continued to trend higher in the region as when a seller markets their property, it is often a generational sell and nearby farming families compete to secure additional hectares close to existing holdings.”

Adam Powell, Rural Bank, Albany.

South Coast – transactions by price range



The number of transactions priced below \$2,000/ha declined significantly in 2020, which was driven by the municipalities of Jerramungup and Kent. Transactions below \$2,000/ha declined 32.4 per cent and transactions within the \$2,000-4,000/ha range declined 41.7 per cent. An increase in the number of properties sold within the upper price range coupled with fewer properties sold in the lower price ranges saw the overall median price per hectare increase in the region.

Albany and Plantagenet accounted for the largest proportion of sales within the South Coast region. These municipalities were of higher value, hence a higher proportion of sales in these areas was a contributing factor to the strong growth in the South Coast's median price per hectare.

Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
50-250	\$8,251	12.9%	6.6%	10.0	41	-1
250-500	\$3,859	11.1%	8.1%	10.0	17	-9
500-750	\$3,666	8.4%	8.6%	10.0	3	-4
750+	\$2,124	-2.3%	4.9%	9.5	41	-13
Overall	\$4,145	21.7%	7.8%	10.0	103	-26

Growth in the median price per hectare for the South Coast region was also aided by a change in the mix of transactions, which caused the smaller half of parcel sizes, which generally attracted higher values, to account for a larger percentage of transactions in 2020. The 50-250ha parcel size range made up 39.8 per cent of transactions in 2020, up from 32.6 per cent in 2019, while the 250-500ha parcel size range made up 16.5 per cent of sales in 2020, down 3.7 per cent from 2019.

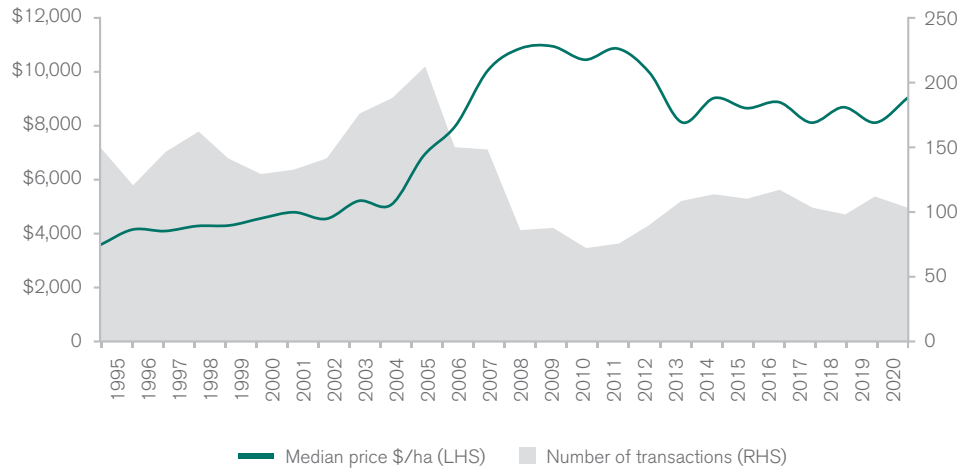
Strong growth in median price per hectare for smaller parcels was a key driver of the increase in the median price per hectare for the South Coast region. All parcel sizes reached their highest median price per hectare except for parcels above 750 hectares, historically speaking. Parcels within the 500-750ha range had the highest 10-year CAGR at 8.6 per cent, followed closely by the 250-500ha parcel size at 8.1 per cent. This trend is also reflected in the 20-year CAGR, where the 500-750ha parcel size is 8.9 per cent and 250-500ha is 6.8 per cent.

WA
South West

South West – historic performance



\$9,099
 Median price per hectare




11.5%
 2020 median price growth


The median price per hectare for farmland in the South West region increased by 11.5 per cent in 2020 to \$9,099 per hectare. This more than regained the losses from 2019 when values fell by 6.6 per cent.

The performance of land values across the region was mixed, where Boddington and Manjimup showed the greatest growth in median price per hectare across the region's municipalities. While Collie, Denmark, Dardanup, and Waroona reported a decline.



14,823
 Hectares of land traded

The number of transactions decreased by eight per cent in 2020, to 104. Boddington and Bridgetown-Greenbushes had the greatest decrease in transaction volume while Nannup and Waroona led the municipalities that saw transaction numbers rise.



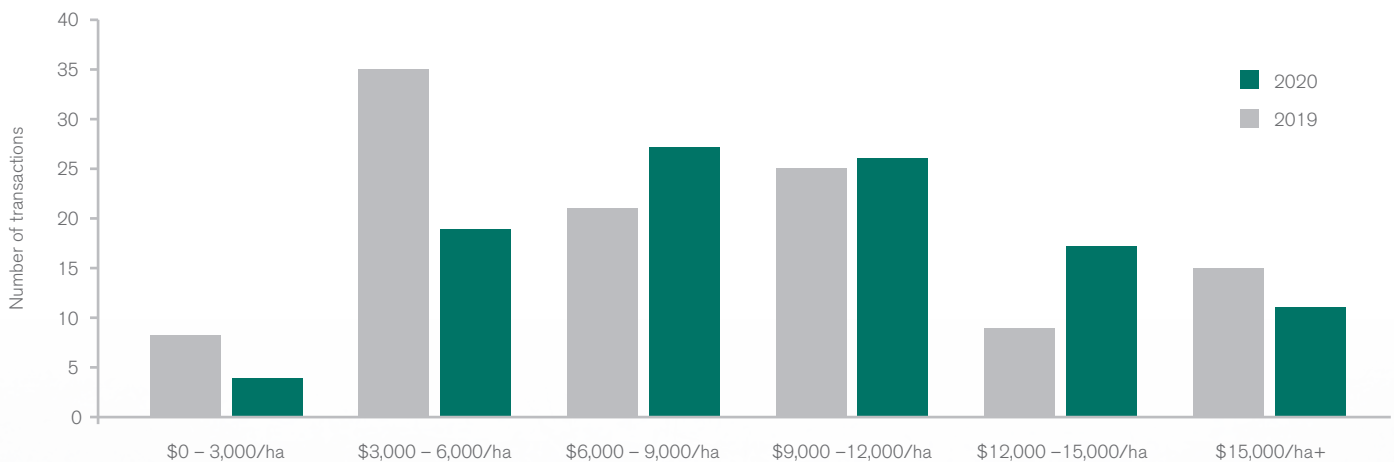
3.5%
 Compound annual growth over 20 years

From the field

“The South West region saw strong price growth in 2020 as different industries compete for farmland. High value horticulture continues to expand in the area, making use of irrigation whilst there is some movement in livestock enterprises swapping to higher value cropping. Major regional centres within the South West continue to expand and encroach on farmland which also acts as a driving force behind increased land price.”

John Reilly, Rural Bank, Bunbury.

South West – transactions by price range



Fewer lower value transactions in 2020 was a driving force behind a higher median price per hectare for the region. There was a 50 per cent reduction in the number of transactions below \$3,000/ha and a 45.7 per cent decline in transactions between the \$3000-6,000/ha range. The municipalities of Boddington, Bridgetown-Greenbushes, Donnybrook-Balingup and Manjimup accounted for most of this decline. There was also a 26.7 per cent fall in the number of properties sold above \$15,000/ha, however this category only accounted for 10.6 per cent of transactions so the decline did not significantly influence median price. Busselton was the municipality that had the greatest reduction in transactions above \$15,000/ha.

Conversely, there was an increase in transactions between \$6,000-9,000/ha of 28.6 per cent, while \$9,000-12,000/ha rose by four per cent. Harvey, Manjimup, and Denmark were the municipalities that made up most of these increases. The largest percentage movement in transaction volume was in the \$12,000-15,000/ha range where the transaction volume increased 88.9 per cent, with Harvey accounting for most of this. The reduction in the number of lower value properties sold saw the median price per hectare increase.

Performance by parcel size

Parcel size (ha)	Median \$/ha				No. of transactions	
	2020	% change	10yr CAGR	Decile	2020	YoY +/-
50-80	\$9,951	6.0%	-2.2%	5.5	44	-9
80-120	\$10,367	9.4%	0.9%	9.5	24	4
120-160	\$8,117	39.7%	-1.0%	8.0	17	9
160+	\$6,355	13.9%	-0.8%	5.5	19	-13
Overall	\$9,099	11.5%	-1.4%	7.0	104	-9

The South West saw a decrease of 40.6 per cent in the number of transactions greater than 160ha in 2020. Small parcels between 50-80ha also declined by 17.0 per cent year-on-year. As a result, medium sized parcels accounted for a greater percentage of transactions. In 2020, the 80-120ha portion of the market accounted for 23.1 per cent of sales and 120-160ha parcels accounted for 16.3 per cent. This is a sizeable increase considering these medium parcel ranges combined only accounted for 24.8 per cent of transactions in 2019.

A distinct increase in medium sized parcels which attracted higher prices was enough to shift the median price per hectare for the South West region higher in 2020. The appetite to own these medium sized parcels is also reflected in the 10-year CAGR, where 80-120ha lots were the only parcel size to show growth at 0.9 per cent per annum.

WA

Farmland sales by municipality

Municipality	Median \$/ha				Number of transactions	
	2020	5yr CAGR	10yr CAGR	20yr CAGR	2020	YoY +/-
Central						
Beverley	\$3,578	-0.2%	0.2%	4.6%	20	3
Boyup Brook	\$4,260	12.0%	4.0%	3.5%	17	0
Brookton	\$4,248	5.7%	5.2%	5.6%	6	-5
Broomehill-Tambellup	\$3,461	7.0%	3.6%	5.1%	5	2
Bruce Rock	\$1,603	15.8%	5.3%	5.3%	8	-2
Corrigin	–	19.9%	8.9%	8.4%	2	-1
Cranbrook	\$3,200	10.7%	3.7%	5.9%	14	2
Cuballing	\$3,317	-1.8%	5.3%	6.1%	5	1
Cunderdin	\$2,715	5.3%	2.2%	7.3%	10	4
Dowerin	–	-19.4%	-6.6%	-0.4%	3	0
Dumbleyung	\$1,266	-3.6%	-2.6%	4.2%	6	4
Goomalling	\$1,303	-8.6%	-0.4%	1.8%	7	1
Katanning	\$2,768	3.4%	-3.5%	6.2%	8	3
Kellerberrin	\$1,646	11.0%	3.3%	6.7%	9	-1
Kojonup	\$4,482	14.4%	2.8%	6.0%	19	6
Narrogin	\$3,780	5.7%	4.8%	4.6%	11	-1
Northam	\$6,278	10.9%	2.8%	5.1%	26	17
Pingelly	\$4,334	7.2%	8.3%	3.9%	8	2
Quairading	\$2,501	10.0%	4.6%	6.0%	7	0
Tammin	–	-6.2%	-5.7%	0.4%	2	2
Toodyay	\$6,320	18.4%	2.1%	8.3%	7	-4
Trayning	\$1,427	8.7%	2.6%	4.3%	11	10
Victoria Plains	\$2,710	-2.4%	-0.3%	4.5%	7	1
Wagin	–	-21.8%	-3.1%	1.7%	2	-4
Wandering	\$4,303	11.6%	6.7%	7.1%	5	2
West Arthur	\$3,820	22.4%	4.5%	5.7%	10	0
Wickepin	\$3,073	5.7%	6.2%	7.5%	5	-2
Williams	\$4,971	7.1%	5.1%	6.8%	5	0
Wongan-Ballidu	–	4.0%	1.2%	6.7%	3	-3
Woodanilling	–	16.0%	0.0%	5.7%	3	-4
Wyalkatchem	–	25.3%	13.3%	7.3%	1	-2
York	\$5,012	0.7%	-0.5%	5.4%	12	1
Central	\$3,314	6.9%	3.7%	5.9%	264	32
Eastern						
Kondinin	\$710	-2.5%	-1.5%	5.2%	15	2
Koorda	\$661	5.1%	2.6%	5.6%	11	-1
Kulin	\$1,147	9.0%	1.2%	3.8%	10	5
Lake Grace	\$1,190	4.7%	1.7%	5.0%	20	3
Merredin	\$624	-6.2%	-3.3%	1.9%	11	-1
Mount Marshall	\$287	-6.6%	-6.3%	0.7%	9	0
Mukinbudin	–	-9.0%	-1.9%	-0.8%	3	-3
Narembeen	\$384	-6.7%	-7.8%	0.5%	5	-2
Nungarin	\$780	13.0%	13.8%	1.5%	4	-2
Westonia*	–	-9.8%	-0.3%	5.3%	0	-13
Yilgarn	–	21.2%	6.4%	8.6%	2	-16
Eastern	\$820	6.6%	0.9%	5.0%	90	-28

Municipality	Median \$/ha				Number of transactions	
	2020	5yr CAGR	10yr CAGR	20yr CAGR	2020	YoY +/-
Northern						
Carnamah	–	-17.1%	-6.1%	-0.3%	3	-1
Chapman Valley	\$1,737	-6.9%	-2.2%	2.9%	7	3
Coorow	\$1,642	22.3%	16.7%	7.4%	8	6
Dalwallinu	\$677	6.0%	3.6%	2.1%	10	2
Dandaragan	\$1,969	2.4%	2.1%	4.3%	17	7
Greater Geraldton	\$878	-1.3%	1.5%	0.8%	14	2
Irwin	\$2,720	13.6%	10.4%	3.7%	4	-4
Mingenew*	–	6.4%	8.2%	10.0%	0	-3
Moora	\$2,352	3.6%	5.0%	6.7%	7	-1
Morawa	\$395	-8.1%	-2.9%	-0.5%	6	2
Northampton	\$546	-16.6%	-8.5%	0.0%	11	-5
Perenjori	\$1,605	14.0%	9.1%	8.6%	4	-6
Three Springs	\$1,793	-1.4%	2.9%	6.3%	12	8
Northern	\$1,310	-1.0%	4.6%	4.7%	103	10
South Coast						
Albany	\$6,734	3.3%	-0.1%	3.7%	28	-6
Esperance	\$2,535	4.4%	5.1%	7.5%	15	-2
Gnowangerup	\$2,766	13.3%	3.7%	5.9%	7	0
Jerramungup	\$1,912	4.5%	4.1%	5.4%	4	-10
Kent	\$1,702	12.0%	7.0%	4.9%	9	-2
Plantagenet	\$6,794	11.9%	2.6%	6.5%	30	-3
Ravensthorpe	\$2,502	15.2%	6.7%	9.2%	10	-3
South Coast	\$4,145	16.3%	7.8%	7.8%	103	-26
South West						
Boddington	–	21.8%	8.8%	8.2%	2	-7
Bridgetown-Greenbushes	\$6,460	9.6%	-0.2%	3.9%	6	-11
Busselton	\$12,395	3.9%	2.4%	4.0%	6	-4
Capel	\$11,913	-2.2%	-0.4%	4.4%	6	0
Collie	–	2.9%	-8.0%	3.0%	3	1
Dardanup	–	-9.8%	-2.7%	2.7%	3	1
Denmark	\$7,903	-3.1%	-2.6%	4.3%	13	4
Donnybrook-Balingup	\$9,069	2.4%	0.9%	4.0%	16	-2
Harvey	\$11,620	4.0%	-1.9%	3.1%	15	4
Manjimup	\$10,184	8.1%	-2.5%	3.4%	14	-3
Murray	\$10,583	1.0%	-7.0%	4.1%	5	0
Nannup	\$5,346	-5.3%	-2.9%	-1.6%	6	5
Waroona	\$8,552	0.0%	-3.6%	1.2%	9	3
South West	\$9,099	0.9%	-1.4%	3.5%	104	-9
WESTERN AUSTRALIA	\$3,066	8.9%	7.3%	6.2%	664	-21

CAGR: Compound Annual Growth Rate

Price information with a small volume of transactions should be used with caution. The median price for municipalities with less than four transactions in 2020 is not reported.

*Municipalities with no transactions in 2020 have compound annual growth rate for five, ten and twenty years presented using the 2019 median.

Map shows median price movement in 2020.



65.2%

2020 median price growth

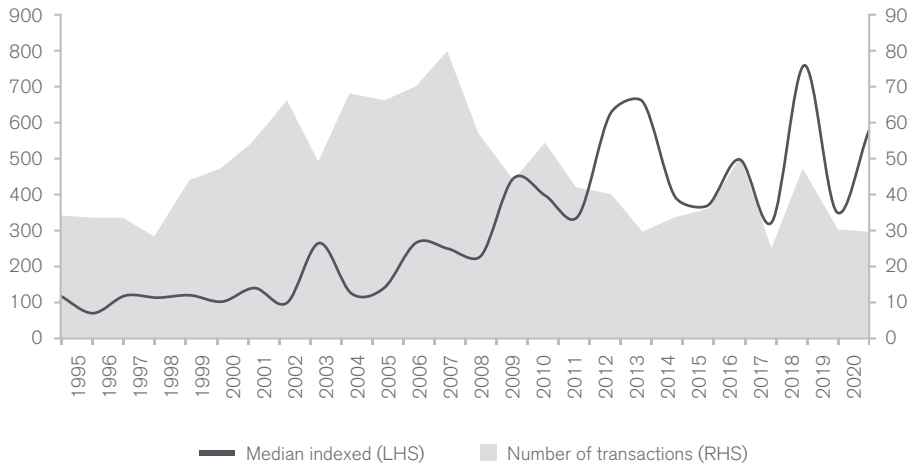
Top End
-3.7%

Cattle
Regions
39.2%

Northern Territory

Northern Territory

Northern Territory – historic performance

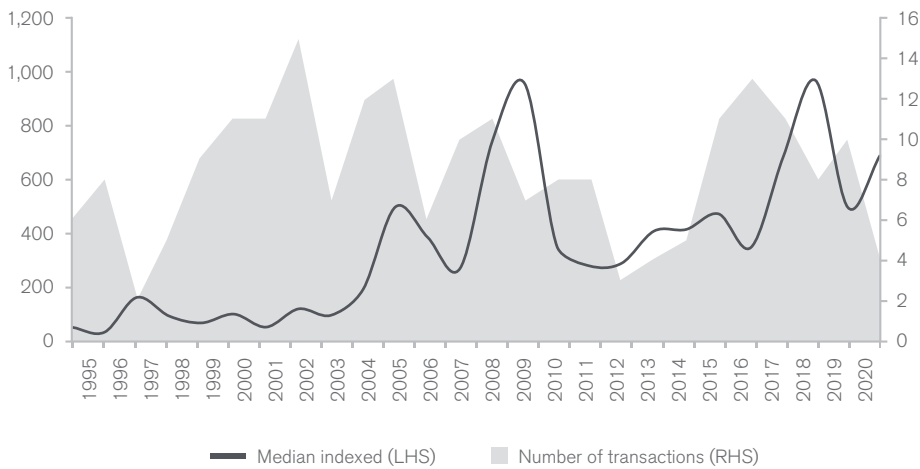


The median price per hectare of farmland in the Northern Territory increased by 65.2 per cent in 2020, following a decline of 53.9 per cent in 2019.

Movement in the median price per hectare of Northern Territory farmland is largely a factor of the proportion of properties traded in the two distinct categories of land types and the low number of transactions, more so than a change in the market.

In 2020, the Top End region accounted for 86 per cent of transactions in the Northern Territory, up from 67 per cent in 2019. A greater proportion of transactions in this region, which have a much higher dollar per hectare value than the cattle region, contributed to the increase in median price per hectare for the Northern Territory.

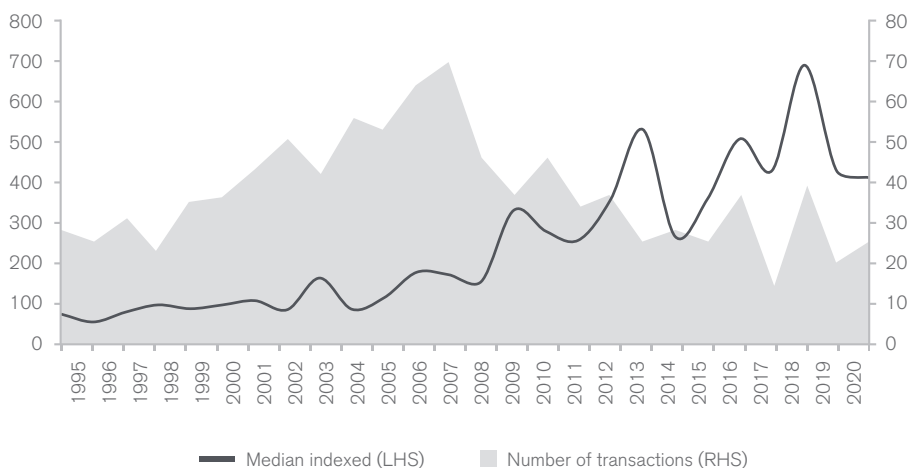
Cattle Regions – historic performance



Cattle regions of the Northern Territory recorded a 39.2 per cent increase in median price per hectare in 2020. This was a partial recovery from a 48.7 per cent decline in 2019. The number of transactions decline from 10 to four in 2020.

The median price per hectare of farmland in the Top End region declined by 3.7 per cent in 2020, a relatively stable year after a 37.8 per cent decline in 2019. The number of transactions in the region increased from 20 to 25 in 2020.

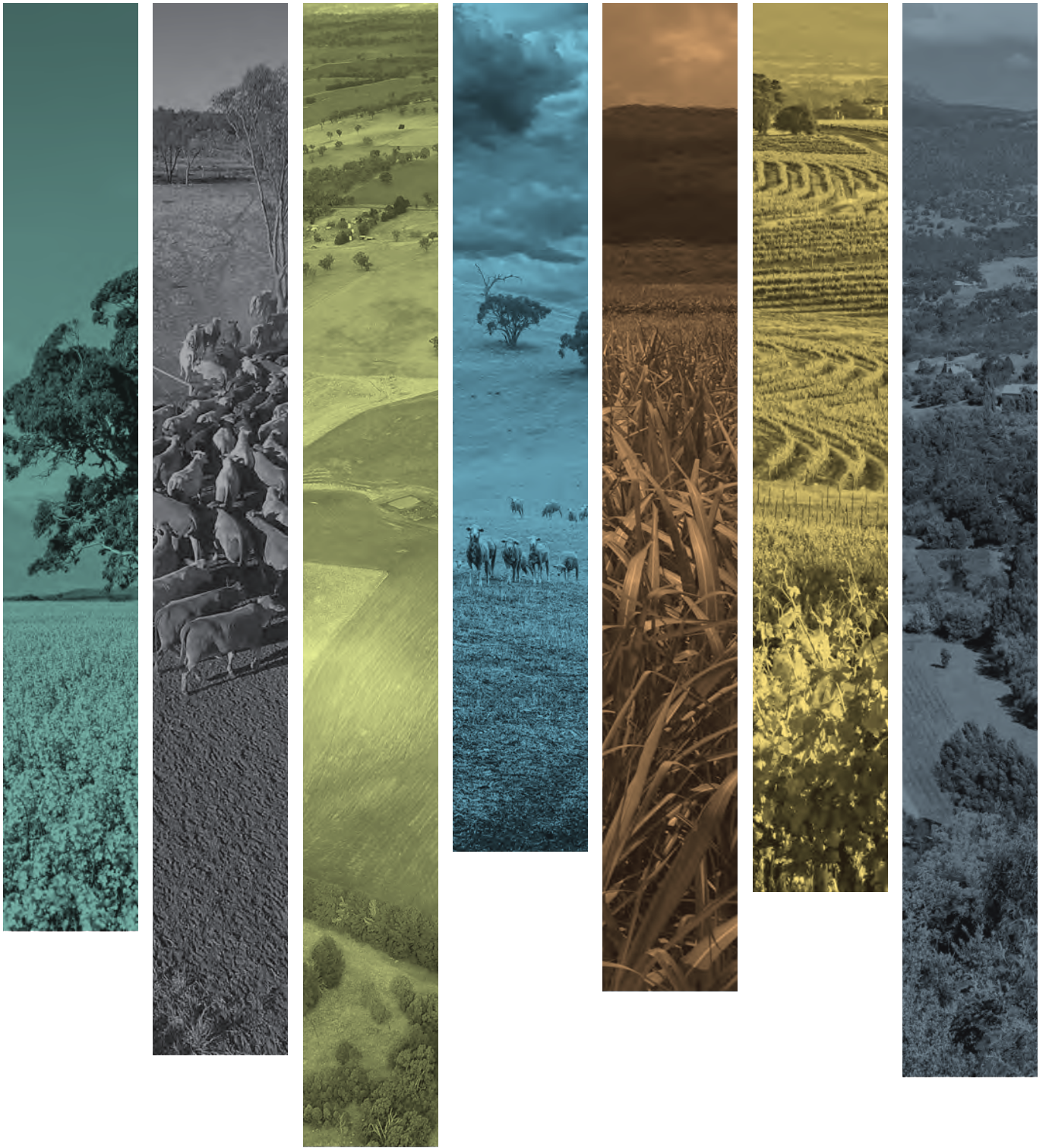
Top End – historic performance



*Indexed numbers simplify the study of disparate data, in this case the median price of Top End and Cattle Region farmland. The index base is set at 100 for the year 2000, and the performance of farmland prices in other years are shown relative to the base value. For example, if 2005 has a value of 150, then land values were 50 per cent higher in 2005 than in 2000.







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