



Rural Property Update

Q1 2024 Edition

About the Research

Elders rural property update draws on transactional data from every rural land sale in Australia. This data is supplied by Corelogic and analysed by Elders. Every effort is made to clean the data in order to provide an accurate account of price and volume movements.

Elders uses a range of analytical techniques to achieve robust and repeatable analysis. Our dataset is subject to the following criteria:

- Only transactions above 40 hectares (ha) are included, except for Tasmania where transactions above 30ha are included.
- Transactions which list a primary purpose that isn't classed as rural are excluded.
- Local government areas (LGA's) which fall within a metropolitan area are excluded from the analysis.
- Vast pastoral areas of Australia without sufficient transaction volume are excluded from the analysis.
- Outliers by price per hectare are excluded. This involves visual and statistical assessment of all \$/ha values for a region, and this is performed every quarter.

Several data fields are available in the Elders dataset, including median price per hectare, transaction volume, value, area, date of sale and land use. The quarterly update focuses on median price per hectare growth and transaction volume expressed both as a total and split by land size.

This data is not intended to be a valuation of any one property and is merely a method of tracking growth over time for a given dataset.

Definitions within the update include:

CAGR – refers to the compound average growth rate for a given period.

QoQ – quarter on quarter growth

Quarterly median – is the median (middle sale) for the data-set pertaining to the region analysed over a quarterly period

Annual median – is the median (middle sale) for the data-set pertaining to the region analysed over a one-year period

1-yr rolling median – is the median (middle sale) for that year which rolls by quarter ie. Q3 2023 1-yr rolling median vs Q4 2023 1yr rolling median will be the median (middle sale) between 1/10/22-30/09/23 vs the median (middle sale) between 1/01/23-30/12/23

Elders rural property market indicators

National rural property market indicator

Is the sum of each state rural property price indicator weighted by the number of sales for that state as a proportion of total sales since 2016.

State rural property market indicator

Is a sum of the weighted median for each region. The weighted regional median being the median for each region weighted by the number of sales for that region as a proportion of total sales in each state since 2016.

Due to low liquidity we have combined the Victorian and Tasmanian rural property markets and the Northern Territory and Queensland markets.

The information contained in this article is only general and while we have provided this information in good faith and based on what we believe are accurate sources, the information may not be complete or accurate for your purposes. The information provided does not take into account everyone's individual situation. General information should not be relied on instead of professional advice specifically directed to you and your circumstances. We are not responsible for any actions taken as a result of you relying on or in any way using information contained in this article and will not be liable for any damages resulting from your reliance on or use of this information.

Foreword

The Australian rural property market cooled a little during the first quarter of 2024, consolidating the strong gains witnessed in recent years. The Elders National Rural Property Indicator fell 4 per cent during the quarter, however, it remains 3 per cent above the levels of the same time last year. The average annual rate of capital growth over the last 10 years has been 10 per cent.

The market has been underpinned by good quality commercial and corporate sized transactions which have sold well to strong inquiry. Activity at the other end of the market has been more subdued with a greater proportion of deals subject to debt funding coming under increased scrutiny by financiers and attracting subdued buyer inquiry. Overall activity fell, with the number of properties sold during the first quarter of 2024 down 9 per cent compared to last quarter and 17 per cent under year ago levels. This is the lowest turnover (by number of transactions) on record, slightly below the previous low set in Q2 2023.

Poor seasonal conditions at the start of year in some southern areas saw a reduction in farmer confidence leading to quarter-on-quarter declines in values across southern states with the Elders Rural property market Indicator for Victoria/Tasmania falling 15 per cent during the first quarter leaving it 8 per cent down on the same time last year. However, this must be seen in the context of very high rates of appreciation across this region over the last three years where property prices have increased by 11.7 per cent per year.

Also, part of the fall can be attributed to a slight shift in the types of property on the market in these areas. It is not unusual to see some volatility in property markets from time to time. This highlights the importance of dealing with experienced local property specialists who can advise on local market conditions.

Similarly, South Australian rural property values declined by 4 per cent on a large lift in the volume of properties sold during the peak South Australian selling season.

Experience from recent sales conducted by the Elders team in southern areas are that property prices are starting to strengthen as farm incomes improve and on forecasts of a normal or better spring and improved commodity prices.

The story was a little different elsewhere with the market holding firm in New South Wales and rising modestly across Western Australia and Queensland. Despite sub-optimal seasonal conditions, buying activity by the forestry industry across the Great Southern and South-west supported the Western Australian market. In Queensland, the positive medium-term outlook for cattle prices has aided market sentiment.

As we move into the winter season, improved seasonal conditions and stronger commodity markets are likely to see values return to long term trends. High-quality, well-presented properties continue to be in strong demand irrespective of where they are. Indications from the Elders team in southern areas are that property prices are starting to strengthen as farm incomes improve and on forecasts of a normal or better spring.

Mark Barber

General Manager, Farmland Agency and Water



Rural Property Key Drivers Analysis

Since the last Elders Rural Property Update in autumn 2024, the key drivers of Australian rural property values have been mixed. Commodity prices, input prices and terms of trade remain modestly more favourable compared to late 2023, key financials are largely unchanged, but seasonal conditions have diverged being sub optimal across southern Australia, but better than average across northern regions. It appears that seasonal conditions and their impact on farmer confidence have been a major driver of price trends through the first quarter of 2024.

Soft commodity values – Prices for the major commodities recovered during early autumn but have since plateaued entering winter. The nearby outlook remains balanced, with modest gains expected for the remainder of 2024.

Seasonal conditions – Pasture conditions across Australia were mixed throughout autumn. Northern areas (NT, NSW and QLD) experienced good summer and early autumn rains, while WA and the southern states, experienced very much below average rainfall through this period.

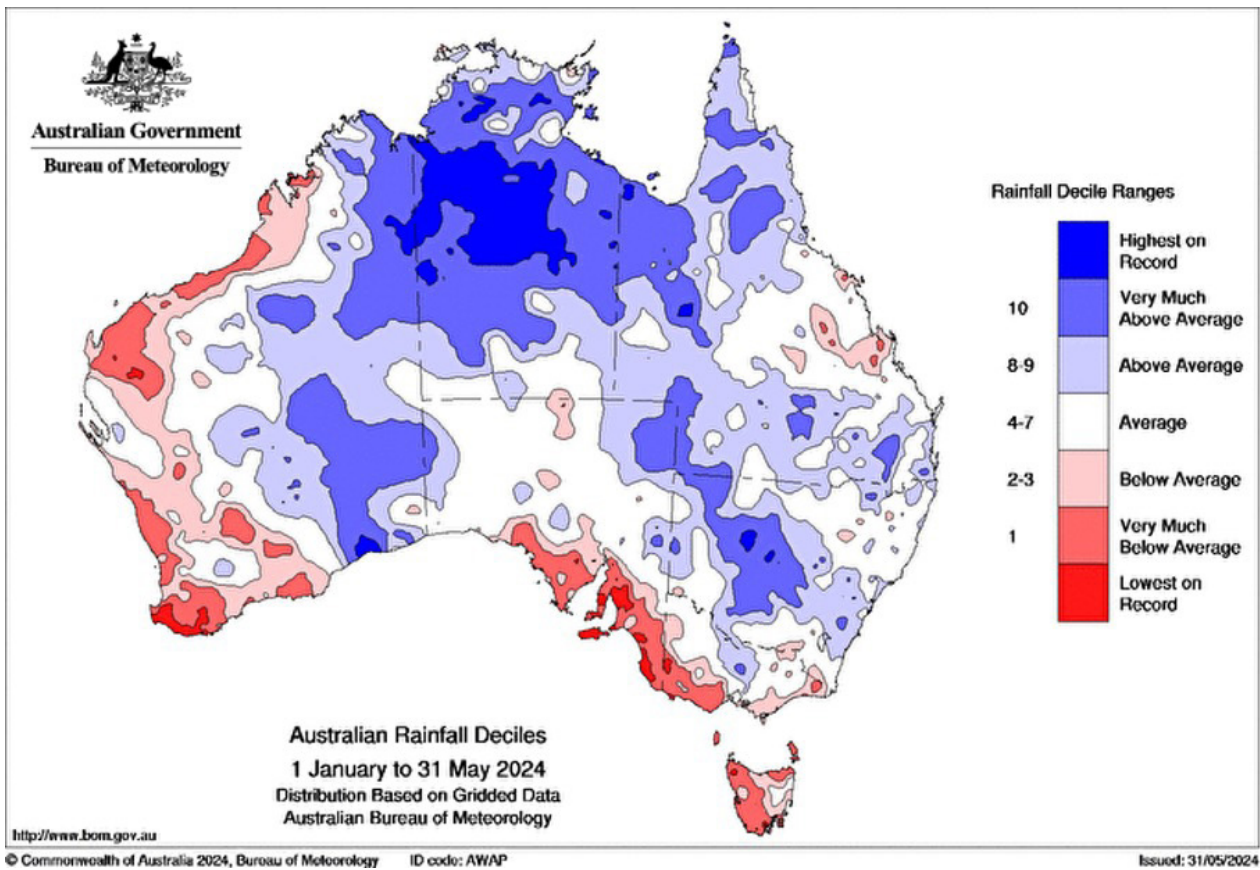
Farmer Confidence – After rebounding strongly through the first quarter of 2024, the Rabobank Australian Farm Sector Confidence Survey found farmer confidence retracted during the second quarter with poor seasonal conditions affecting confidence in the farm sector across WA, SA, VIC and Tas. The Rabobank Survey showed that farmer confidence was down in all states but remained comparatively higher in NSW & QLD where seasonal conditions were better.

Financials – There has been very little change in trends and outlook for the key financial drivers; \$A and local interest rates. The \$A has traded between 65-68USc for much of the year, while interest rates have been left unchanged during 2024. Like the outlook for commodity prices, prospects for the \$A and interest rates remain finely balanced. It appears that Australia will be one of the last G10 countries to ease interest rates which will provide support to the \$A at around current levels.

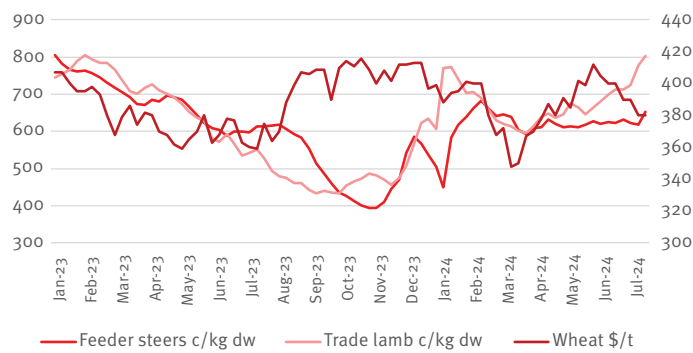
Input prices – prices for the major inputs used by farmers (oil, fertiliser, chemicals, finance and freight) continue to remain below the elevated levels of 2022 and 2023.

Terms of trade – Farmers terms of trade have remained largely steady in 2024. Major input prices remain below 2023 levels whilst prices for major rural commodities have recovered from heavy falls through the second half of 2023.

On balance most of the key drivers remain neutral or supportive of rural land prices in Q1 2024 compared to recent periods. However, while farmer confidence improved through the final quarter of 2023 as seasonal conditions improved, the very dry autumn experienced across southern Australia has seen farmer confidence dip during Q1 2024, creating headwinds for rural property prices in those areas.

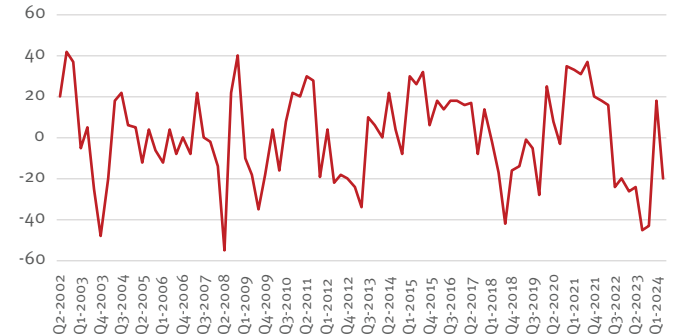


Grain and livestock prices



This chart shows trends in grain and livestock prices. Source: MLA & Profarmer

Rabobank Rural Confidence Survey (%)



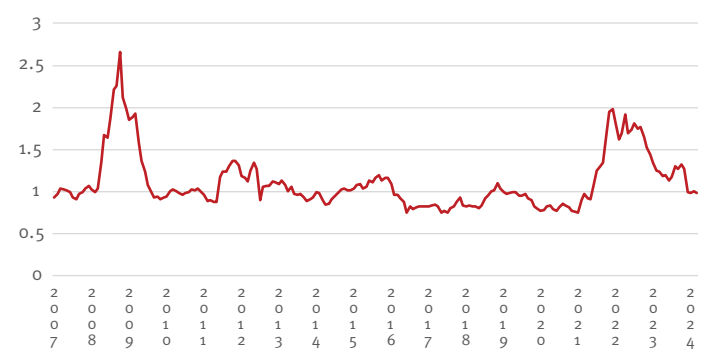
Source: Rabobank
This chart shows the results of the Rabobank survey of confidence across the Australian Farm Sector

Australian Dollar (USc)



Source: Reserve Bank of Australia
This chart shows the value of the \$A in US cents

Fertiliser Affordability Index



Source: World Bank
This chart shows the World Bank's global fertiliser affordability index

Results Snapshot

Price Snapshot Quarterly median Q4 2023 to Q1 2024 (median price per hectare)

	Median Price	Percentage Change
National	\$10,427/ha	-4%
QLD/NT	\$8,787/ha	+5%
NSW	\$10,042/ha	-1%
VIC/TAS	\$14,198/ha	-15%
SA	\$8,998/ha	-4%
WA	\$9,249/ha	+8%

Largest % increase

Western Australia +8% (compared to Q4 2023)

Most valuable

\$14,198/ha Victoria/Tasmania

Largest % decrease

Victoria/Tasmania -15% (compared to Q4 2023)

Results snapshot – Volume Quarterly Volume Q4 2023 to Q1 2024 (sales)

	Median Price	Percentage Change
National	1,306	-9%
QLD/NT	229	-12%
NSW	462	-24%
VIC/TAS	220	-9%
SA	219	+84%
WA	176	-20%

Largest % increase

South Australia +84% (compared to Q4 2023)

Most transactions

New South Wales 462

Largest % decrease

New South Wales -24% (compared to Q4 2023)



Elders

Australia

The Elders Rural Property National Indicator retraced 4 per cent to \$10,427/ha in Q1 2024 as property values across the southern states contracted.

The fall in National indicator during Q1 2024 pulled farm values back towards the long-term trend, whilst sales volumes were the lowest on record, slightly below the volumes in Q2 2023. Sales volumes have been trending lower since the end of 2020 when activity spiked following the end of the 2017-2020 drought.

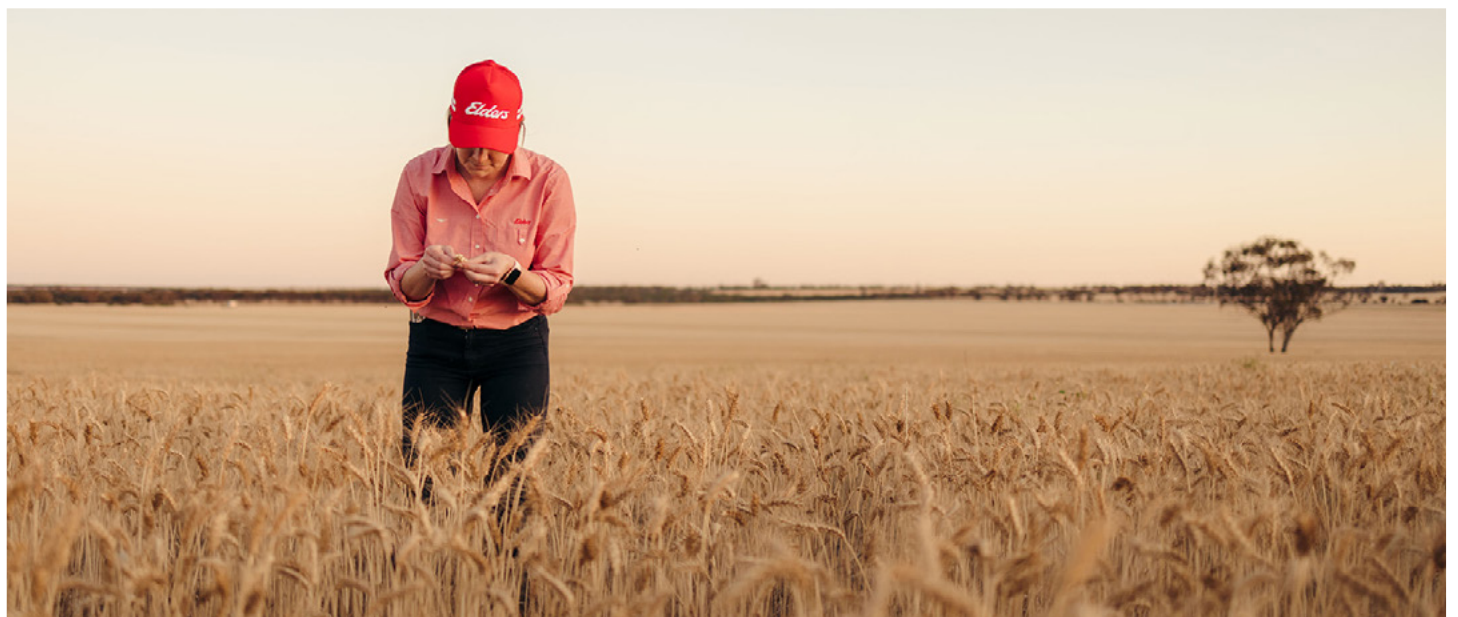
		QoQ (Q4 2023 vs Q1 2024)	YoY (Q1 2023 vs Q1 2024)
Median \$/ha	\$10,388	-4%	+3%
Transactions	1,306	-9%	-17%
Value traded	\$2.76b	-12%	-15%

QoQ=Quarter on Quarter

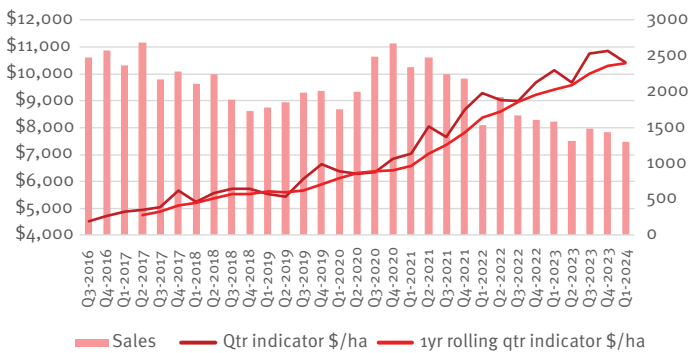
Weaker prices and a 9 per cent fall in sales contributed to total activity declining through the quarter by 12 per cent from \$3.14 billion (b) to \$2.76b.

The state rural property price indicators show the largest pullback was in states that enjoyed strong gains during 2023. The heaviest falls were in the south, across Victoria and Tasmania and to a lesser extent South Australia. Farmers across these areas have struggled with an extremely dry autumn which limited pasture growth entering winter and has seen a patchy start to the winter cropping season.

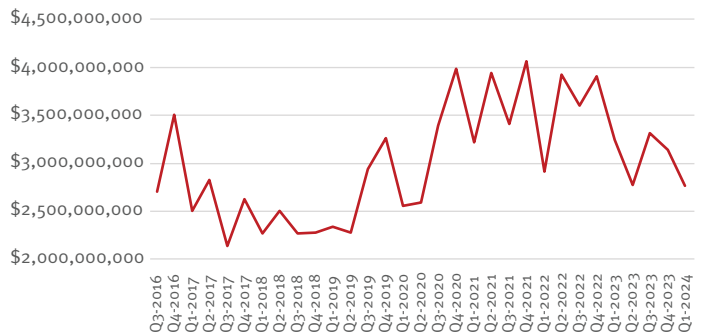
There were falls in sales volume across every state except for South Australia where sales were seasonally strong before winter crop planting preparation. The seasonality in sales patterns in South Australia was not witnessed in the other states.



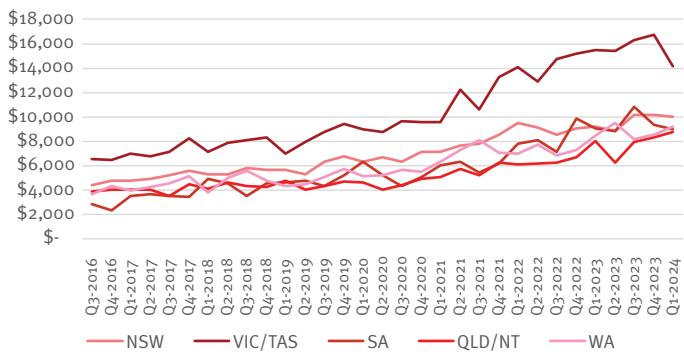
Australian rural property market



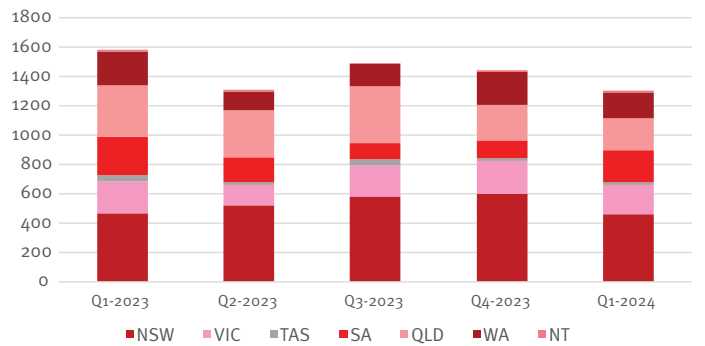
Australian sales value



Rural property price market by state



Sales by state



State by State median trends

Queensland/ Northern Territory

The Queensland/Northern Territory property market was one of the better performing rural property markets in the country through Q1 2024, gaining 5 per cent to push the Qld rural property indicator to \$8,787/ha. Driving the increase in Queensland property is the positive medium-term outlook for cattle prices and the good seasonal conditions being enjoyed across the state.

“The northern rural property has been underpinned by a number of significant good quality commercial and corporate sized transactions which have sold well to strong inquiry. Activity at the other end of the market has been more subdued with deals subject to debt funding coming under increased scrutiny by financiers. While prices have held, activity is declining as buyer inquiry has softened with days on market increasing. The upcoming sale of the Ray Scott Pastoral Group Aggregation of properties being an A class portfolio of scale in highly regarded regions will provide a gauge of how much good seasonal conditions and the positive medium-term outlook for cattle has driven market sentiment.”

Tim Lane, State Real Estate Manager, QLD/NT.

		QoQ (Q4 2023 vs Q1 2024)	YoY (Q1 2023 vs Q1 2024)
Median \$/ha	\$8,787	+5%	+9%
Transactions	229	-12%	-37%
Value traded	\$500m	-14%	-32%

QoQ=Quarter on Quarter

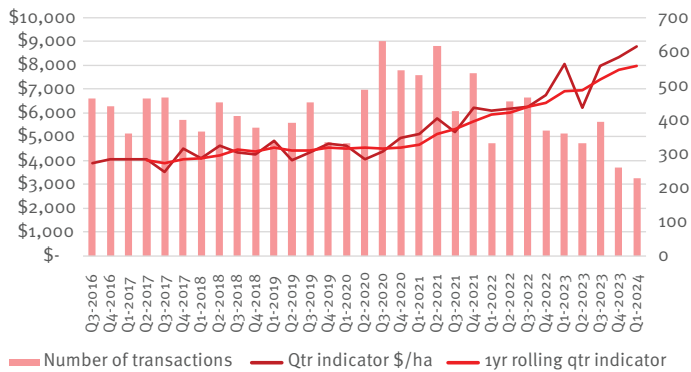
Price rises came amid a sharp decline in activity from 260 sales in Q4 2023 to just 229 sales in Q1 2024. These sales numbers are sharply lower than the same time last year when 361 properties were sold. Total sales value in Queensland/Northern Territory has been on a downward trend since 2021, the Q1 2024 sales value at \$500 million (m) was the lowest quarterly figure since Q1 2018.

Modest gains were recorded in most property markets across Queensland, except in the southern region where values were flat.

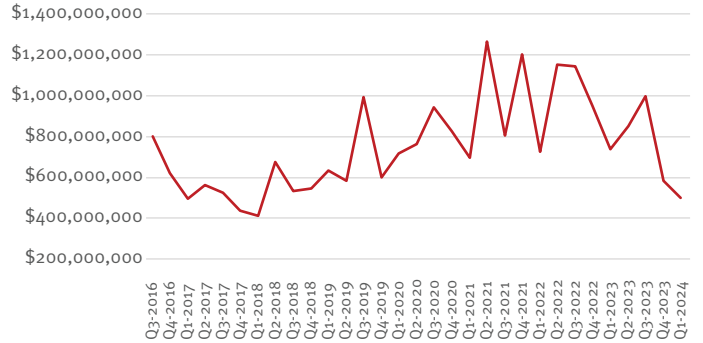
The decline in sales volume is being largely driven by lower sales in the southern region.

In the Northern Territory, sales across the Outback region of the Northern Territory made up the majority of sales through Q1 2024.

Qld/NT rural property market

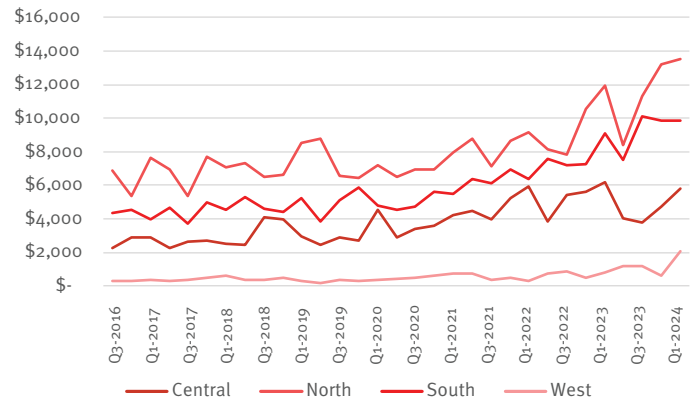


QLD/NT sales value

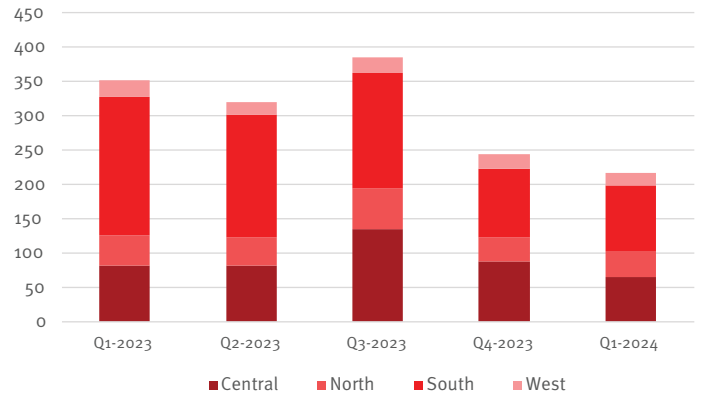


Regional median trends

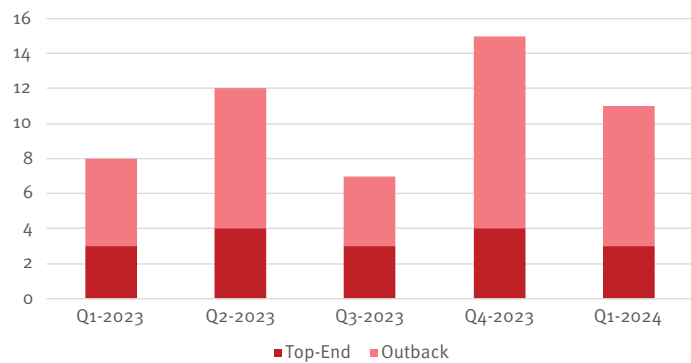
QLD qtr median by region \$/ha



QLD sales by region



NT Sales by region



New South Wales

Rural property prices edged lower with the NSW rural property indicator slipping 1 per cent to \$10,042/ha in Q1 2024. Seasonal conditions were mixed across the state for much of Q1 2024 with northern areas enjoying strong summer and early autumn rainfall, while areas further south and through the tablelands, were less than ideal.

“Seasonal conditions have generally been rather favourable towards a positive start for feed crops, winter cereals and the potential for strong pasture growth looking out as far as spring. Farmland transactions continue throughout the state with values holding, in particular when potential investor and willing sellers are familiar with the current market and willing to strike common ground. As more acquisitions are being funded through debt, we are being advised investors should prepare early to be ‘purchase ready’ whenever possible to avoid approval delays.”

Richard Gemmell, Elders NSW Real Estate Sales Executive.

		QoQ (Q4 2023 vs Q1 2024)	YoY (Q1 2023 vs Q1 2024)
Median \$/ha	\$10,042	-1%	+9%
Transactions	462	-24%	-2%
Value traded	\$955m	-35%	+7%

QoQ=Quarter on Quarter

Since the start of Q2 2024 most areas of NSW have received good rainfall which has allowed for pasture growth heading into winter.

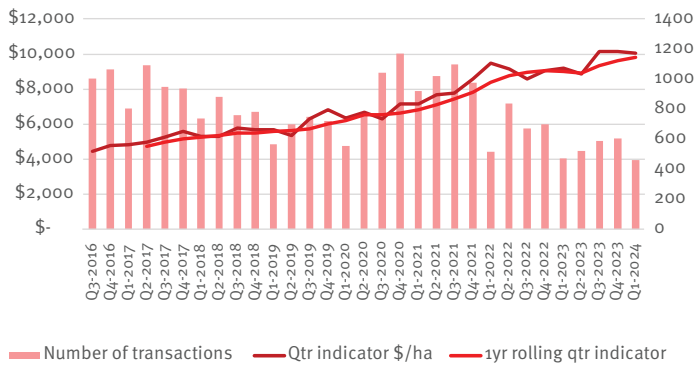
There was a sharp decline in sales numbers across NSW during

Q1 2024 – down 24 per cent to 462 sales, while the value of sales fell from \$1,460m to \$955m.

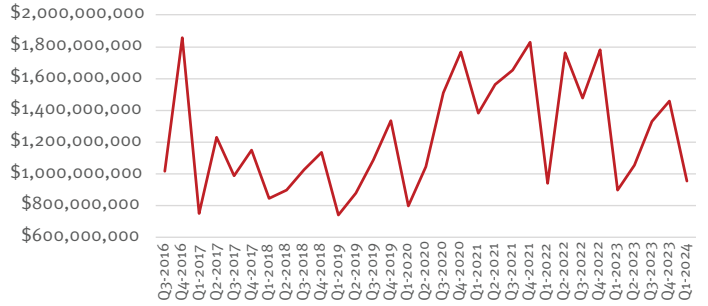
Strong growth in the quarterly median through Q1 2024 for properties across the North Coast, Hunter and North-West were countered by falls in the Central Tablelands and Riverina-Murray. These regional variations can be explained by the differing seasonal conditions experienced through Q1 2024.

Sales volumes were lower in most regions except the North Coast. Falls in sales were noted across Central Tablelands, Central West and the Riverina-Murray.

NSW rural property market

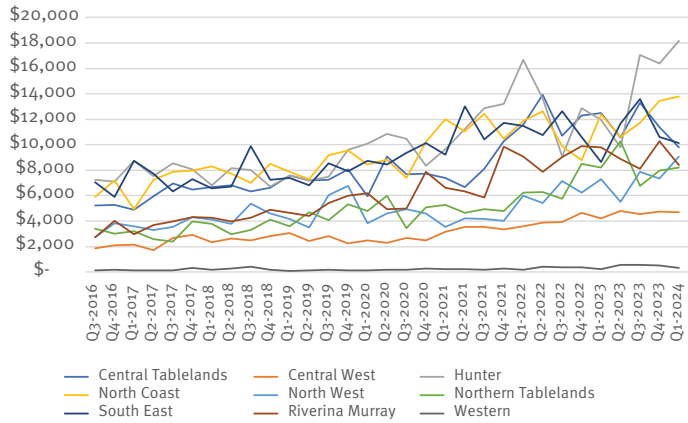


NSW sales value

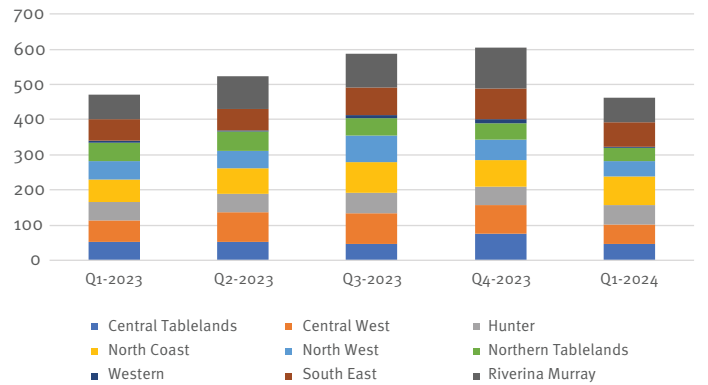


Regional median trends

NSW qtr median by region \$/ha



NSW sales by region



Victoria/ Tasmania

Property prices across Victoria and Tasmania took a step backwards during the first part of 2024 as seasonal conditions deteriorated and farmer confidence fell. The Victorian/Tasmanian rural property indicator fell 15 per cent to \$14,198/ha wiping out the gains made across 2023. Sales volumes remain at historically low levels with just 220 sales through Q1 2024, down 9 per cent for the quarter.

		QoQ (Q4 2023 vs Q1 2024)	YoY (Q1 2023 vs Q1 2024)
Median \$/ha	\$14,198	-15%	-8%
Transactions	220	-9%	-6%
Value traded	\$322m	-24%	-32%

QoQ=Quarter on Quarter

Overall market activity across Victoria and Tasmania remained limited, largely due to the contraction in the number of sales.

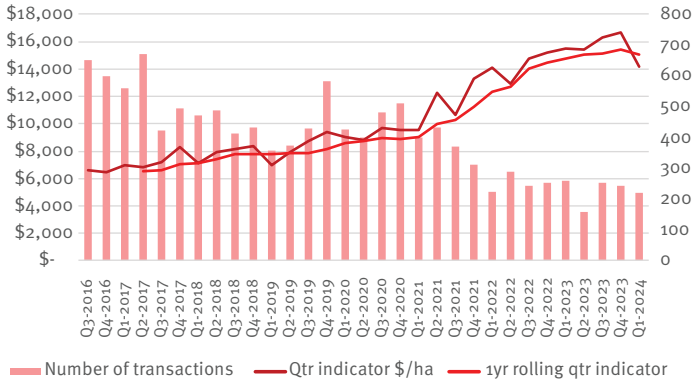
Sale price trends were lower across most regions of Victoria with the largest falls across the Victorian South-west and South-central, areas which have endured the toughest seasonal conditions.

Sale numbers were down across most regions of Victoria, except for the Wimmera and Mallee where sales lifted from 31 to 77 for the quarter.

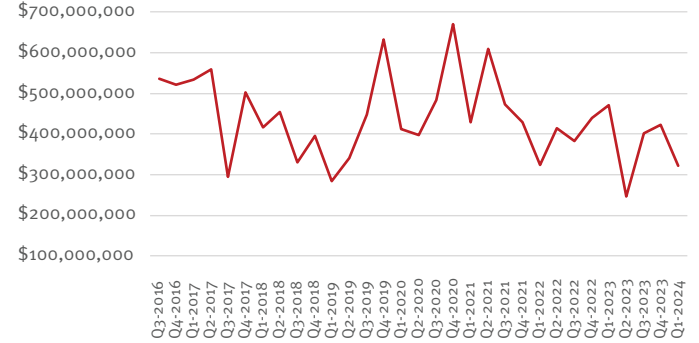
In Tasmania, sales volumes were lower in the South and North-west but higher in the Northern region of Tasmania.



VIC/TAS rural property market

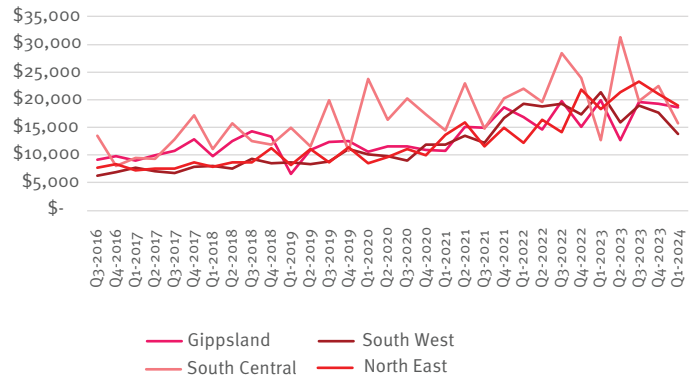


VIC/TAS sales value

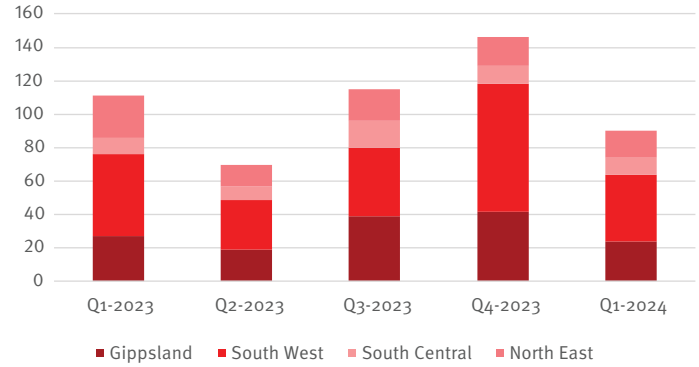


Regional median trends

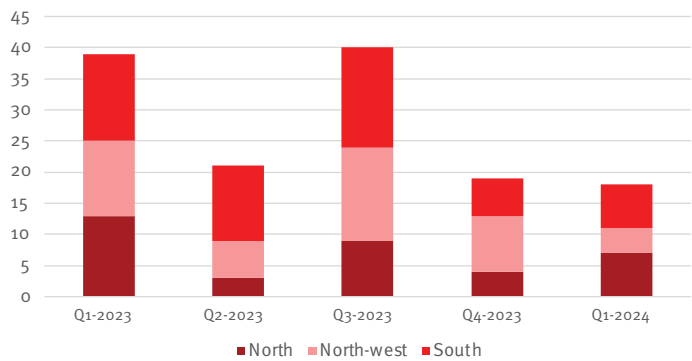
VIC qtr median by region \$/ha



VIC sales by region



TAS sales by region



South Australia

The South Australian rural property selling seasonal has coincided with a very dry late summer early autumn period. This contributed to a decline in property values across South Australia. The South Australia rural property indicator has fallen 4 per cent to \$8,998/ha.

“After many years of consistent underlying land growth across all regions, small corrections to averages were observed in the Q1 of 2024. In a noticeable trend, farm transaction sales were strong in the first three months of the year – largely enabling buyers ample time to settle properties and plan winter sowing programs in advance. With the warmest March in South Australia ever recorded, buyer participation was cautious and more considered, than in recent times.”

Adam Chilcott, State Rural Sales Executive, South Australia.

		QoQ (Q4 2023 vs Q1 2024)	YoY (Q1 2023 vs Q1 2024)
Median \$/ha	\$8,998	-4%	-1%
Transactions	219	+84%	-14%
Value traded	\$491m	+174%	-17%

QoQ=Quarter on Quarter

The rural property market in South Australia has behaved differently compared to other rural property markets across southern Australia. Prices in South Australia peaked in 2022, fell for most of 2023 before staging a recovery in Q4 2023. In comparison the Victorian and Tasmanian markets performed strongly for much of 2023.

Despite diverging in 2023, prices across all three southern markets have converged to be sitting around the levels of early 2023.

The rural property market in South Australia exhibits much greater seasonality than the other states with a very distinct selling season through the first quarter of each year. Activity has been at heightened levels through the past couple of years, in contrast to other states where activity has been contracting.

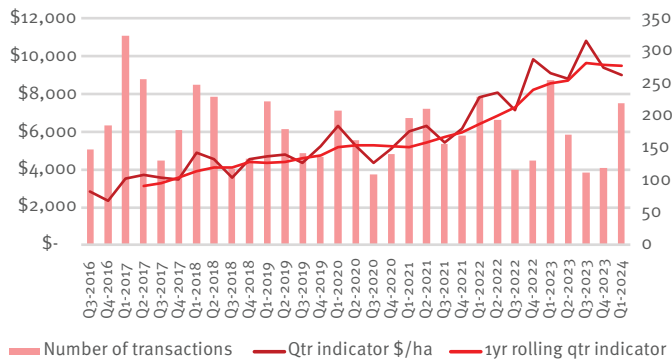
The South Australian property market can be separated into two distinct segments: a high rainfall zone (comprising properties in Adelaide and Fleurieu Peninsula, South-east and Yorke Peninsula) and a lower rainfall zone (Eyre Peninsula, Northern and Mallee Riverland).

Prices fell across most regions in the higher rainfall zones after appreciating rapidly the past few years, except for those on the Yorke Peninsula which continued to work higher.

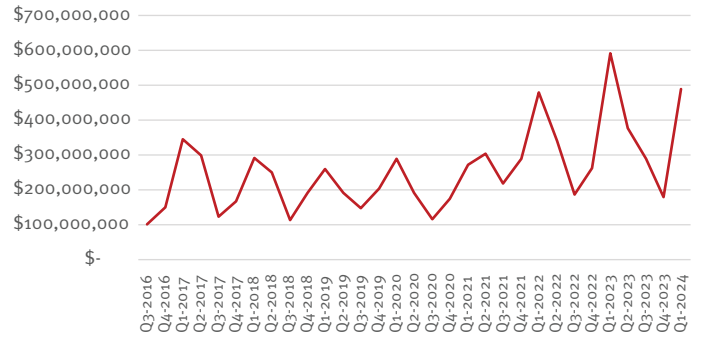
In the lower rainfall zone in SA property prices were flat to higher led by property sales across the Northern region.

Property sales increased across most regions of South Australia through Q1 2024, particularly on the Eyre and Yorke Peninsula's and in the Mallee Riverland.

SA rural property market

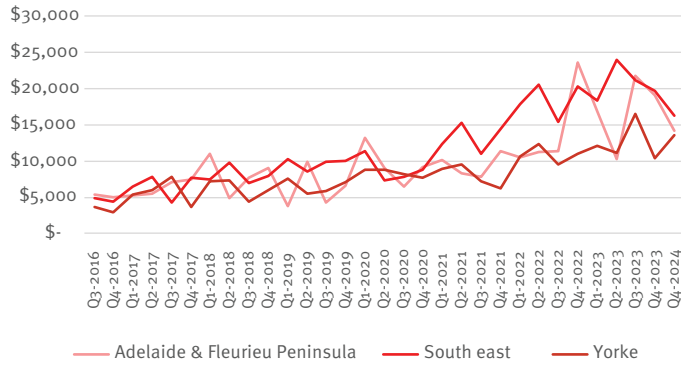


SA value of sales

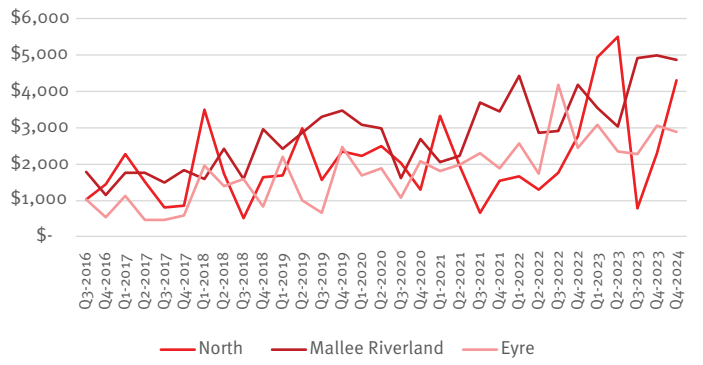


Regional median trends

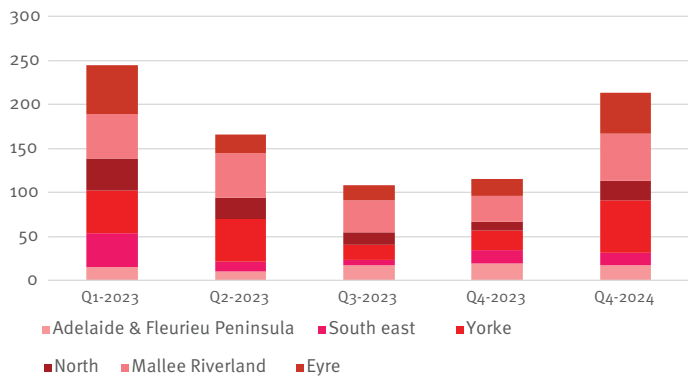
SA qtr median by region \$/ha



SA qtr median by region \$/ha



Sales by region



Western Australia

Rural property prices were firm to weaker across most regions of Western Australia during Q1 2024. A poor spring and very dry autumn, particularly across southern WA, dampened farmer confidence which saw subdued trading activity. However, strong property prices across the South-west and to a lesser extent the northern wheat-belt, assisted a rise of 8 per cent in the Western Australia rural property indicator to \$9,249/ha.

“High rainfall property prices through the South-west have held strong and experienced further increases despite volatility in the livestock markets, with forestry activity being a key driver through these zones. Despite a dry season in 2023 for much of the northern wheatbelt, prices have been firm for the most part, with limited supply coming onto the market. Exceptionally high rainfall over the past month has set much of this zone well in 2024. Current seasonal conditions for the balance of the state are mixed, with some quality properties to be offered to the market in coming months.”

Simon Cheetham, Elders Western Australia Real Estate Sales Executive.

		QoQ (Q4 2023 vs Q1 2024)	YoY (Q1 2023 vs Q1 2024)
Median \$/ha	\$9,249	+8%	+9%
Transactions	176	-20%	-24%
Value traded	\$494m	-4%	-10%

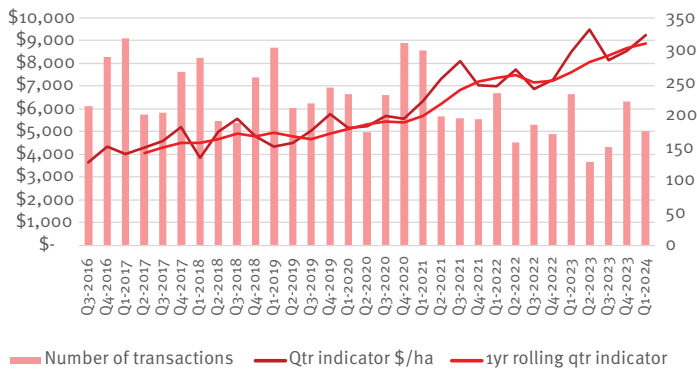
QoQ=Quarter on Quarter

Sales volumes dipped 20 per cent to 176 sales for Q1 2024 but activity remained in line with the previous quarter at \$494m.

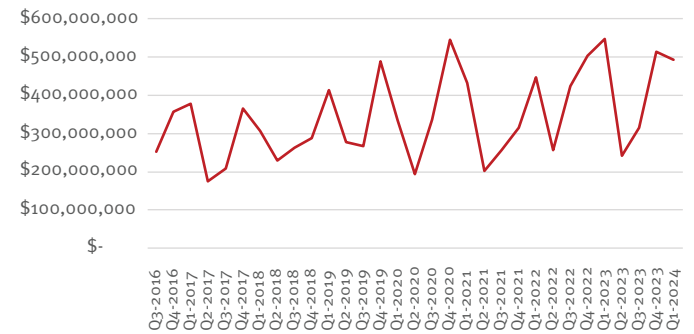
Price trends across the regions were mostly firm to slightly weaker except for the South-west and Northern region which had solid growth. Prices across the Avon-Midland region suffered the largest downturn.

In terms of sales activity, there were declines across most regions of WA except for in the Northern region where there was a small lift in sales.

WA Rural Property Market

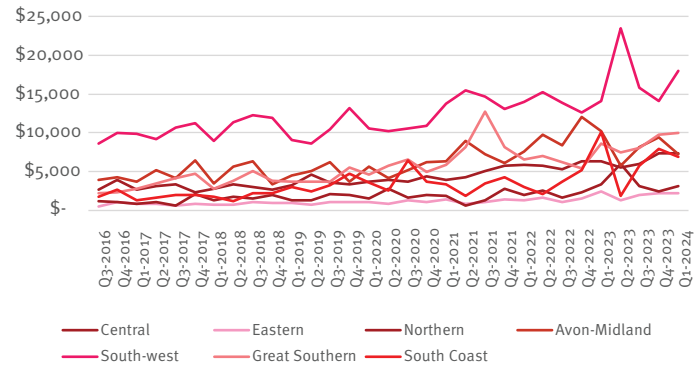


WA value of sales

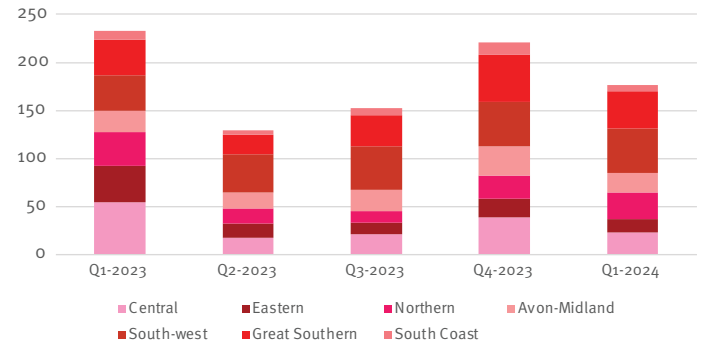


Regional median trends

WA qtr median by region \$/ha



WA sales by region





For more information

The analysis above is replicated across 39 regions Australia wide, and is summarised by local government area. Elders clients enjoy exclusive access to these detailed levels of analysis and additional content via our expert real estate agents.

If you are considering selling or purchasing land, we encourage you to speak to our team and discover how expert local knowledge backed by data, can help you make an informed decision.

Media

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