



AUSTRALIAN FARMLAND VALUES 2015

CONTENTS

04 EXECUTIVE SUMMARY

06 STATE PERFORMANCE

06 NEW SOUTH WALES

12 SOUTH AUSTRALIA

16 TASMANIA

20 QUEENSLAND

26 VICTORIA

30 WESTERN AUSTRALIA

36 NORTHERN TERRITORY

38 ABOUT THE RESEARCH

This report is intended to provide general information on a particular subject or subjects and is not an exhaustive treatment of such subject(s). The information herein is believed to be reliable and has been obtained from public sources believed to be reliable. Rural Bank Limited, ABN 74 083 938 416 AFSL/Australian Credit Licence 238042, and Rural Finance, a division of Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL/Australian Credit Licence 237879, make no representation as to or accept any responsibility for the accuracy or completeness of information contained in this report. Any opinions, estimates and projections in this report do not necessarily reflect the opinions of Rural Bank and Rural Finance and are subject to change without notice. Rural Bank and Rural Finance have no obligation to update, modify or amend this report or to otherwise notify a recipient thereof in the event that any opinion, forecast or estimate set forth therein, changes or subsequently becomes inaccurate. This report is provided for informational purposes only. The information contained in this report does not take into account your personal circumstances and should not be relied upon without consulting your legal, financial, tax or other appropriate professional.

© Copyright Rural Bank Ltd ABN 74 083 938 416 and Bendigo and Adelaide Bank Ltd ABN 11 068 049 178 (S54865) (04/16)

INTRODUCTION

The value of land underpins farming businesses and rural communities. Understanding farmland values is important to everyone in agribusiness, especially Australia's farmers.



EXECUTIVE SUMMARY

This analysis tracks the median price of commercial farmland in dollars per hectare by eliminating, where possible, metropolitan and small block sales, as well as sales where one party has compulsory powers. The Australian Farmland Values 2015 report provides analysis at state and regional levels and is based on data compiled since 1995.

The 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 APM PriceFinder.

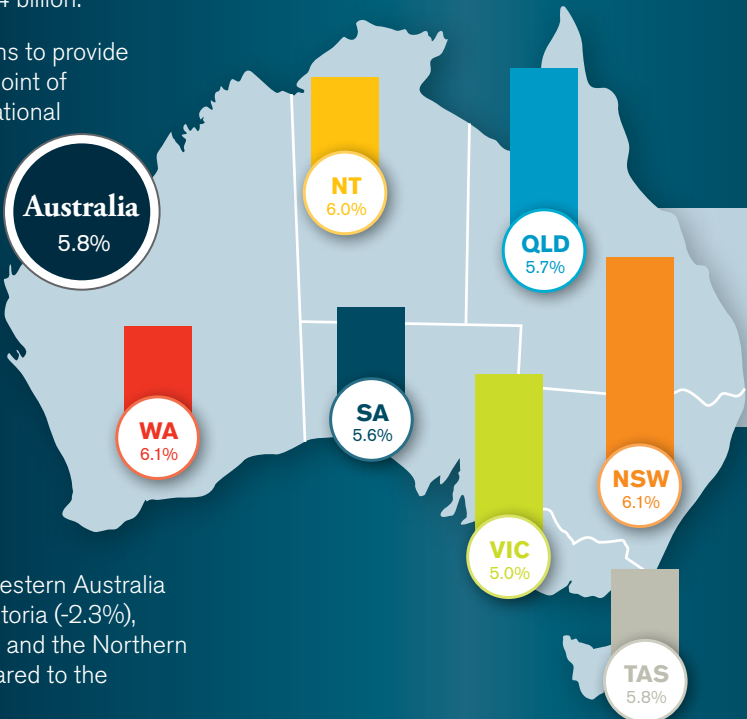
The analysis draws on more than 220,000 transactions, accounting for 264 million hectares of land with a combined value of \$124 billion.

The report uses medians to provide a measure of the mid-point of farmland prices. The national median farmland price increased by 5.3% in 2015. This follows a 6.8% increase in 2014 and a 2.2% decrease in 2013.

The performance of farmland prices in different states was mixed in 2015. The median farmland price increased in Tasmania (+12.8%), Queensland (+3.3%), New South Wales (+10.2%) and Western Australia (+10.6%), but fell in Victoria (-2.3%), South Australia (-1.9%) and the Northern Territory (-6.4%) compared to the previous year.

In all states, the median price has trended higher over the past decade with average annual growth exceeding 3% in most states. As inflation has run at 2.8% over the same period, this indicates real growth in farmland values. Although the median price has remained high over the past decade, the number of transactions* has trended lower.

For many farmers a 10-year investment horizon is short. Extend the investment horizon to 20 years and the farmland value growth picture becomes better still, with the median price in most states recording average annual growth above 5.5% (refer map).



Average annual growth in farmland value over 20 years

Taking a long-term view of the performance of Australian farmland values is appropriate given the cyclical and often volatile weather and market conditions that characterise farming in Australia. The relevance of this view is further supported when considering the approach to farming by Australian farmers as a long-term career, often with the livelihood of the next generation in mind as well.

Farmland prices are a function of many variables including, but not limited to: rainfall, location, agricultural industry, productivity, land quality, sentiment, interest rates, commodity prices and the performance of the wider economy. To isolate the reason for a particular movement in the median price for a region is complex. Therefore, the focus of this report is to describe regional and state trends more so than the drivers behind the observed trends.

Median prices are only a guide to market activity. This report is not intended for use as a valuation tool. A qualified professional is required to assess the value of a property.

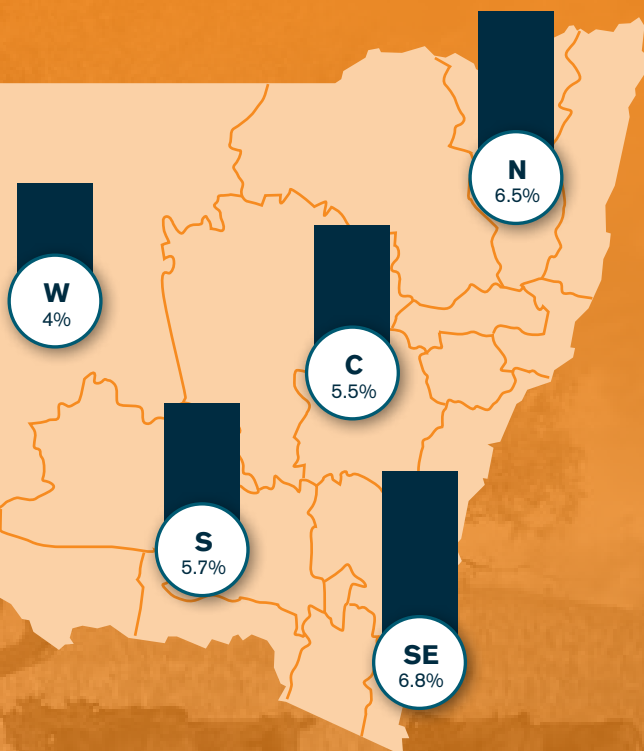
Farmland performance (average annual median price growth)	
2015	5.3%
5 years	2.2%
10 years	3.2%
20 years	5.8%

*Farmland sales volume is reported as the number of 'transactions'. As farms can be sold as single or multiple lots, determining the number of sales can be difficult, particularly in cases where one farm is sold in 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.

NEW SOUTH WALES

New South Wales
6.1%

Average annual growth over 20 years



Farmland performance (average annual growth)

2015	10.2%
5 years	2.2%
10 years	3.3%
20 years	6.1%

W Western N Northern C Central S Southern SE South East

The median value of New South Wales farmland increased by 10.2% in 2015 following a 7.2% increase in 2014.

There have been three distinct periods of growth over the past 20 years:

- The median price grew at an average of 8.9% per year between 1995 and 2005.
- A period of steady growth followed between 2006 and 2013, averaging 2% per year.
- The past two years have seen average annual growth increase to 8.7%.

The number of farmland transactions per year has been trending lower since a peak of 5,687 in 2003, although it has increased in the past few years. In 2015, there were an estimated 3,825 transactions.

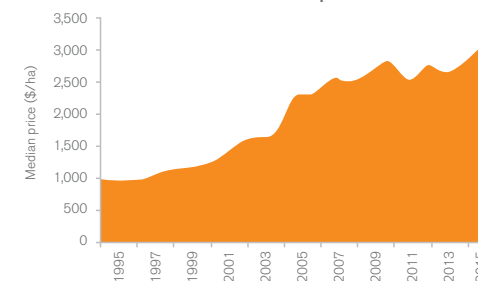
The area of farmland traded in 2015 was approximately 1.8 million hectares, which is equivalent to 3.7% of farmland in New South Wales.

The total value of farmland traded in 2015 was approximately \$2.92 billion.

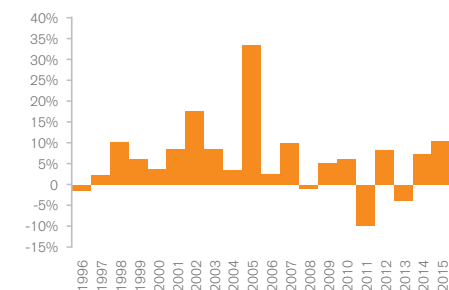
The South East region of the state performed best in 2015 with a 14% increase in the median price compared to 2014. This area covers the Southern Highlands down to the South East Coast of New South Wales. Other top performing regions in 2015 were the Central region (+5%) and Southern region (+11%), which covers the Riverina and Murray sub-regions. The Western and Northern regions recorded negative growth in 2015 of -7% and -2%, respectively (refer charts on next page).

Farmland values are based on all farmland (including improvements), not just arable land.

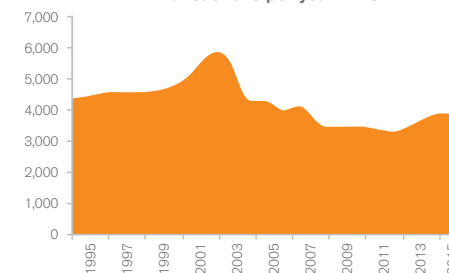
Median farmland price – NSW

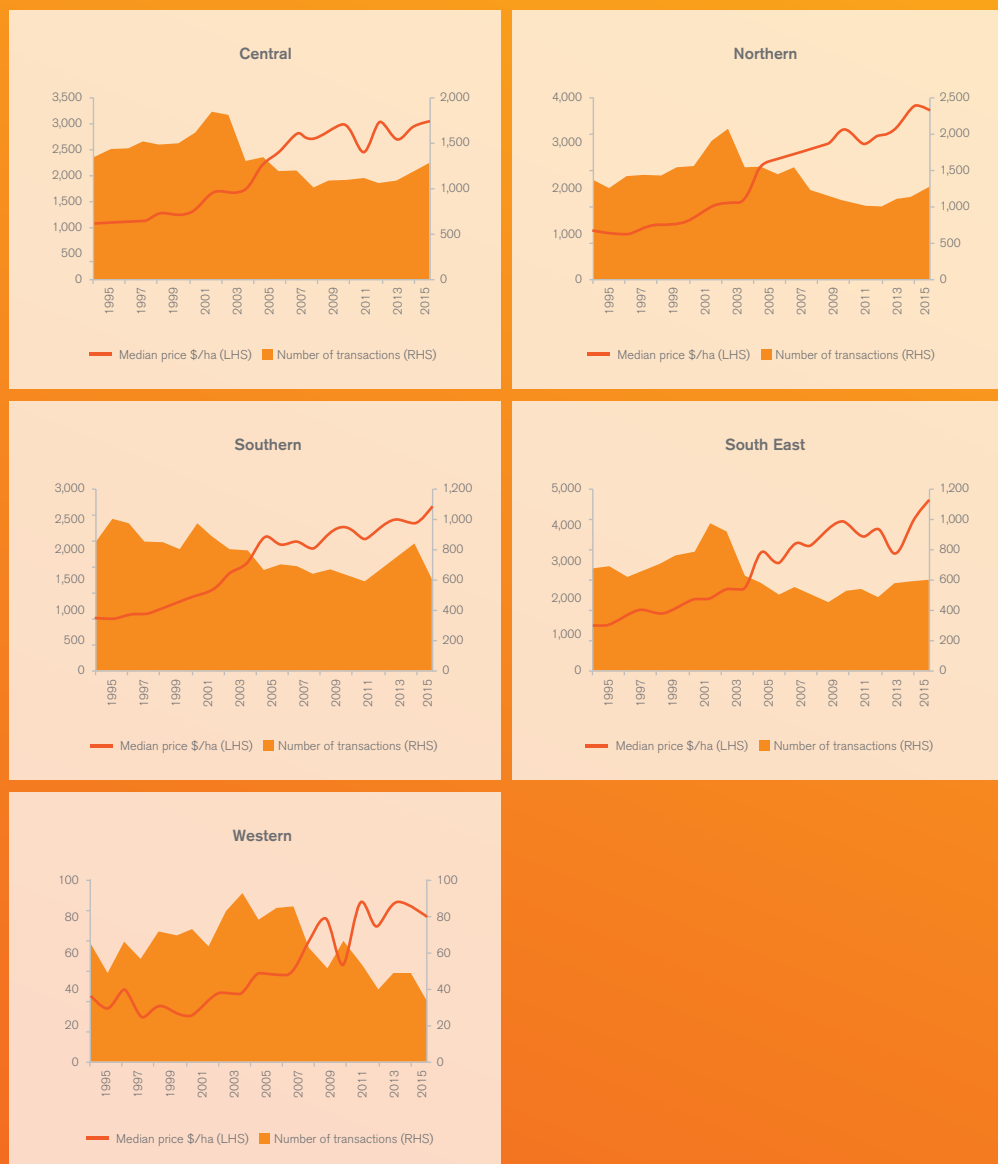


Annual median farmland price growth – NSW



Estimated number of farmland transactions per year – NSW





Municipality	Region	Median \$/ha		Est. # of transactions 2015**
		2015*	3 year avg	
Albury	Southern		4,515	2
Armidale Dumaresq	Northern	4,942	4,024	29
Ballina	Northern	6,695	12,414	9
Balranald	Western		112	2
Bathurst	Central	2,930	3,779	51
Bega Valley	South East	6,150	5,449	51
Bellingen	Northern	6,178	6,699	17
Berrigan	Southern	3,075	2,640	25
Bland	Southern	1,463	1,307	42
Blayney	Central	4,539	4,738	23
Bogan	Central	401	372	21
Bombala	South East	2,416	1,865	28
Boorowa	South East	3,212	2,695	29
Bourke	Western	60	73	6
Brewarrina	Western	157	127	11
Broken Hill	Western			0
Byron	Northern	15,041	14,934	7
Cabonne	Central	4,578	4,094	66
Carathool	Southern	978	890	31
Central Darling	Western		81	1
Cessnock	Central	15,095	11,972	30
Clarence Valley	Northern	4,377	4,383	134
Cobar	Western	78	74	11
Coffs Harbour	Northern	6,783	8,023	14
Conargo	Southern	2,493	2,055	32
Coolamon	Southern	2,545	2,563	15
Cooma-Monaro	South East	1,799	1,745	64
Coonamble	Central	1,282	1,200	30
Cootamundra	Southern	3,770	4,152	6
Corowa	Southern	3,583	3,181	20
Cowra	Central	4,719	4,457	55
Deniliquin	Southern		2,379	2
Dubbo	Central	1,322	1,716	15
Dungog	Central	7,945	6,527	46
Eurobodalla	South East	6,723	8,849	16
Forbes	Central	2,310	2,282	57
Gilgandra	Central	1,756	1,498	40
Glen Innes Severn	Northern	2,534	2,747	45
Gloucester Shire Council	Central	4,346	3,513	25
Goulburn Mulwaree	South East	7,710	6,602	114

Municipality	Region	Median \$/ha		Est. # of transactions 2015**
		2015*	3 year avg	
Great Lakes	Central	8,176	7,389	74
Greater Hume	Southern	4,216	4,282	54
Greater Taree	Central	7,371	6,445	92
Griffith	Southern	2,200	2,438	18
Gundagai	Southern	3,038	2,869	22
Gunnedah	Northern	4,125	3,692	40
Guyra	Northern	3,334	3,501	28
Gwydir	Northern	1,882	1,794	68
Harden	Southern	4,545	4,228	21
Hay	Southern	501	605	15
Inverell	Northern	2,213	1,671	66
Jerilderie	Southern	1,983	1,868	15
Junee	Southern	3,759	3,570	24
Kempsey	Northern	4,540	4,537	68
Kyogle	Northern	4,213	4,764	98
Lachlan	Central	877	864	48
Leeton	Southern	3,066	2,425	15
Lismore	Northern	7,961	9,707	49
Lithgow	Central	6,429	5,617	57
Liverpool Plains	Northern	3,752	4,158	32
Lockhart	Southern	3,325	3,043	27
Maitland	Central	14,841	14,115	10
Mid-Western	Central	2,663	2,694	121
Moree Plains	Northern	3,171	2,814	35
Murray	Southern	1,901	1,850	25
Murrumbidgee	Southern	2,227	1,915	9
Muswellbrook	Central	7,305	8,821	21
Nambucca	Northern	8,423	6,232	24
Narrabri	Northern	1,967	2,182	56
Narrandera	Southern	1,779	1,579	29
Narromine	Central	1,855	1,707	24
Oberon	Central	6,053	5,081	49
Orange	Central	13,886	11,726	7
Palerang	South East	4,940	4,927	86
Parkes	Central	1,345	1,400	41
Port Macquarie-Hastings	Northern	7,634	6,307	62
Richmond Valley	Northern	3,940	4,029	85
Wakool	Southern	1,625	1,349	23
Shoalhaven	South East	16,073	14,476	29
Singleton	Central	5,329	7,391	63
Snowy River	South East	2,270	2,143	34

Municipality	Region	Median \$/ha		Est. # of transactions 2015**
		2015*	3 year avg	
Tamworth	Northern	4,561	3,199	105
Temora	Southern	2,964	2,690	24
Tenterfield	Northern	1,814	2,001	79
Tumbarumba	Southern	2,593	3,680	23
Tumut	Southern	2,977	2,886	18
Tweed	Northern	12,169	11,788	25
Upper Hunter	Central	2,572	2,681	60
Upper Lachlan	South East	3,381	3,161	126
Uralla	Northern	2,331	2,037	25
Urana	Southern	2,984	2,579	9
Wagga Wagga	Southern	4,067	3,617	61
Walcha	Northern	3,028	3,274	46
Walgett	Northern	1,159	1,069	19
Warren	Central	1,266	1,210	26
Warrumbungle	Central	1,593	1,517	81
Weddin	Central	2,580	2,342	23
Wellington	Central	2,833	2,565	37
Wentworth	Western		124	0
Yass Valley	South East	5,055	5,512	33
Young	Southern	4,070	3,711	16
	Central	3,082	2,913	1293
	Northern	3,705	3,582	1265
	Western	79	84	34
	Southern	2,681	2,519	623
	South East	4,660	3,977	610

*Use price information with a small volume of transactions with caution. The median price for municipalities with less than five sales in 2015 is not reported.

**Refer 'About the research' page

Of all the states, the median farmland price in New South Wales has demonstrated the most consistent growth over the past 20 years. Land values are influenced by the level of multi-industry opportunity which adds competition to the market place, therefore aiding positive growth in the median price. Climate and commodity prices are also factors in determining whether a property is placed on the market and how much it sells for. Land values in New South Wales were resilient even during the challenging seasons experienced in the mid 2000s.

John Ellwood, Regional Manager Agribusiness, Rural Bank, New South Wales/Queensland.

SOUTH AUSTRALIA

South Australia
5.6%

Average annual growth over 20 years

Farmland performance (average annual growth)

2015	-1.9%
5 years	0.0%
10 years	1.7%
20 years	5.6%

E
7.1%

Y&MN
6.6%

A&F
5.9%

SE
4.4%

The median price of South Australian farmland decreased by 1.9% in 2015. This follows an increase of 5.2% in 2014.

There have been three distinct periods of growth in the median farmland price:

- Values grew steadily between 1995 and 2002, with average annual growth of 4.5%.
- Rapid annual growth of 13.7% occurred between 2003 and 2008.
- Since 2008 the median price has been stagnant with annual growth of 0.2%.

The number of farmland transactions increased by 5.1% in 2015. The number of transactions has increased in the last two years from a low of 555 in 2013 to 678 in 2015.

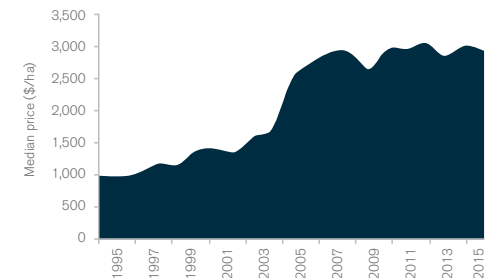
A rise in the number of transactions drove an increase in the total area of farmland traded, up to 210,000 hectares. This is the largest area traded since 2003 and represents approximately 1.7% of improved farmland in South Australia.

The total value of farmland traded in South Australia reached a new high of \$414 million in 2015.

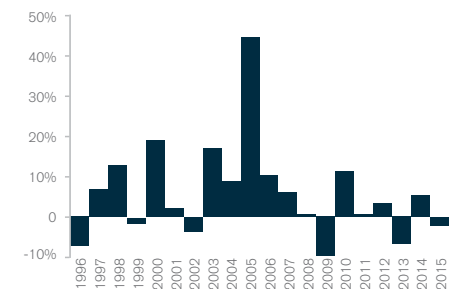
Improvement in median values was strongest on the Eyre Peninsula (+24.4%), followed by the Adelaide region and Fleurieu Peninsula (+8.5%). Median values on the Yorke Peninsula, in the Mid North and the South East declined in 2015 (refer charts on next page). Nevertheless, the long-term trend across the state has been one of growth.

Farmland values are based on all farmland (including improvements), not just arable land. Due to the structure of land ownership and a lack of data, the arid areas of South Australia are not covered in this report.

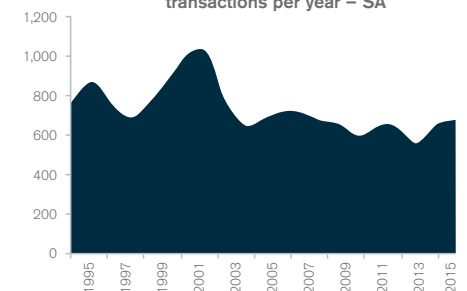
Median farmland price – SA



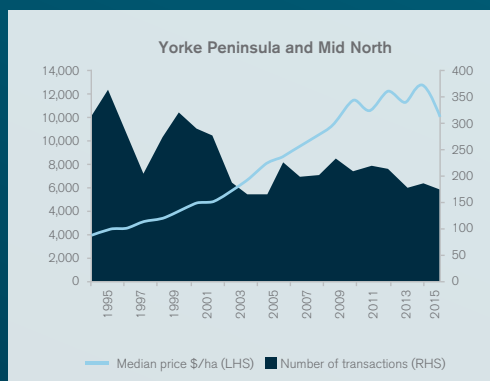
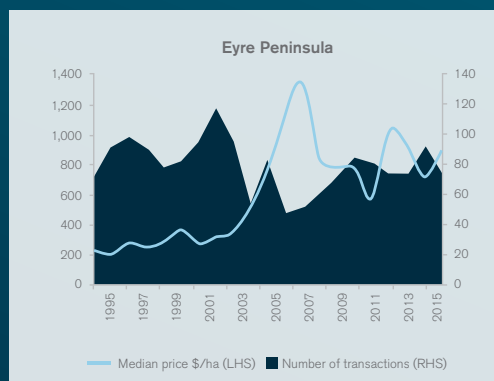
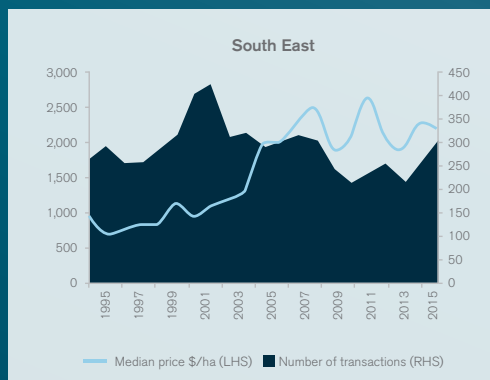
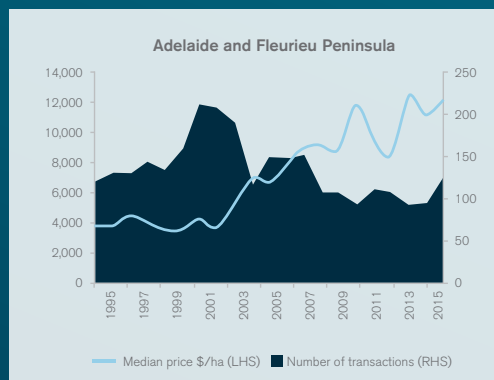
Annual median farmland price growth – SA



Estimated number of farmland transactions per year – SA



SA | REGIONAL PERFORMANCE



With the value of farmland linked to its productive capacity, it is no surprise that farmland values have been increasing over the same time period where significant gains have been made in yields. New cropping techniques and machinery have led to increased yields in the cropping districts, particularly the Mid North, Yorke Peninsula and Lower Eyre Peninsula. Bluegum investment schemes in the South East during the early 2000s saw prices spike and people less willing to sell land below prices received at that time. Values have been stagnant in the past few years and farmers have been reducing debt at the same time.

Tom Kennedy, Agribusiness Relationship Manager, Rural Bank, South Australia.

FARMLAND SALES BY MUNICIPALITY – SA

*Use price information with a small volume of transactions with caution. The median price for municipalities with less than five sales in 2015 is not reported.

**Refer 'About the research' page

Municipality	Region	Median \$/ha		Est. # of transactions 2015**
		2015*	3 year avg	
Adelaide Hills	Adelaide and Fleurieu Peninsula	20,945	19,432	14
Alexandrina	Adelaide and Fleurieu Peninsula	11,504	12,088	42
Barossa	Adelaide and Fleurieu Peninsula	13,296	14,890	13
Barunga West	Yorke Peninsula and Mid North	3,954	4,441	7
Berri Barmora	South East		1,948	0
Ceduna	Eyre Peninsula	298	265	5
Clare and Gilbert Valleys	Yorke Peninsula and Mid North	9,628	8,689	10
Cleve	Eyre Peninsula	985	880	6
Coorong	South East	1,712	1,598	35
Copper Coast	Yorke Peninsula and Mid North	2,947	3,749	8
Elliston	Eyre Peninsula		887	3
Flinders Ranges	Yorke Peninsula and Mid North	743	419	5
Franklin Harbour	Eyre Peninsula	640	494	6
Goyder	Yorke Peninsula and Mid North	2,109	2,032	23
Grant	South East	7,325	7,655	19
Kangaroo Island	Adelaide and Fleurieu Peninsula	2,483	2,150	19
Karoonda East Murray	South East	547	542	8
Kimba	Eyre Peninsula	735	779	19
Kingston	South East	3,185	2,836	7
Light	Yorke Peninsula and Mid North	8,663	9,701	16
Lower Eyre Peninsula	Eyre Peninsula	2,743	3,349	14
Loxton Waikerie	South East	591	601	23
Mallala	Yorke Peninsula and Mid North	10,004	8,439	14
Mid Murray	South East	1,264	1,210	56
Mount Barker	Adelaide and Fleurieu Peninsula	18,214	18,260	16
Mount Remarkable	Yorke Peninsula and Mid North	1,869	1,950	20
Murray Bridge	South East	1,547	1,498	19
Naracoorte	South East	4,134	4,366	42
Northern Areas	Yorke Peninsula and Mid North	2,725	3,325	23
Onkaparinga	Adelaide and Fleurieu Peninsula		13,865	4
Orroroo Carrieton	Yorke Peninsula and Mid North		818	4
Peterborough	Yorke Peninsula and Mid North		546	1
Port Pirie	Yorke Peninsula and Mid North	2,939	3,334	13
Renmark Paringa	South East	1,003	1,420	9
Robe	South East		4,720	4
Southern Mallee	South East	1,166	985	15
Streaky Bay	Eyre Peninsula	240	311	6
Tatiara	South East	2,238	2,447	40
Tumby Bay	Eyre Peninsula	2,445	2,383	12
Victor Harbor	Adelaide and Fleurieu Peninsula	17,586	12,246	5
Wakefield	Yorke Peninsula and Mid North	2,160	3,158	20
Wattle Range	South East	5,454	5,446	24
Wudinna	Eyre Peninsula		823	3
Yankalilla	Adelaide and Fleurieu Peninsula	11,230	10,189	13
Yorke Peninsula	Yorke Peninsula and Mid North	4,721	4,667	13
Adelaide and Fleurieu Peninsula		12,061	11,828	126
South East		2,164	2,083	301
Eyre Peninsula		886	841	74
Yorke Peninsula and Mid North		3,521	3,836	177

TASMANIA

Tasmania
5.8%

Average
annual
growth
over 20
years

KI
4.2%

FI
4.9%

NW
6.0%

N
7.9%

S
6.3%

Farmland performance (average annual growth)

2015	12.8%
5 years	2.3%
10 years	5.4%
20 years	5.8%

KI King Island **FI** Flinders Island **NW** North West **N** North **S** South

The median price of farmland in Tasmania increased by 12.8% in 2015 after falling by 10.8% in 2014.

Over the last 20 years, farmland values have increased by an average of 5.8% per year. There have been three distinct periods of growth over this time:

- Steady annual growth of 1.6% occurred from 1995 to 2004.
- Between 2005 and 2009, average annual growth was 21.6%.
- Average annual growth has slowed to 2.9% since 2009.

The number of farmland transactions declined by 11% in 2015 after two years of increased transactions. The number of transactions has been trending lower since 2008.

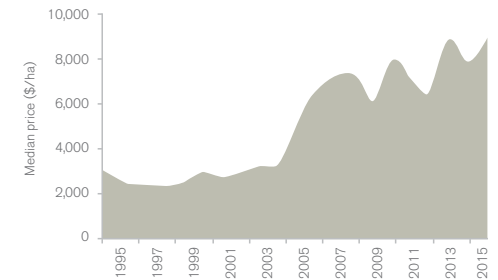
The area of farmland traded in 2015 was almost 30,000 hectares, which represents approximately 1.7% of Tasmanian farmland. This is the lowest area of farmland traded over the last 20 years.

A lift in the value of farmland in 2015 offset the lower number of transactions to increase total value of farmland traded by 15% to \$214 million.

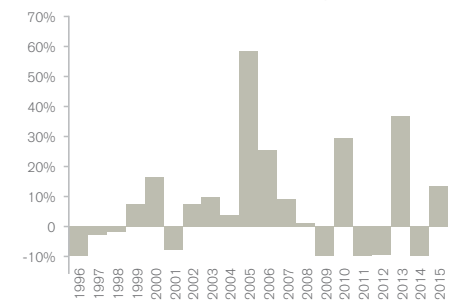
Northern Tasmania (+33%) was the best performing region in 2015, closely followed by the South (+25%). Despite a 1% decline in the median price in 2015, the North West remains the highest valued region (refer charts on next page). A higher proportion of higher-priced sales can result in a higher median and vice-versa.

Farmland values are based on all farmland (including improvements), not just arable land.

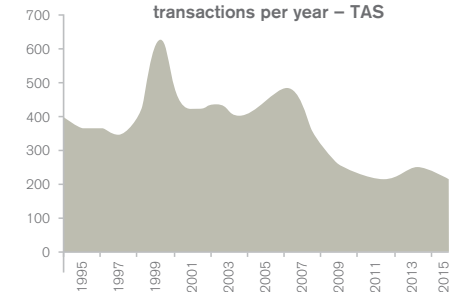
Median farmland price – TAS



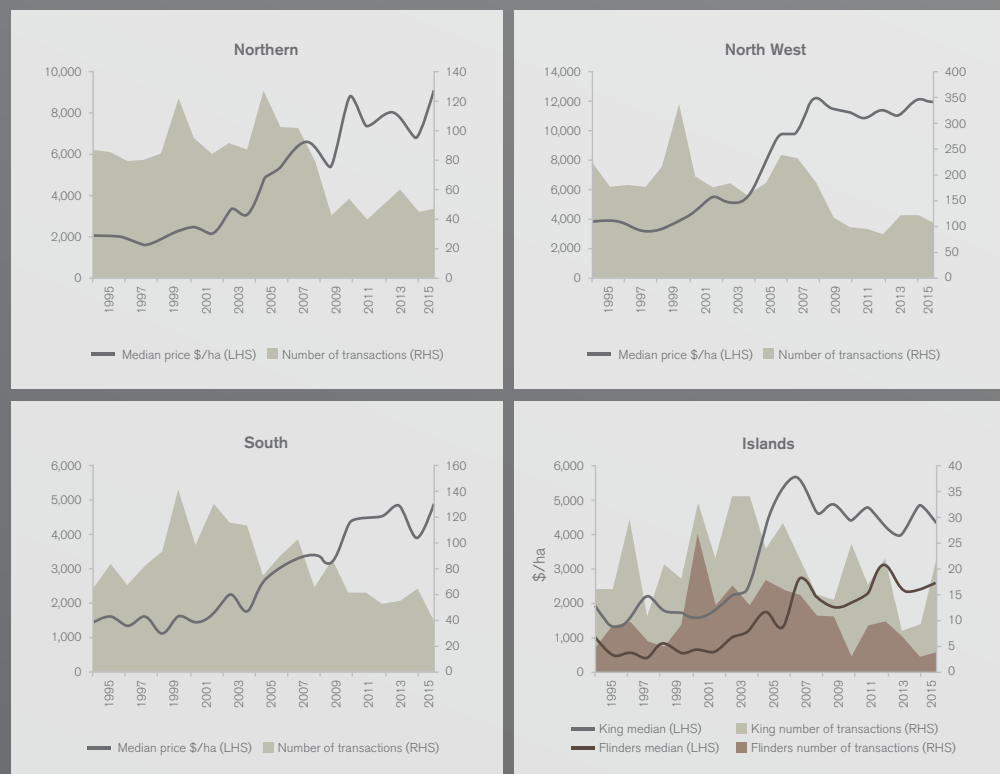
Annual median farmland price growth – TAS



Estimated number of farmland transactions per year – TAS



TAS | REGIONAL PERFORMANCE



There is a lot of confidence in agriculture in Tasmania, with the state building a reputation for food safety and clean, green production systems. Buyers are looking for land in higher rainfall areas and, with continued development of irrigation schemes, there are opportunities for farmers to take advantage of different crops and farming systems. There is also growing interest in stone fruit and viticulture, which is well suited to the cooler climate. Commodity prices are generally in a good position albeit some headwinds are being experienced in the dairy industry at the moment. This underlying strength in returns is yet to be fully reflected in property values. Forestry investment schemes were a major factor in land values increasing between 2004 and 2009. The demise of those schemes has opened the door for land to return to agricultural production. There have been a few sales of significant size in the last 12 months. It will be interesting to see how these affect perceptions in the market.

David Robertson, Agribusiness Relationship Manager, Rural Bank, Tasmania.

FARMLAND SALES BY MUNICIPALITY – TAS

Municipality	Region	Median \$/ha		Est. # of transactions 2015**
		2015*	3 year avg	
Break O'Day	Northern		3,278	1
Brighton	South		8,505	0
Burnie	North West		10,082	4
Central Coast	North West	11,275	12,879	14
Central Highlands	South		1,770	4
Circular Head	North West	12,491	11,035	28
Clarence	South		10,193	2
Derwent Valley	South		6,559	2
Devonport	North West	20,491	18,551	6
Dorset	Northern	7,026	6,437	8
Flinders Island	Islands		2,459	4
George Town	Northern		6,088	3
Glamorgan-Spring Bay	South		1,885	3
Huon Valley	South	8,043	9,576	9
Kentish	North West	15,988	12,575	5
King Island	Islands	4,341	4,385	22
Kingborough	South	13,651	10,656	5
Latrobe	North West	12,130	11,493	9
Launceston	Northern	8,642	7,004	6
Meander Valley	North West	10,316	9,884	24
Northern Midlands	Northern	11,263	9,787	14
Sorell	South		6,023	3
Southern Midlands	South	3,315	2,969	9
Tasman	South		7,050	3
Waratah-Wynyard	North West	11,401	13,482	14
West Tamar	Northern	8,474	10,157	14
	Northern	9,005	7,876	46
	North West	11,737	11,487	104
	South	4,882	4,543	40

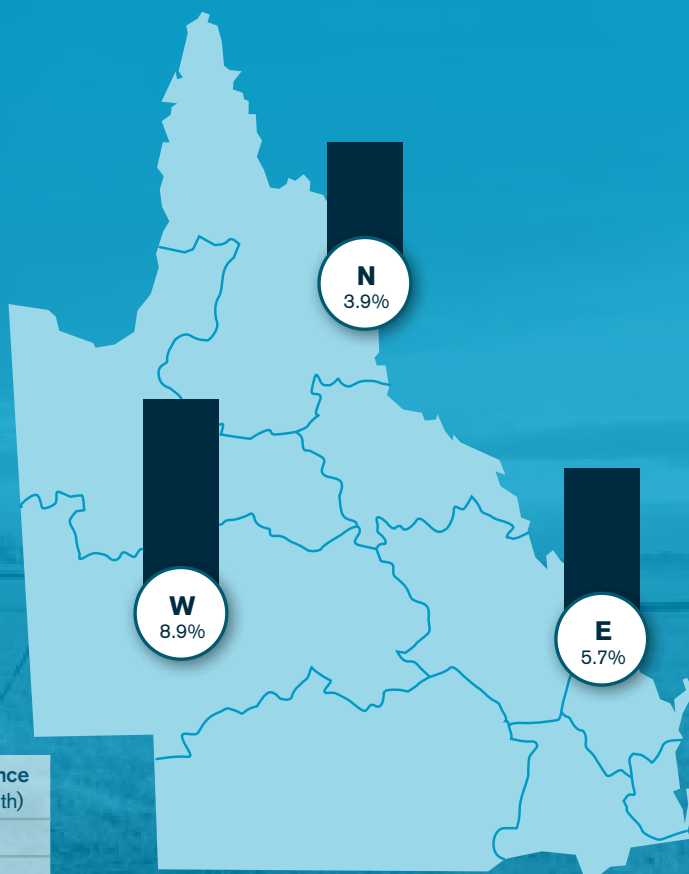
*Use price information with a small volume of transactions with caution. The median price for municipalities with less than five sales in 2015 is not reported.

**Refer 'About the research' page

QUEENSLAND

Queensland
5.7%

Average
annual
growth
over 20
years



Farmland performance (average annual growth)

2015	3.3%
5 years	-0.4%
10 years	4.2%
20 years	5.7%

N North

W West

E East

The median price of Queensland farmland increased by 3.3% in 2015 compared to a 5.0% increase in 2014. This follows a few years of stagnant growth between 2009 and 2013.

Average annual growth over the past 20 years has been 5.7%.

There have been four distinct periods of growth since 1995:

- Negative growth in median values of -5.0% per year occurred between 1995 and 2000.
- A period of strong positive growth followed between 2001 and 2008, averaging 18.7% per year.
- 2009 to 2013 saw a period of negative growth, averaging -1.8%.
- In the last two years, growth has returned to a positive trend, averaging 4.2%.

The number of transactions per year has been trending lower over the past decade, from a peak of 3,327 in 2003, although it has stabilised in the last few years. There were an estimated 1,744 transactions in 2015.

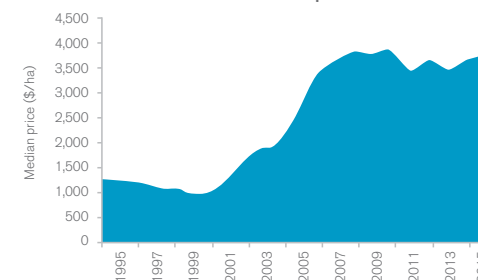
The area of farmland traded in 2015 was 5.5 million hectares, which is equivalent to approximately 4.7% of farmland in Queensland.

The total value of farmland traded in Queensland in 2015 was approximately \$1.9 billion.

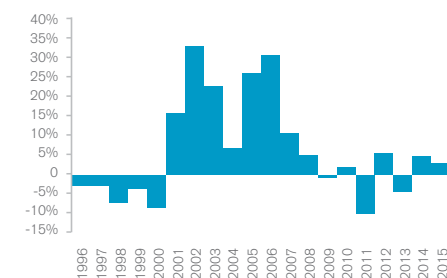
The West Queensland region performed best in 2015 with a 14.7% increase in the median price compared to 2014. This region has had three consecutive positive growth years. North Queensland achieved 10.1% growth and East Queensland 0.6% (refer charts on next page).

Farmland values are based on all farmland (including improvements), not just arable land.

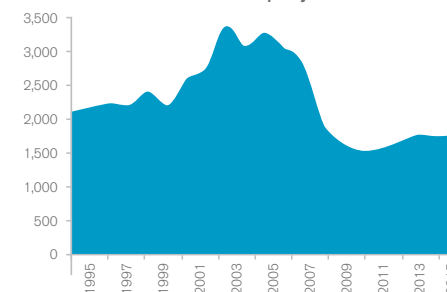
Median farmland price – QLD



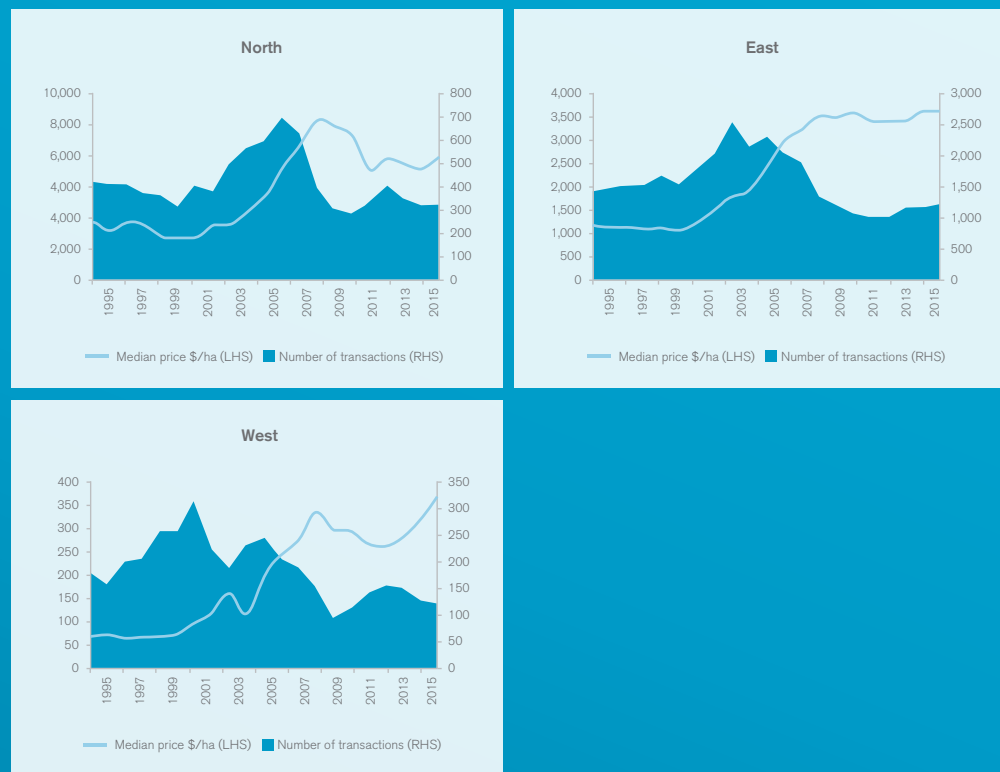
Annual median farmland price growth – QLD



Estimated number of farmland transactions per year – QLD



QLD | REGIONAL PERFORMANCE



Queensland land values over the last 20 years have been influenced by a number of key factors. Commodity price, in particular the price for beef, determines the profitability and confidence levels of many of the state's farmers. Technology advancement over the 20-year period under analysis has undoubtedly improved land values, making marginal country more profitable and introducing new industries to areas which have traditionally been single industry farms. Non-agricultural industries such as mining have had an impact on land values in certain areas of the state, both through acquisition of land and the introduction of a new workforce within rural communities who are also looking to own and run small farming operations. Sales volume remains low compared to the levels of the 1990s however land values have shown resilience.

John Ellwood, Regional Manager Agribusiness, Rural Bank, Queensland/New South Wales.

FARMLAND SALES BY MUNICIPALITY – QLD

Municipality	Region	Median \$/ha		Est. # of transactions 2015**
		2015*	3 year avg	
Balonne	West	409	418	11
Banana	East	2,177	2,223	54
Barcaldine	West	257	274	10
Barcoo	West		45	2
Blackall Tambo	West	393	372	7
Boulia	West		58	2
Bulloo	West		36	0
Bundaberg	East	3,218	3,443	55
Burdekin	North	5,957	6,812	24
Burke	West		81	1
Cairns	North	6,506	6,751	14
Carpentaria	West		89	0
Cassowary Coast	North	7,996	6,612	41
Central Highlands	East	1,450	1,512	43
Charters Towers	North	2,850	2,328	26
Cherbourg	East			0
Cloncurry	West		75	2
Cook	North	1,545	2,010	13
Croydon	North	40	28	5
Diamantina	West			0
Etheridge	North		92	3
Flinders	West	232	185	7
Fraser Coast	East	5,560	4,286	27
Gladstone	East	1,719	2,767	60
Goondiwindi	East	1,437	1,220	57
Gympie	East	6,306	5,858	95
Hinchinbrook	North	5,891	7,550	19
Hope Vale	North			0
Isaac	East	1,980	1,578	18
Lockhart River	North		6,832	0
Lockyer Valley	East	8,377	6,632	46
Longreach	West		131	3
Mackay	North	7,074	7,116	67
Maranoa	West	701	999	53
McKinlay	West		236	1
Moreton Bay	East	14,562	13,438	21
Mount Isa	West		32	1
Murweh	West	246	167	6
North Burnett	East	2,481	2,481	95

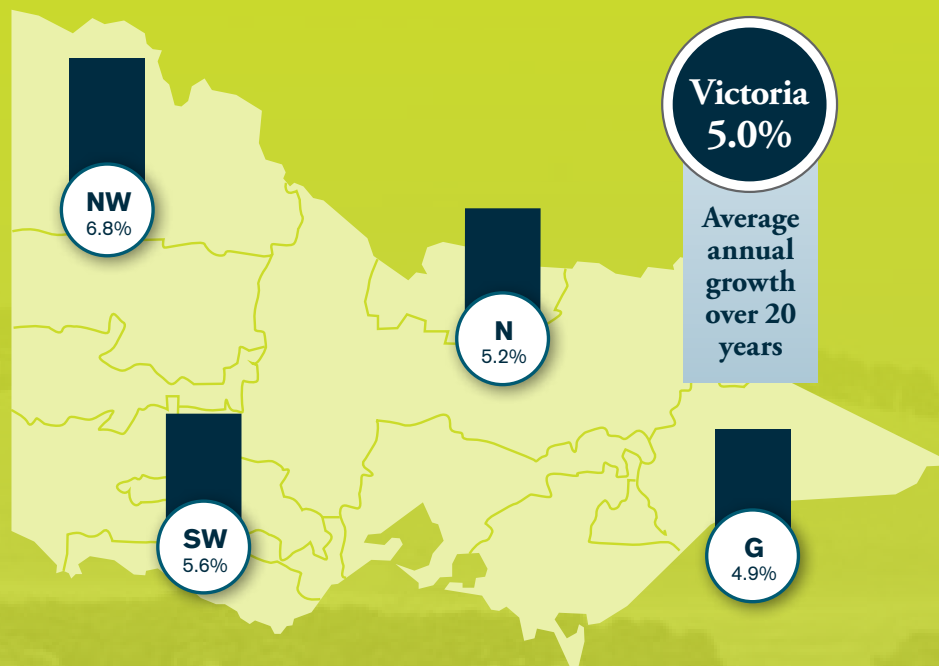
Municipality	Region	Median \$/ha		Est. # of transactions 2015**
		2015*	3 year avg	
Paroo	West	58	57	10
Quilpie	West		53	2
Richmond	West		229	4
Rockhampton	East	2,386	3,396	53
Scenic Rim	East	8,282	8,935	73
Somerset	East	8,664	6,713	48
South Burnett	East	4,100	4,112	91
Southern Downs	East	3,751	4,093	92
Sunshine Coast	East	11,745	11,314	29
Tablelands	North	7,710	6,668	75
Toowoomba	East	5,472	5,167	192
Torres	North			0
Townsville	North	8,393	6,738	12
Western Downs	East	2,000	1,967	151
Whitsunday	North	4,184	3,786	21
Winton	West		151	2
Wujal	North			0
	North	6,618	6,294	320
	East	3,728	3,643	1300
	West	372	327	124

*Use price information with a small volume of transactions with caution. The median price for municipalities with less than five sales in 2015 is not reported.

**Refer 'About the research' page



VICTORIA



Farmland performance
(average annual growth)

2015	-2.3%
5 years	3.9%
10 years	2.9%
20 years	5.0%

NW North West

N Northern

SW South West

G Gippsland

In 2015, the median price of Victorian farmland decreased by 2.3%. This comes after three consecutive years of positive growth.

There have been four distinct periods since 1995 in the median farmland price in Victoria:

- Values grew at an average of 2.4% per year between 1995 and 2001.
- A period of strong positive growth followed between 2002 and 2007, averaging 12.8% per year.
- 2008 to 2011 saw a period of negative growth, averaging -2.9%.
- Between 2012 and 2015, average annual growth has been 5.7%.

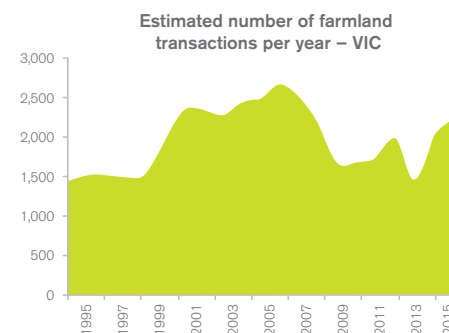
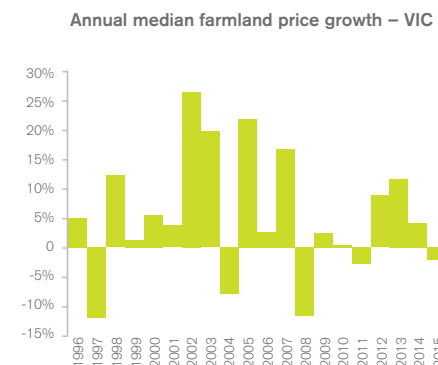
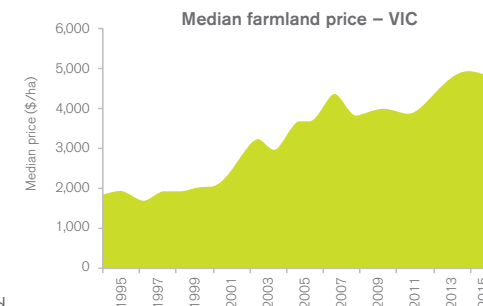
The number of transactions per year since 1995 can be grouped into three periods. 1995 to 1999 was a flat period, averaging 1,500 per year. 2000 to 2008 was a high activity period averaging 2,340 transactions per year. The current period from 2009 to 2015 was variable from year-to-year, averaging 1,810.

The area of farmland traded in 2015 was 309,000 hectares, which is equivalent to approximately 3% of farmland in Victoria.

The total value of farmland traded in Victoria in 2015 was approximately \$1.3 billion.

The South West region of the state performed best in 2015 with a 1.5% increase in median price compared to 2014. The region has also experienced an increasing trend in the number of transactions since 2013. In other regions of the state performance was mixed; Northern Victoria (+0.4%), Gippsland (-3.1%) and North West Victoria (-4.2%) – refer charts on next page.

Farmland values are based on all farmland (including improvements), not just arable land.



VIC | REGIONAL PERFORMANCE



Victorian farmland has followed a positive growth trend since 1995. Farmland values continue to be resilient despite being subject to a range of factors, such as widespread drought, commodity prices and other external influences. At a local level, different factors came into play such as managed investment schemes in the South West, government intervention around water in irrigation areas, multiple industries competing for land in high rainfall zones and extreme localised weather events. Overall, farmland in Victoria has proved to be a solid investment achieving average annual growth of 5% since 1995.

Greg Kuchel, Regional Manager Agribusiness, Rural Bank and Rural Finance, Victoria.

FARMLAND SALES BY MUNICIPALITY – VIC

*Use price information with a small volume of transactions with caution. The median price for municipalities with less than five sales in 2015 is not reported.

**Refer 'About the research' page

Municipality	Region	Median \$/ha		Est. # of transactions 2015**
		2015*	3 year avg	
Alpine	Northern	6,607	6,839	18
Ararat	South West	4,942	4,268	37
Ballarat	South West		7,241	4
Bass Coast	Gippsland	10,826	11,432	15
Baw	Gippsland	14,650	13,230	50
Benalla	Northern	5,797	5,528	47
Bendigo	Northern	4,416	4,127	42
Buloke	North West	1,393	1,414	74
Campaspe	Northern	4,694	4,352	111
Cardinia	Gippsland	18,017	18,273	23
Central Goldfields	South West	1,800	2,562	11
Colac - Otway	South West	9,035	7,619	50
Corangamite	South West	8,613	7,643	72
East Gippsland	Gippsland	3,621	4,089	77
Gannawarra	Northern	1,976	2,091	64
Glenelg	South West	4,424	4,701	57
Golden Plains	South West	6,477	5,621	32
Hepburn	South West	7,399	7,843	24
Hindmarsh	North West	2,242	2,058	50
Horsham	North West	3,000	2,807	37
Indigo	Northern	6,393	6,289	45
La Trobe	Gippsland	8,754	8,142	19
Loddon	Northern	2,286	2,054	96
Macedon Ranges	South West	4,462	5,931	12
Mansfield	Northern	7,529	7,595	34
Mildura	North West	963	997	49
Mitchell	Northern	3,709	4,673	27
Moira	Northern	5,217	4,905	109
Moorabool	South West	8,384	8,050	27
Mount Alexander	Northern	6,379	5,632	16
Moyne	South West	6,407	7,377	88
Murindindi	Northern	6,911	6,042	42
Northern Grampians	South West	2,305	2,362	68
Pyrenees	South West	3,073	3,908	50
Shepparton	Northern	5,718	5,426	77
South Gippsland	Gippsland	11,884	11,245	99
South Grampians	South West	4,092	3,997	70
Strathbogie	Northern	4,543	4,632	74
Surf Coast	South West	9,621	7,808	7
Swan Hill	North West	1,469	1,393	22
Towong	Northern	2,791	4,299	32
Wangaratta	Northern	5,269	5,273	51
Wellington	Gippsland	7,647	8,403	97
West Wimmera	South West	2,474	2,260	59
Wodonga	Northern		10,201	2
Yarriambiack	North West	2,253	2,100	43
	South West	4,950	4,853	649
	Gippsland	9,138	9,325	379
	Northern	4,766	4,704	901
	North West	1,669	1,648	281

WESTERN AUSTRALIA

Western Australia
6.1%

Average annual growth over 20 years

Farmland performance (average annual growth)

2015	10.6%
5 years	5.7%
10 years	0.2%
20 years	6.1%

N
8.4%

E
4.5%

C
5.4%

SW
4.3%

SC
6.3%

N Northern

E Eastern

SW South West

C Central

SC South Coast

In 2015, the median price of Western Australian farmland increased by 10.6% compared to 2014.

There have been three distinct periods of growth since 1995:

- 1995 to 2005 saw average annual growth of 12.3%.
- Negative annual growth followed from 2006 to 2010, averaging -5%.
- 2011 to 2015 saw a return to positive growth, averaging 5.7% per year.

The number of transactions between 1995 and 2007 was reasonably consistent, averaging 1,062 per year. The number of transactions then declined to a low of 603 in 2011. Since then, the number has risen to an average of 737 between 2012 and 2015.

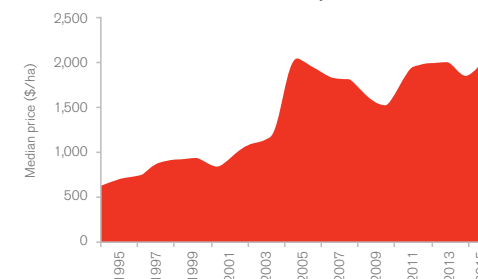
The area of farmland traded in 2015 was 437,000 hectares, representing approximately 2.7% of the state's improved farmland.

The total value of farmland traded in Western Australia in 2015 was approximately \$670 million.

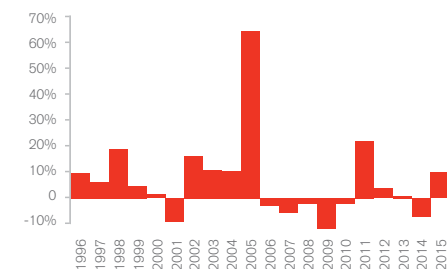
The South Coast region experienced the largest fluctuation in median price in 2015, increasing by 24%. Volatility in the median is in part due to fewer transactions in recent years, which can make the median more sensitive to the mix of land traded. A higher proportion of higher-priced sales can result in a higher median and vice-versa. Other regions experienced mixed growth in 2015; Northern 14.7%, Central 6.9%, South West 4.1%, and Eastern -2.3% (refer charts on next page).

Farmland values are based on all farmland (including improvements), not just arable land. Due to the structure of land ownership and a lack of data the rangeland regions are not covered in this report.

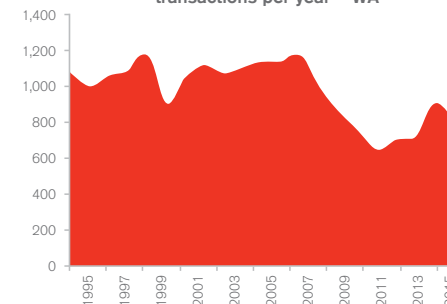
Median farmland price – WA



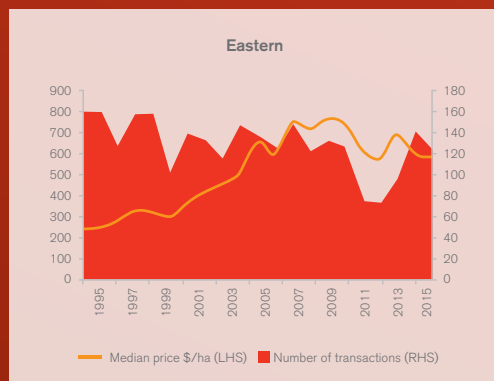
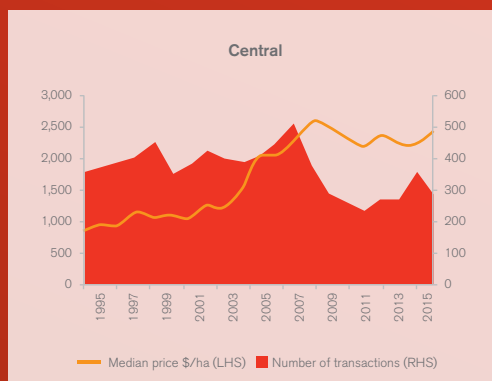
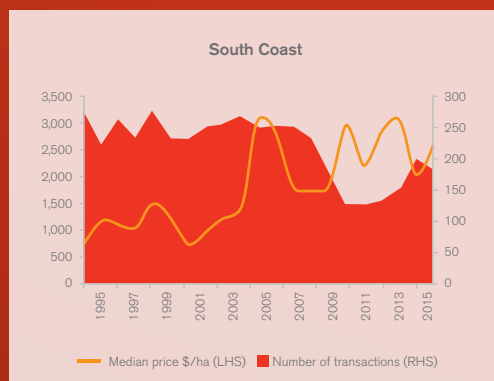
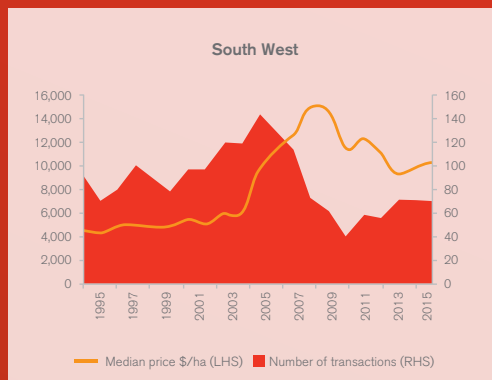
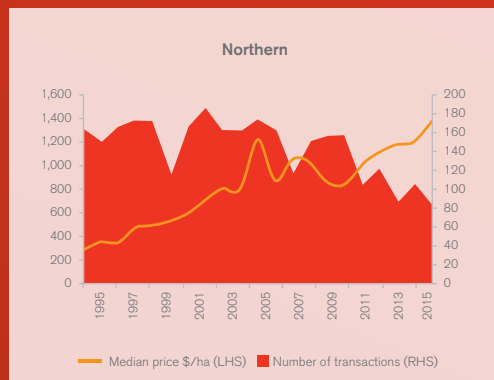
Annual median farmland price growth – WA



Estimated number of farmland transactions per year – WA



WA | REGIONAL PERFORMANCE



FARMLAND SALES BY MUNICIPALITY – WA

*Use price information with a small volume of transactions with caution. The median price for municipalities with less than five sales in 2015 is not reported.

**Refer 'About the research' page

Municipality	Region	Median \$/ha		Est. # of transactions 2015**
		2015*	3 year avg	
Albany	South Coast	5,736	6,043	21
Beverley	Central	3,620	3,134	24
Boddington	South West		3,941	4
Boyup Brook	Central	2,415	3,013	26
Bridgetown-Greenbushes	South Coast	4,091	4,814	12
Brookton	Central	3,217	3,056	15
Broomehill-Tambellup	Central	2,473	2,500	7
Bruce Rock	Central	769	904	6
Busselton	South West	10,224	10,542	17
Capel	South West	13,330	10,987	6
Carnamah	Northern		1,221	4
Chapman Valley	Northern		2,002	4
Collie	South West		7,466	0
Coorow	Northern	601	901	10
Corrigin	Central	1,354	1,290	11
Cranbrook	Central	1,924	1,503	12
Cuballing	Central	3,632	3,306	7
Cunderdin	Central	2,101	1,869	13
Dalwallinu	Northern	507	571	8
Dandaragan	Northern	1,752	1,108	16
Dardanup	South West		14,693	2
Denmark	South Coast		8,718	4
Donnybrook-Balingup	South West	8,058	7,090	12
Dowerin	Central		1,875	3
Dumbleyung	Central	1,518	1,543	11
Esperance	South Coast	2,044	1,580	24
Gnowangerup	South Coast	1,481	1,745	8
Goomalling	Central	2,043	2,178	5
Greater Geraldton	Northern	940	1,155	6
Harvey	South West	9,543	9,511	14
Irwin	Northern	1,436	1,305	5
Jerramungup	South Coast	1,534	1,622	13
Katanning	Central	2,343	2,350	9
Kellerberrin	Central	977	1,094	7
Kent	South Coast	964	1,186	12
Kojonup	Central	2,286	2,589	16
Kondinin	Eastern	807	711	15
Koorda	Eastern	514	605	9
Kulin	Eastern	746	880	12
Lake Grace	Eastern	945	861	14
Manjimup	South Coast	6,901	7,371	23
Merredin	Eastern	861	712	16
Mingenew	Northern		1,412	0
Moora	Northern	1,974	2,655	5

Municipality	Region	Median \$/ha		Est. # of transactions 2015**
		2015*	3 year avg	
Morawa	Northern		448	3
Mount Marshall	Eastern	403	462	16
Mukinbudin	Eastern	395	469	9
Murray	South West	10,046	10,993	11
Nannup	South Coast		7,150	3
Narembeen	Eastern	544	635	23
Narrogin	Central	2,863	2,451	6
Northam	Central	3,748	3,742	6
Northampton	Northern	1,351	1,563	7
Nungarin	Eastern		628	4
Perenjori	Northern	833	597	8
Pingelly	Central	3,058	3,313	10
Plantagenet	South Coast	3,871	3,368	35
Quairading	Central	1,555	1,529	10
Ravensthorpe	South Coast	1,231	1,105	29
Tammin	Central		1,165	3
Three Springs	Northern	1,926	1,685	6
Toodyay	Central		3,050	2
Trayning	Central	939	721	5
Victoria Plains	Central	3,065	3,102	14
Wagin	Central		3,726	2
Wandering	Central		2,261	2
Waroona	South West		13,023	4
West Arthur	Central	1,389	1,611	5
Westonia	Eastern		689	2
Wickepin	Central		1,794	3
Williams	Central	3,525	3,226	7
Wongan-Ballidu	Central	1,168	1,545	5
Woodanilling	Central		2,284	3
Wyalkatchem	Central	959	988	10
Yilgarn	Eastern	326	396	6
York	Central	4,843	4,028	7
	Northern	1,381	1,252	82
	Eastern	595	637	126
	South Coast	2,597	2,578	184
	South West	10,230	9,773	70
	Central	2,371	2,270	272

The median price of Western Australian farmland has followed an upward trend since 1995. Many factors contribute to the movement of land values including drought in 2010, the global financial crisis, commodity prices and consecutive favourable seasons. At a local level, succession planning, managed investment schemes, lifestyle properties and non-traditional farming sales impact the value of farmland. The positive growth of 2015 shows a good level of confidence across the state.

Garry Harvey, Agribusiness Relationship Manager, Rural Bank, Western Australia.



NORTHERN TERRITORY

Northern Territory
6.0%
Average annual growth over 20 years

TE
8.0%

BR
11.8%

Farmland performance (average annual growth)	
2015	-6.4%
5 years	-1.4%
10 years	10.3%
20 years	6.0%

TE Top End BR Beef Regions

*Index numbers simplify the study of disparate data, in this case, the median price of Top End and cattle region farmland. The index base value 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 137, then land values were 37% higher in 2005 than in 2000.

Farmland in the Northern Territory falls into two distinct categories; small holdings in the Top End between Darwin and Katherine, and large cattle stations. There are more sales in the Top End and the value on a dollar-per-hectare basis is significantly different to the cattle regions. The Territory median declined in 2015 due to a higher number of cattle station sales, which placed the median in the lower end of the Top End sales.

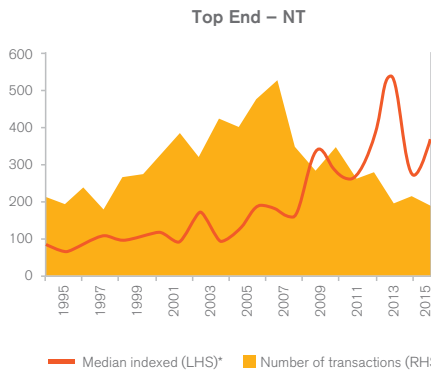
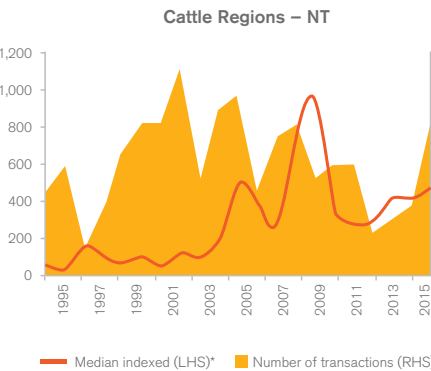
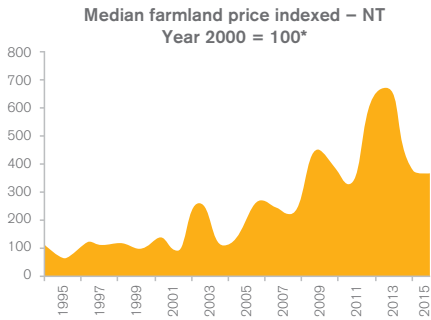
Values of cattle stations have displayed the following growth trends over the past 20 years:

- Values were stable between 1996 and 2001 with average annual growth of 0.2%.
- Average annual growth between 2003 and 2010 was very high at 43.9%.
- The cattle regions have since had four consecutive years of growth.

The median size of properties traded in the cattle regions was 2,069km² in 2015. Over the past 20 years, an average of eight cattle station transactions have occurred per year.

The region between Katherine and Darwin, mainly comprising horticulture properties, has seen two main growth periods in the past 20 years. Between 1995 and 2004, land values grew by a relatively steady average of 1.6% per year. From 2005, average annual growth in land values has been more rapid at 13.6%. The number of properties traded has fallen from a high of 70 in 2007 to 25 in 2015, which is the lowest number since 1998.

Farmland values are based on all farmland (including improvements and sometimes stock), not just arable land.



ABOUT THE RESEARCH

The Australian Farmland Values 2015 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 APM PriceFinder.

This report is a guide to the market value 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 2015 sales will not be captured in this report at the time of publication. The median price for the most recent year is a preliminary one and will be revised at least annually.

The prices used in this report are based on the total sale price and therefore include the value of capital improvements. Growth in values may reflect an element of capital improvement on properties. Similarly, if water entitlements are attached to a land title and sold with the property the value of the water will be included in the sale price. If water entitlements are sold separately from the land, this value will not be captured in the sale price.

Median prices are only a guide to market activity. Compared with an average, the median is not as readily distorted by unusually high or low prices. Even so, in areas where there have been very few sales, the results should be viewed with caution as the year-on-year change in median price may not be indicative of an actual change in farmland value. A higher proportion of lower-priced sales can result in a lower median and vice-versa.

Farmland sales volume is reported as the estimated number of transactions. Farms are 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.

About Ag Answers

Ag Answers is a specialist insights division of Rural Bank and Rural Finance. Recognising that good information is the key to making good business decisions, Ag Answers provides research and analysis into commodities, farmland values, farm business performance and topical agricultural issues to enable farmers to make informed decisions.

About Rural Bank and Rural Finance

Rural Bank has been a wholly-owned subsidiary of Bendigo and Adelaide Bank Limited since 2010 and is the only Australian-owned and operated dedicated agribusiness bank in the country. From 1 July 2014, Victorian agribusiness lender, Rural Finance joined Rural Bank as a division of Bendigo and Adelaide Bank Limited. As a specialist rural lender, Rural Finance has been fostering the sustainable economic growth of rural and regional Victoria for 70 years.

Together, Rural Bank and Rural Finance are supporting farmers and farming communities by providing them with specialist financial tools, industry insights and investment into the future of the Australian agribusiness sector.

The future for agriculture is bright

We provide exceptional financial services, knowledge and leadership for Australian farmers to grow.



For report enquiries:

AG ANSWERS

P 1300 796 101

E ag.answers@ruralfinance.com.au

For banking enquiries:

RURAL BANK

P 1300 660 115

W ruralbank.com.au

RURAL FINANCE

P 1300 796 101

W ruralfinance.com.au

ELDERS

P 1300 618 367

E bankmarketing@elders.com.au

Proudly part of



**Bendigo and
Adelaide Bank**