

Surge in small farm sales

CAMILLE SMITH, The Weekly Times
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CHANGE OF SCENE

Victoria's hottest regions for small farm sales

TOP FIVE most expensive shires by price per hectare, 10-100 hectares

Local government area	2019-20	12-month change
1. Mornington Peninsula	\$170,914	↓ 26.6%
2. Cardinia	\$86,908	↑ 32.5%
3. Greater Geelong	\$68,654	↓ 3.4%
4. Macedon Ranges	\$52,781	↑ 11.6%
5. Nillumbik	\$38,575	↓ 23.3%

TOP FIVE shires by price-per-hectare growth, 10-100 hectares

Local government area	2019-20	2018-19	12-month change
1. Bass Coast	\$34,847	\$21,149	↑ 64.8%
2. Benalla	\$16,913	\$10,575	↑ 59.9%
3. Southern Grampians	\$14,064	\$9750	↑ 44.2%
4. Cardinia	\$86,908	\$65,610	↑ 32.5%
5. West Wimmera	\$8009	\$6482	↑ 23.6%



While expensive small acreage is clustered around Melbourne, prices and sales volumes are strengthening in the southwest and northeast of Victoria.

SMALL farms are in strong demand across Victoria, as revealed today in *Farm* magazine's special report showcasing the hottest regions for lifestyle property sales.

Exclusive data and analysis compiled by Digital Agriculture Services shows sales volume and prices of 10 to 100ha properties have remained steady for the past two years, with a surge in the first quarter of this year.

While the most expensive small farms are clustered close to Melbourne, Mildura makes the top-10 list at No.6, with a median price per hectare of \$36,303.

Shires in the southwest and northeast are also enjoying a surge in sales numbers.

DAS chief executive Anthony Wilmott said the steady rise of median price per hectare and boom in transactions further from Melbourne was likely driven by a combination of competition between tree-changers and established producers increasing aggregations.

“Growth in demand in Victoria’s southwest is really a reflection of people’s desire to move to the country and people having to go further afield to get to those same facilities,” Mr Wilmott said.

The most expensive small farms can be found on the Mornington Peninsula, followed by Cardinia, Greater Geelong, Macedon Ranges and Nillumbik. The most affordable, meanwhile, are in the northwest, with Hindmarsh ranking No.1 for small acreage bargains, followed by the Northern Grampians and Pyrenees.

Of the top 10 highest priced shires, Cardinia and Bass Coast experienced the greatest increases in median price of 10 to 100ha properties, up 32.5 per cent and 64.8 per cent respectively.

Fire-affected Towong, in Victoria’s North East, had a flurry of sales in 2019-20, with 31 small farms sold compared to just 16 the year before.

On the southwest coast, Corangamite also had a sales boom, with 128 properties changing hands compared to 71 in the previous 12-month period, suggesting people are looking past the exclusive peninsulas and central Victorian foodie strongholds in search of a rural lifestyle.

The top five shires for price per hectare growth in 2019-20 were Bass Coast, up 64.8 per cent; Benalla, up 59.9 per cent; Southern Grampians, up 44.2 per cent; Cardinia, up 32.5 per cent and West Wimmera, up 23.6 per cent.

Victoria's hottest spots for lifestyle farms revealed

Prices in this Murray River region rival lifestyle properties near Melbourne. Find out exactly where small farm sales are booming, and where you can snap up a bargain.

CAMILLE SMITH, The Weekly Times
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Sarah and Daniel Ajzner made a treechange from Melbourne to Macedon Ranges seven years ago to run Dreaming Goat Dairy, with their children, Gili, 3 and Avshi, 5. Picture: Andy Rogers

RURAL life has never looked more attractive.

Offering social distance in spades; plenty of space to grow produce and the opportunity to earn an income from an agricultural enterprise, it's no wonder small farms are in demand.

This exclusive report reveals Victoria's most expensive small-farm regions are clustered around Melbourne, with the exception of one rural Murray River location, while the southwest and northeast of the state are experiencing strong volume and price growth.

Data compiled by Digital Agriculture Services shows small farm sales have remained steady year on year, with 2476 small farms sold in Victoria in 2018 and 2444 in 2019. Sales in the first quarter of 2020 are well up on the same period in 2018 and 2019, signalling a potential surge.

SMALL FARM SALES IN VICTORIA

NUMBER OF SALES, 10-100 HECTARES

2018

Jan-Apr: 621

Total: 2476

Median price per hectare (2017-18): \$8488

2019

Jan-Apr: 709

Total: 2444

Median price per hectare (2018-19): \$8651

2020

Jan-Apr: 941

Median price per hectare (2019-20): \$10,319*

**provisional median, some sales data yet to be recorded. Source: Digital Agriculture Services*

The pandemic, say real estate agents and analysts, will fuel sales growth and encourage a fresh wave of treechangers to venture out of urban centres for a new way of life.

Ex-corporate lawyer Sarah Ajzner and her husband, Daniel, made the move from Melbourne to the Macedon Ranges seven years ago. The mother of two runs Dreaming Goat Dairy on 20 hectares, selling gourmet cheeses at farmers' markets.

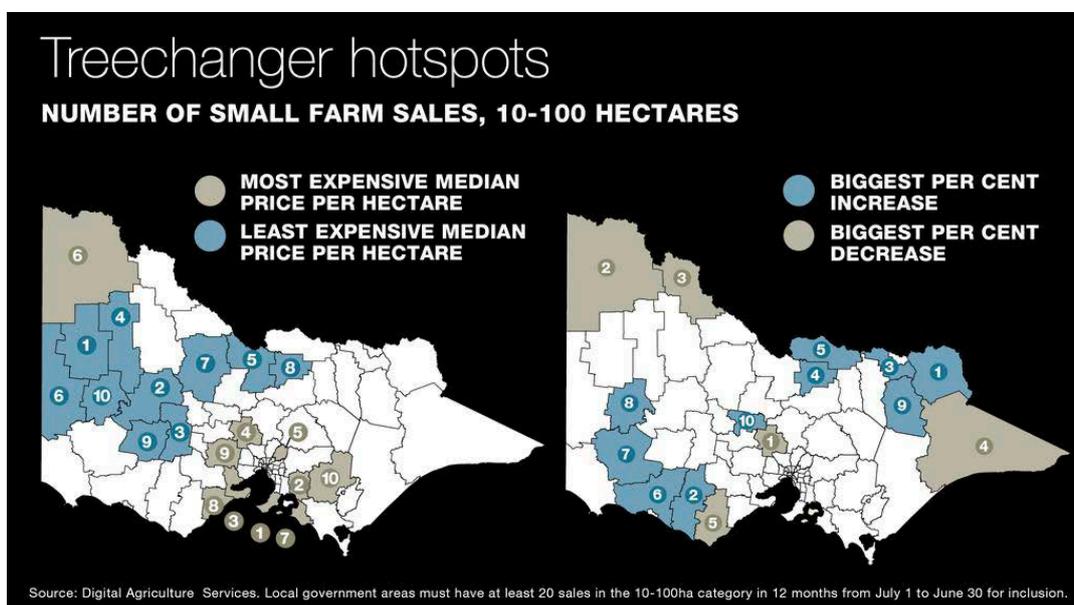


Sarah Ajzner runs Dreaming Goat Dairy in the Macedon Ranges. Picture: Andy Rogers

They chose the central region for its community feel, strong schools, established network of agritourism operators and easy commute to Melbourne – where Daniel works off farm.

“We had assumed lots of things we enjoyed about living in Melbourne would have to be sacrificed by moving to a regional area, but we actually found that all those opportunities that are available living in Melbourne are here as well,” Sarah says. “From the smallest things such as a really good coffee, to finding somewhere to do the exact style of yoga that I want to do.

“In the eight years we have been living here, those things have really expanded as well, and I think it has come with population growth in the area.”



Sales data compiled by Digital Agriculture Services shows Macedon Ranges is the fourth most expensive region in the state for small acreage farms – a median \$52,780 per hectare for properties 10-100 hectares – with prices up 11 per cent on 2018-19.

Macedon had just 34 small farm sales in 2019-20; a big drop from 50 the year before. Price escalation and tightly held land ownership may be behind the shrinking volume.

While Sarah says more far-flung regions such as Victoria's North East and the Grampians are "stunning", Macedon was particularly attractive because of its public transport link to the city.

Predictably, Victoria's most expensive small farms can be found on the Mornington Peninsula, where median sale price is an obnoxious \$3.85 million – or \$170,913 per hectare. It's shockingly steep, yet price per hectare is actually down more than 26 per cent on the previous year.

Treechangers may be turning instead to nearby Bass Coast or Baw Baw Shire.

Bass Coast gained 994 residents last year, and small farm prices surged more than 64 per cent to \$34,846 per hectare. It's Victoria's seventh most expensive area with a median small farm price of \$1.42 million, up 53.5 per cent year on year. Bass Coast prices have surpassed its western cousin – Surf Coast, where median price per hectare is up a mere 3.5 per cent to \$30,038.

Baw Baw is Victoria's 10th most expensive shire for small acreage, at \$26,024 a hectare, down 11.7 per cent.

Mitchell and South Gippsland are also popular spots for buyers, each shire with more than 100 small farm sales a year. Both experienced shrinking volume in 2019-20, with 107 small holdings changing owners in Mitchell, down from 126 in 2018-19, and 132 selling in South Gippsland, down from the previous year's 153.

One rural outlier matches the dizzying land values close to Melbourne.

Home to sun-drenched vineyards and citrus groves in northwest Victoria, Mildura is the sixth most expensive region for small farm sales, at \$36,302 per hectare, up more than 15 per cent on last year.



Almond orchard at Mildura.

Digital Agriculture Services chief executive Anthony Wilmott says sales drivers in the small-acreage market are more complicated than for broadacre rural property.

“For large-scale properties, price is a function of the ability to produce income,” says Anthony, whose business compiles data about value, productivity and sustainability of every rural property sold in Australia.

“For small-scale farms, it is more about the amenities they provide, their locations, nearby communities, services.”

Landholders who want to increase aggregations or help family members join the rural property ladder can also drive demand for smaller acreage.

“We see big swings in the price of small farms often driven by those factors,” Anthony says.

He believes stronger transport links, internet connectivity and new remote working arrangements may give buyers confidence to look further afield.

“A great property with a great house with a great view is very much sought after,” Anthony says.

Corangamite Shire had an additional 57 sales of 10-100ha properties in 2019-20, for a total of 128, up more than 80 per cent year on year.

“Growth in demand in Victoria’s southwest is really a reflection of people’s desire to move to the country and people having to go further afield to get to those same facilities,” Anthony says.

Corangamite mayor Neil Trotter says he is not surprised by the sharp increase.

“We’ve been pretty active in pursuing people to move to the area. It has been a strategy of ours for quite some time,” says Neil, who lives in Timboon, near the popular Twelve Apostles tourism destination and the Great Ocean Road.

Despite the sales swell, the verdant dairy region lost 119 residents in 2019, its population down 0.7 per cent on the previous year, suggesting some small farms are being snapped up by current residents.



Verdant dairy country in Corangamite, near Timboon.

Neil says several strong northern cropping seasons have encouraged growers to invest further south, squeezing supply, but the region also has its fair share of boutique food producers, who boost local employment and tourism.

The Corangamite council has been actively encouraging subdivisions on town fringes to create lifestyle-size plots.

“We thought if there was demand for lifestyle properties perhaps we should be catering for it,” says Neil, explaining the shire frowns upon carving up productive agricultural land outside town boundaries.

DAS's Anthony Wilmott stresses that sustainable management practices can make owning small farms more financially viable.

“There are real challenges in running a profitable, successful farm below 100 hectares, unless you are creating specialist products,” he says. “What we are seeing globally is that there is an increasing market for green bonds and sustainability metrics. We expect farmers will be able to get access to cheaper finance if they can demonstrate they are improving the sustainability of their rural property.”

In well-connected Benalla, southwest of Wangaratta, median price per hectare of small farms has gone up nearly 60 per cent year on year, to \$16,900. Wangaratta real estate agent Garry Nash says if more small acreage properties came on the market in the region, they would shift like wild fire.



Picturesque foothills leading to the alpine region of North East Victoria. Cattle graze at Carboor, near Wangaratta. Picture: Chloe Smith.

“Wangaratta ticks all the boxes,” Garry says. “From a tourist or sporting point of view, there are not too many locations that can offer you great aquatic opportunities at Lake Hume, Lake Mulwala, the King River Dam, then you step up to the alpine ski resorts, they are all within an hour’s reach.

“The pandemic, like in many things, is hastening the decision for people to say, ‘Hell’s bells, there is a better option to this, I can work from home, I only have to go to Melbourne once a month.’”

He says people should consider management responsibilities before buying – “they do

have an obligation to keep it fire safe, the boundaries weed free” – but there are ways to ease into farm ownership.

“Agist it out, lease it out, sharefarm it – we can do all sorts of things so people don’t have to be worried about stepping up to a parcel like that,” Garry says.

Dreaming Goat Dairy’s Sarah Ajzner says people should try farm life before they invest.

“I really think people should experience it for a sustained period of time before making that commitment,” Sarah says.

“It sounds very romantic being a goat farmer and a cheesemaker, but 90 per cent of my job is cleaning, maintenance and packaging.”

TREECHANGER HOTSPOTS

SMALL FARM SALES, 10-100 HECTARES

MOST EXPENSIVE MEDIAN PRICE PER HECTARE

1. Mornington Peninsula

2019-20: \$170,914

2018-19: \$232,868

Per cent change: -26.6%

2. Cardinia

2019-20: \$86,908

2018-19: \$65,610

Per cent change: 32.5%

3. Greater Geelong

2019-20: \$68,654

2018-19: \$71,046

Per cent change: -3.4%

4. Macedon Ranges

2019-20: \$52,781

2018-19: \$47,284

Per cent change: 11.6%

5. Nillumbik

2019-20: \$38,575

2018-19: \$50,316

Per cent change: -23.3%

6. Mildura

2019-20: \$36,303

2018-19: \$31,530

Per cent change: 15.1%

7. Bass Coast

2019-20: \$34,847

2018-19: \$21,149

Per cent change: 64.8%

8. Surf Coast

2019-20: \$30,038

2018-19: \$29,028

Per cent change: 3.5%

9. Moorabool

2019-20: \$28,824

2018-19: \$33,848

Per cent change: -14.8%

10. Baw Baw

2019-20: \$26,024

2018-19: \$29,458

Per cent change: -11.7%

SMALL FARM SALES, 10-100 HECTARES

MOST AFFORDABLE MEDIAN PRICE PER HECTARE

1. Hindmarsh

2019-20: \$4664

2018-19: \$5497

Per cent change: -15.2%

2. Northern Grampians

2019-20: \$5943

2018-19: \$6178
Per cent change: -3.8%

3. Pyrenees

2019-20: \$7219
2018-19: \$6390
Per cent change: 13.0%

4. Yarriambiack

2019-20: \$7659
2018-19: \$14,023
Per cent change: -45.4%

5. Campaspe

2019-20: \$7917
2018-19: \$8889
Per cent change: -10.9%

6. West Wimmera

2019-20: \$8009
2018-19: \$6482
Per cent change: 23.6%

7. Loddon

2019-20: \$8190
2018-19: \$9807
Per cent change: -16.5%

8. Greater Shepparton

2019-20: \$8262
2018-19: \$6823
Per cent change: 21.1%

9. Ararat

2019-20: \$9104
2018-19: \$7581
Per cent change: 20.1%

10. Horsham

2019-20: \$9136
2018-19: \$8546
Per cent change: 6.9%

NUMBER OF SMALL FARM SALES, 10-100 HECTARES

BIGGEST PER CENT INCREASE

1. Towong

2019-20: 31

2018-19: 16

Year-on-year change: 15

Per cent change: 93.8%

2. Corangamite

2019-20: 128

2018-19: 71

Year-on-year change: 57

Per cent change: 80.3%

3. Indigo

2019-20: 44

2018-19: 29

Year-on-year change: 15

Per cent change: 51.7%

4. Greater Shepparton

2019-20: 46

2018-19: 31

Year-on-year change: 15

Per cent change: 48.4%

5. Moira

2019-20: 129

2018-19: 90

Year-on-year change: 39

Per cent change: 43.3%

6. Moyne

2019-20: 53

2018-19: 37

Year-on-year gain: 16

Per cent change: 43.2%

7. Southern Grampians

2019-20: 41

2018-19: 29

Year-on-year change: 12
Per cent change: 41.4%

8. Horsham

2019-20: 56
2018-19: 40
Year-on-year change: 16
Per cent change: 40.0%

9. Alpine

2019-20: 87
2018-19: 68
Year-on-year change: 19
Per cent change: 27.9%

10. Mount Alexander

2019-20: 37
2018-19: 29
Year-on-year change: 8
Per cent change: 27.6%

NUMBER OF SMALL FARM SALES, 10-100 HECTARES

BIGGEST PER CENT DECREASE

1. Macedon Ranges

2019-20: 34
2018-19: 50
Year-on-year change: -16
Per cent change: -32.0%

2. Mildura

2019-20: 21
2018-19: 30
Year-on-year change: -9
Per cent change: -30.0%

3. Swan Hill

2019-20: 27
2018-19: 37
Year-on-year change: -10

Per cent change: -27.0%

4. East Gippsland

2019-20: 67

2018-19: 85

Year-on-year change: -18

Per cent change: -21.2%

5. Colac-Otway

2019-20: 81

2018-19: 102

Year-on-year change: -21

Per cent change: -20.6%

Source: Digital Agriculture Services. Local government areas must have at least 20 sales in the 10-100ha category in 12 months from July 1 to June 30 for inclusion.