

THE STANDARD

SE SATURDAY
HD **Local buyers back in the market**

BY Andrew Miller

WC 548 words

PD 31 December 2016

SN The Warrnambool Standard

SC FWARST

PG 0

LA English

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Domestic purchasers re-entered Victoria's rural property market in 2016, with individuals and syndicates beating off foreign purchasers, according to one of the state's leading agribusiness specialists.

CBRE regional director Danny Thomas said there was strong interest across all sectors.

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"It was cropping land at the beginning of the year, anything with a bit of scale, and that was across the board," he said. "Most recently, in western Victoria, there was very strong interest in anything with livestock or mixed farming and anything with scale."

Domestic purchasers were more than able to hold their own, against foreign investors, he said.

"More and more you are seeing the domestics being able to meet the same value, or very close to the same value, of the foreign purchasers, without the risk of the Foreign Investment Review Board (FIRB)," he said.

He said significant sales included Banongill Station at Skipton, sold to the Laguna Bay Pastoral Company, for a reported price of \$280 million. Laguna Bay was the first asset for the US pension fund-backed Washington State Investment Board. The 6880-hectare cropping and grazing property was owned by former South Melbourne VFL footballer Stewart Gull and his wife Sue.

Another significant sale was Mount Fyans, the first purchase by Harmony Beef and Cattle - a company ultimately owned by the major Chinese group He Sheng. â€‹Located at Dundonnell, the aggregation covers 5900 hectares of contiguous land.

One of CBRE's big sales was the Demeter properties, between Skipton and Ararat. Seven western Victoria farming families joined to fight off foreign and domestic corporate investors to buy the 10 farms across 5200ha for an estimated \$30 million.

"The domestic purchasers are back in the market very, very strongly," Mr Thomas said.

"One of the things that shouldn't be lost on us is that money has become quite cheap, because of the desire of our main banks to get some money out there.

"That lending has meant here have been some farming families out there who, despite the fact income may have been down over the last couple of years, are taking the opportunity to get themselves set, and making some generational purchases."

He said new foreign investment rules, which caused delays in the sale of the Kidman empire, had complicated the sales process.

All land purchases above \$15 million by foreign investors are subject to FIRB approval.

Mr Thomas said agents had not noticed a significant spike in sales of dairy properties, despite the recent trouble in the industry.

"We are not seeing the forced sales coming through, as we did post the Global Financial Crisis (GFC)," he said. "I think the stakeholders and financiers are being pretty sensible, I think they are seeing it as an aberration, it has a massive impact, but a lot of people are being nursed through."

Colliers Agribusiness head Shane McIntyre said 2016 had been one of very few, in the past decade, that had seen properties presented in such wonderful seasonal conditions. There had been unprecedented returns from beef, prime lamb and horticultural activities, with a record crop yield.

"We have seen investment from Europe, from China and the US, at levels not seen for many years," he said.

CO fgivrb : Foreign Investment Review Board
RE victor : Victoria (Australia) | apacz : Asia Pacific | ausnz : Australia/Oceania | austr : Australia
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