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## Latest agriculture data points to a FOMO effect on land values

The latest ANZ Agri InFocus report has found that growth in the Australian farmland property market is being supported by a dramatic decline in the number of properties being sold.

While Australian agricultural land values continue to rise, and production continues to be a major driver of this, an increasingly important factor in this growth has been a lack of properties on the market.

The report shows that over the past five years, the impact of supply of properties on the market has increased in importance by over 20 times, indicating property supply was previously abundant enough to allow the productive output of the land alone to dictate its pricing.

Madeleine Swan, ANZ Associate Director of Agribusiness Research, says that while production and profit still sit as the key indicators of land values, the scarcity of properties on the market is now causing a 'fear of missing out' effect and driving prices up.

"The growth in Australian farmland values has been phenomenal over the past 10 years, but it has raised concerns over what is driving that growth, as growth in agricultural production has been outpaced.

"The latest data shows that where we normally see agricultural output as the sole dictator of value, some of that growth may actually be due to the decline in the number of properties on the market.

"Australian farmland values have been growing at a very strong rate for many years, with national land values growing at an average of 10 per cent per year over the past 10 years. While growth has been focussed in the southern, high-rainfall areas, growth across the country is up from the long-term average of 6.6 per cent per year.

"But the emerging trend in the past five years has been the drop in properties being sold – down over 44 per cent – this dynamic may be pushing land prices up a little more than we'd otherwise expect.

"While the number of properties being sold was not a factor in land price growth until a few years ago, it now constitutes about 17 per cent of the national growth in land values – with 62 per cent of growth attributable to output growth," Ms Swan said.

Across the sectors, forestry land has shown the most significant increase in growth rates in recent years, going from just over 5 per cent per year over the long term, to 15 per cent growth per annum over the past 10 years, as the impact of carbon and biodiversity credits has translated to land values.

Dairy farming in Tasmania and Gippsland, as well as cropping land as a category but in the west in particular, have also performed strongly over the past 10 years. On the other end of the scale, hobby farmland and orchard land have seen less than stellar growth, experiencing the lowest uplift and decline in value for this period.

"The real story hidden behind the figures is the impact of the decline in the number of property transactions in recent years – either the result of properties not fetching high enough bids to lead to a sale, or less impetus to sell following on from some stellar seasons," Ms Swan said.

Further insights can be found in the 2025 winter edition of ANZ's [Agri InFocus Commodity Insights](#) report.

### For media enquiries contact:

**Alexandra La Sala**  
Public Relations Advisor  
Tel: +61 499 292 554

**Kate Power**  
Public Relations Manager  
Tel: +61 481 547 556