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NZ Rural Land Company to list publicly

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The New Zealand Rural Land Company has launched an initial public offering, seeking to raise between \$75 million and \$150 million to buy rural land to then lease to farmers.

The company, which plans to list on the NZX on December 18, would provide New Zealand investors exposure to rural land as an asset class without direct exposure to agricultural operations and commodity price volatility, it said in a statement.

Separating land ownership from agricultural operations increased capital efficiency for tenants and allowed investors to own only the rural land.

NZRLC would seek to negotiate a minimum targeted gross lease rate of 4.5% per annum as part of its acquisition and leasing strategy.

The initial focus was to acquire land in the dairy sector but, in the long-term, it might also acquire land in the sheep and beef, horticulture, viticulture and forestry sectors.

Director Chris Swasbrook said the company considered there was long-term value in rural land and coupling that value with regular and long-term payments made the structure an attractive way to access one of New Zealand's largest and most important asset classes.

"Rural land is the backbone of New Zealand. We see the New Zealand Rural Land Company as providing further support to our world-class agricultural sector and offering it additional stability with long-term capital and New Zealand ownership," he said.

The issue price was \$1.25, 800 shares representing a minimum application amount of \$1000. The offer closes on December 11.

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