

General Economic Commentary, King Country, Year to September 2012

The rural property market is showing signs of improvement, with 25 pastoral farms over 100ha having sold in the last 12 months, still well off the 2008 high of 43 but up considerably on the sales recorded in the last period. The average size was 483.40ha, which included three very large properties. The median net farm price was \$2,740,000 at an average sale price of \$5,668/ha, a substantial decrease on last quarter. This decrease is due to the quality of land sold rather than market sentiment. By individual analysis, there appeared to be a 5.0% uplift in land prices last June 2012. Sales reflective of the market include:



3048 Ohura Road Matiere sold June 2012 for \$1,600,000.

This comprises a 197ha block in two titles with an average to below average level of improvements which included two dwellings. Half of the land is flat and easy undulating. Analysed carrying capacity of 2,430su.



2438 SH4 Mapiu sold July 2012 for \$2,200,000.

This comprises a 332ha block, 2/3rds of which was hill country, the remainder in either easier country or bush. Excellent level of improvements. Average fertility, improved with a four bedroom homestead, woolshed & yards.

13 dairy sales over 40ha were recorded, twice the number of last period. The average size was 114.13ha, the median net sale price being \$2,900,000. The average net sale price per hectare was \$25,332, a substantial increase. The outlook for the remainder of the year looks negative as the dollar remains high and the payout is reduced.

The commercial vacancy rate in Maniapoto Street Otorohanga is 5.9% over 68 tenancies, an improvement on last period with the opening of a new bar and restaurant. In Rora Street Te Kuiti, the vacancy rate is now 17.2% over 64 tenancies, a slight rise with the reopening of a jeweller in the town. In Hakiaha Street Taumarunui, the vacancy rate rose to 15.0% over 60 tenancies with the relocation of a plumbing outlet to a back street and the closure of a gift shop.

6 smaller lifestyle blocks have sold over the last year in Taumarunui with sale numbers remaining steady. The average lifestyle price is \$294,166, the following sales being representative of the market.



101 Kokomiko Road sold May 2012 for \$200,000.

This comprises a 79.35m², 2-bedroom home with ample garaging on a 3.15ha site. Some distance from town. Analysed net rate of dwelling was \$1,015/m². Analysed site value of \$25,000 with the balance at \$14,400/ha.



714 Makokomiko Road sold May 2012 for \$260,000.

This comprises a 207.1m², 5-bedroom home with ample garaging on a 3.90ha site. Some distance from town. Analysed net rate of dwelling was \$600/m². Analysed site value of \$68,000 with the balance at \$29,000/ha.

The Te Kuiti lifestyle market had 17 sales this year, sale numbers down on last period. The average price was \$293,117, with prices constant. The following sales are representative of that market.



1949 SH4 Mapiu sold February 2012 for \$245,000.

This comprises a 4.13ha undulating with an elevated house site and north facing view. Improved with a circa 1960's, 120.30m², three bedroom brick dwelling and ample other buildings. Analysed net rate \$875/m². Analysed land value \$87,500 which included a site value of \$25,000.



166 Paekaka Road sold May 2012 for \$415,000.

This comprises a 3.54 block of land improved with a 4 bedroom bungalow built in the 1970's, together with a double garage and swimming pool. Analysed site value of \$50,000 with the balance at \$30,000/ha. Analysed net rate \$1,275/m².

In Otorohanga, \$363,656 was the average. The average size rose slightly to 1.54ha. 32 sales were recorded, numbers up yet again up on the last two periods. Values appear to be constant. The following sales are representative of that market.



775 Te Raumauku Road sold December 2011 for \$475,000

This comprises a 20.06ha site together with a 188m², 2000's quality bungalow with internal garaging of 36m² and a large implement shed. 13.6ha of bush. Analysed land value \$158,000 which included a site value of \$20,000 and a per hectare rate for easy hill of \$20,000/ha. Analysed net rate \$1,210/m².



21 Whitbourne Road sold April 2012 for \$515,000

This comprises a 7,040m² site together with a 252.20m², 2000's quality four bedroom bungalow with internal garaging of 141.00m². Analysed land value \$160,000, analysed net rate \$990/m².

Ohakune's median house price was \$191,500, a figure very similar to last period. Sale numbers rose by 12% to 36. The average sale price was \$214,932. The lack of disposable income nationwide is still tempering this market.



**23a Lee Street sold June 2012
for \$177,500**

This comprises a 1980's 80m² bungalow, situated on a cross lease section. Carport garage. Analysed net rate of \$2,010/m². Analysed land value \$53,600.



**142 Mangawhero Terrace sold
April 2012 for \$242,500**

This comprises a 2000's, 108m² bungalow, situated on a 342m² site. No garage. Analysed net rate of \$1,490/m². Analysed land value \$63,000.

Taumarunui residential sale numbers rose significantly to 48. The median remained constant at \$96,250 whilst the average sale price increased slightly to \$103,175. Taumarunui is again experiencing a two tier market. Residential investments at the lower end of the market are still under some pressure whilst first home buyers keep the upper end of the market firm.



**21 South Street sold June 2012
for \$95,000**

This comprises a 1920's, 106.6m², two bedroom bungalow, situated on a 569m² site. Carport garage. Analysed net rate of \$555/m². Analysed land value \$30,000.



**50 Totara Street sold April 2012
for \$97,500**

This comprises a 1920's, 103.75m², three bedroom bungalow, situated on a 1,630m² site. Single garage. Analysed net rate of \$675/m². Analysed land value \$10,000.

The Te Kuiti residential median fell by 10% to \$139,000. Sale numbers remained steady at 43, the average sale price falling to \$149,651.



**19 Taupiri Street sold July 2012
for \$139,000**

This comprises a 1940's, 100m², three bedroom bungalow, situated on a 673m² site. Single garage. Analysed net rate of \$905/m². Analysed land value \$35,000.



**7 Jennings Street sold June
2012 for \$157,000**

This comprises a 1910's, 142.40m², four bedroom bungalow, situated on a 979m² site in close proximity to town. Large garage. Analysed net rate of \$700/m². Analysed land value \$35,000.

Otorohanga's median decreased by 10.7% to \$189,750. Sale numbers increased to 38 for the year. The average sale price fell to \$199,474.



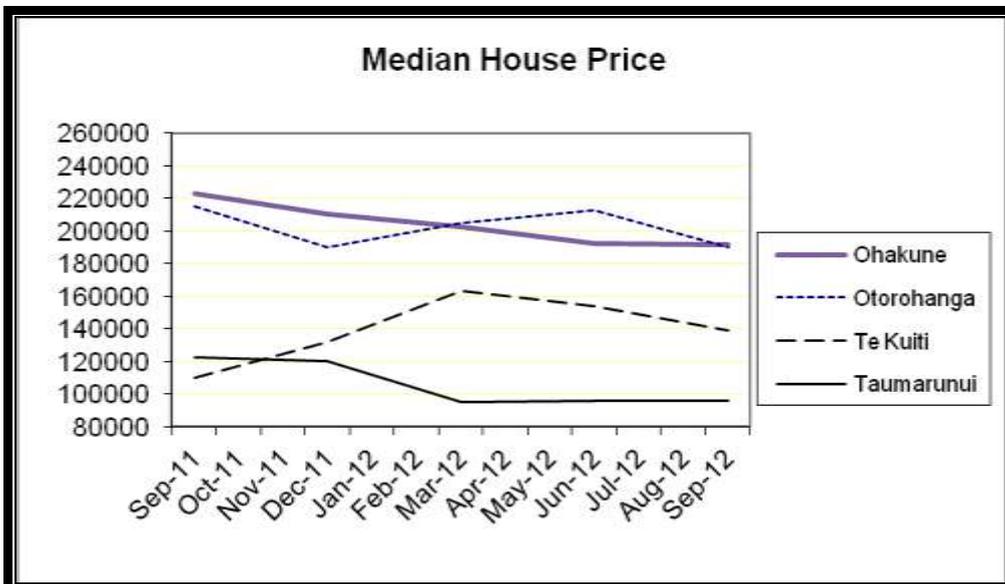
4 Rangitahi Street sold May 2012 for \$185,000

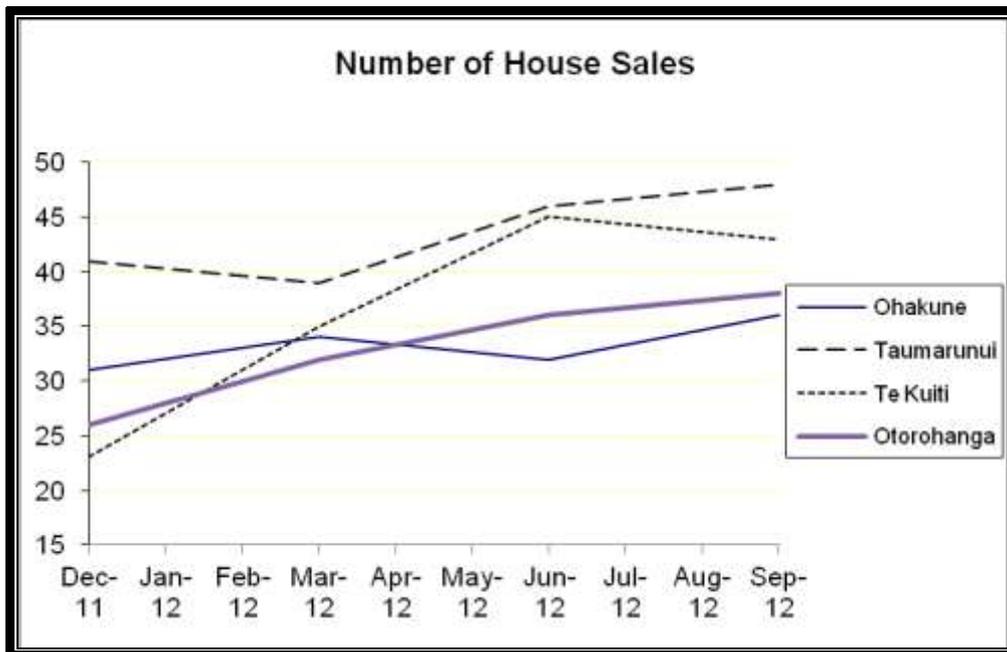
This comprises a 2008, 83.20m², three bedroom bungalow with a large triple garage, situated on a 497m² rear site. Analysed net rate of \$1,115/m². Analysed land value \$61,000.



56 Haerehuka Street sold April 2012 for \$192,500

This comprises a renovated, 1930's, 93.90m², three bedroom bungalow with a single garage, situated on a cross lease title. Not all improvements were shown on the flats plan. Analysed net rate of \$1,215/m². Analysed land value \$52,000.





The national median house price by comparison fell by \$4,000 to \$361,000. The REINZ Monthly Housing Price Index rose 5.2% for the year.

The official cash rate remains steady at 2.50%. Inflation fell to 1.0% and unemployment rose slightly to 6.8%.

This commentary encompasses the past years information and is updated on a quarterly basis. Its purpose is to illustrate property trends in the King Country, which is a region not normally reported upon. Whilst the information contained above may not be specifically relevant to the property being reported upon, it's purpose is to provide a useful barometer for the towns and wider region. It is not intended to be used as, or take the place of, a valuation report, which provides specific and timely property advice. Any persons relying on this commentary do so at their own risk. For back issues, please log on to www.doylevaluations.co.nz