

General Economic Commentary, King Country, Year to December 2015

The rural property market remains strong with 23 pastoral farms over 100ha sold in the last 12 months, 1 less than last quarter. The average size was 372ha, a slight decrease. The median farm price remained stable at \$2,050,000. Dividing the total of all sale prices by the total number of hectares equated to \$6,840/ha, the same as last quarter.

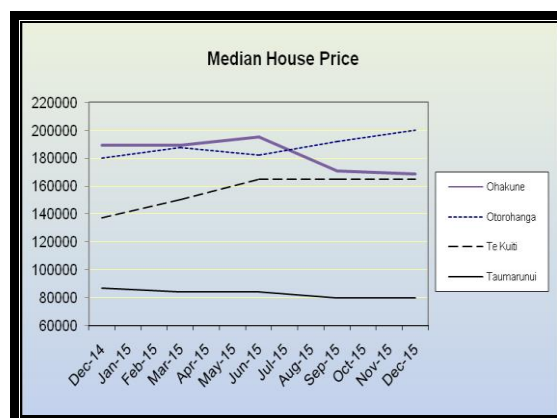
10 dairy sales over 40ha were recorded, 3 less than last period. The average size was 154ha, the median sale price falling by 18% to \$3,300,000. The average sale price per hectare remained steady at \$28,824.

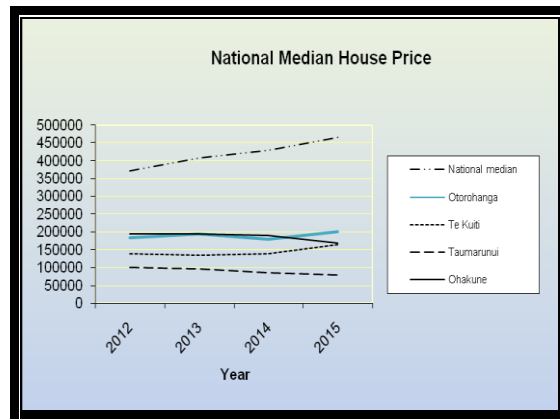
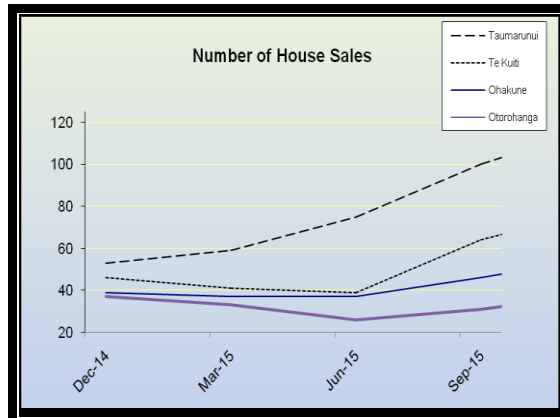
The commercial vacancy rate in Maniapoto Street Otorohanga dropped to 2.82% over 71 tenancies, with only two properties vacant. In Rora Street Te Kuiti, the vacancy rate dropped to 17.65% over 68 tenancies, above the long term average of 15.22%. In Hakiaha Street Taumarunui, the vacancy rate remained at 20.25% over 79 tenancies, still above the long term average of 16.19%.

17 smaller lifestyle blocks have sold over the last year in Taumarunui, with sale numbers up by 2. The average lifestyle price was \$297,882, the average size at 3.60ha. The Te Kuiti lifestyle market had 23 lifestyle sales, 5 more than last period. The average sale price was \$290,114 and the average size was 1.67ha. In Otorohanga, \$426,138 was the average, the average size remaining stable at 1.65ha.

With regards to residential sales, Otorohanga well and truly takes top spot this quarter. It appears to have caught Te Awamutu's bug whilst the rest of the townships continue to sell stock through. Ohakune's median house price fell by \$2,250 to \$168,750. Sale numbers rose to 56. The average sale price fell to \$186,138. Taumarunui residential sale numbers rose again to 119. The median house price remained steady at \$80,000 and the average sale price fell to \$95,187. The Te Kuiti residential median remained steady at \$165,000. Sale numbers increased to 79, the average sale price also rising to \$171,185. Otorohanga's median rose another \$8,000 to \$200,000 whilst sale numbers also rose to 39. The average sale price rose considerably to \$213,321.

The national median house price by comparison fell by \$5,000 to \$460,000. The REINZ Monthly Housing Price Index rose 16.6% for the year.





The official cash rate fell 0.25% to 2.75%. Inflation increased to 0.4% and unemployment rose slightly to 6.0%.

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, its 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