

General Economic Commentary, King Country, Year to December 2014

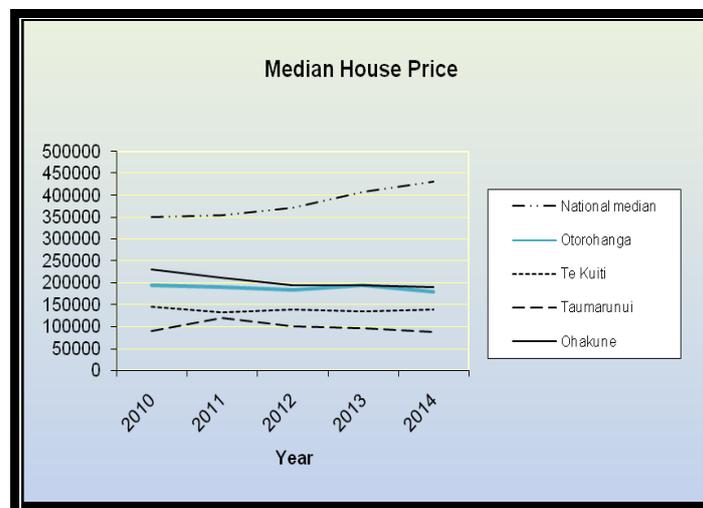
The rural property market remains strong with 32 pastoral farms over 100ha having sold over the last 12 months, the same number as last quarter, still constrained by a shortage of listings. The average size was 357ha, the median farm price at \$2,130,000. Dividing the total of all sale prices by the total number of hectares equated to \$7,000/ha, an 8.6% lift on last quarter. Land values increased 5% in December 2013 and a further 5% in the latter part of this year.

14 dairy sales over 40ha were recorded, 8 less than last period. The average size was 140.70ha, the median sale price falling by 5.3% to \$4,025,000. The average sale price per hectare rose to \$35,607.

The commercial vacancy rate in Maniapoto Street Otorohanga is now 10.00% over 70 tenancies, slightly above the long term average. In Rora Street Te Kuiti, the vacancy rate dropped slightly to 18.46% over 65 tenancies, the highest rate for some time and well above the long term average. In Hakiaha Street Taumarunui, the vacancy rate is unchanged at 18.03% over 60 tenancies, still above the long term average.

15 smaller lifestyle blocks have sold over the last year in Taumarunui, with sale numbers up by 1. The average lifestyle price was \$322,000, the average size at 3.54ha, a 12.5% increase on a per hectare basis. The Te Kuiti lifestyle market had 9 lifestyle sales, an average sale price of \$345,528 and an average size of 2.79ha. This represents \$123,845/ha. In Otorohanga, \$428,417 was the average, the average size rising to 2.79ha, indicating a 10% decline on a per hectare basis. 24 sales were recorded, 2 less than last period.

With regards to residential sales, Ohakune takes top spot from Otorohanga this quarter. Ohakune's median house price rose by 2% to \$189,000. Sale numbers fell by 10% to 39 which may indicate that the market is fully valued at present. The average sale price also rose to \$209,548. Taumarunui residential sale numbers rose to 53. The median house price fell sharply by 15% to \$87,000 and the average sale price also fell to \$110,476. The bottom end of the Taumarunui residential market appears to be hardest hit, with the quality of the housing stock continuing to deteriorate. The Te Kuiti residential median rose by another \$7,500 or 5.75% to \$137,500. Sale numbers fell by 13% to 46, the average sale price also rising to \$152,000. Otorohanga's median fell \$10,000 to \$180,000 whilst sale numbers dropped considerably to 37. The average sale price also fell to \$180,365. The national median house price by comparison rose by \$14,000 to \$430,000 as the gap between urban and rural New Zealand widens. The REINZ Monthly Housing Price Index rose 8.50% for the year.



The official cash rate remains at 3.50%. Inflation decreased yet again to 1.0% and unemployment fell to 5.6%.

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