

General Economic Commentary, King Country, Year to June 2014

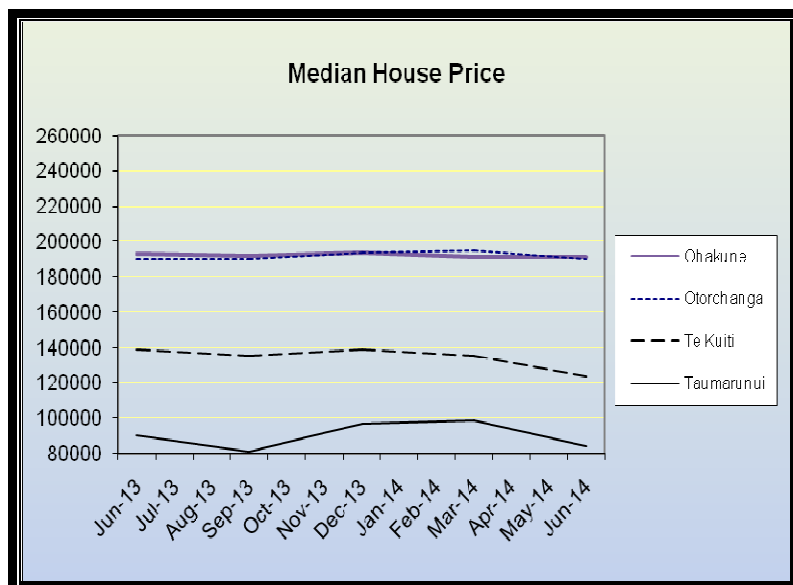
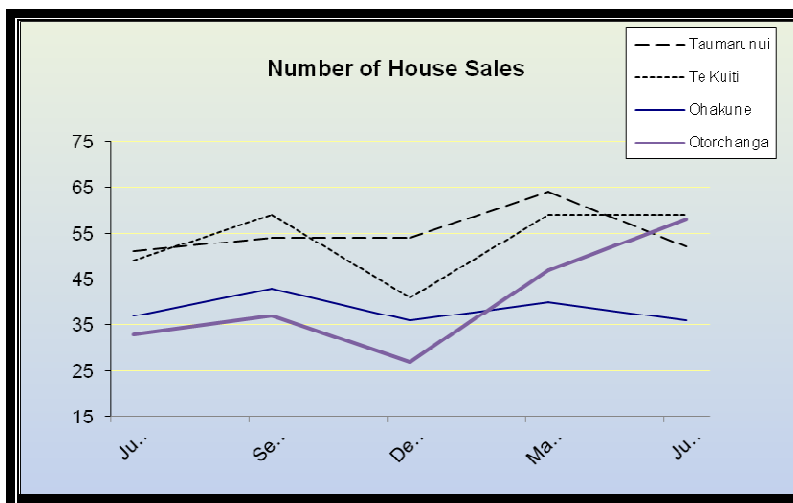
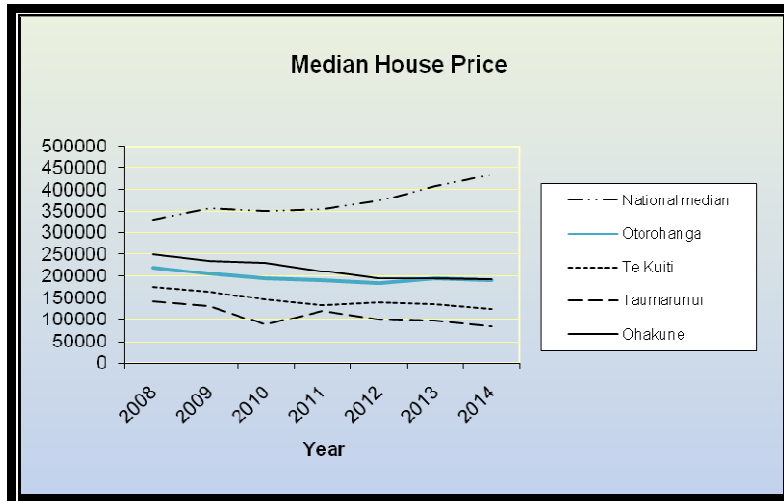
The rural property market has shown signs of improvement with 30 pastoral farms over 100ha having sold over the last 12 months, the same number as last quarter but constrained by a shortage of listings. The average size was 557ha, the median farm price remaining constant at \$2,525,000, again confirmation that the market strengthened in the early part of this year. Dividing the total of all sale prices by the total number of hectares equated to \$6,289/ha. Land values increased 25% at the start of 2013, a further 5% in December 2013 but have remained constant since.

12 dairy sales over 40ha were recorded. The average size was 159.81ha, the median sale price rising considerably to \$3,950,000. The average sale price per hectare also rose considerably to \$24,500.

The commercial vacancy rate in Maniapoto Street Otorohanga dropped slightly to 11.26% over 71 tenancies. In Rora Street Te Kuiti, the vacancy rate rose to 18.18% over 66 tenancies, the highest rate for some time. In Hakiha Street Taumarunui, the vacancy rate remained steady at 22.95%.

8 lifestyle blocks have sold over the last year in Ohakune, the average sale price rising to \$473,250 for an average size of 2.43ha. 15 smaller lifestyle blocks have sold over the last year in Taumarunui, with sale numbers up by 2. The average lifestyle price was \$298,433, the average size at 2.62ha. This market is still improving after a long static period. The Te Kuiti lifestyle market had 11 sales this year. The average price was \$315,364 with an average size of 1.98ha. This market is showing signs of improvement. In Otorohanga, \$436,868 was the average, the average size rising to 1.76ha, culminating in an improving market. 19 sales were recorded, 5 more than last period.

With regards to residential sales, Ohakune takes top spot from Otorohanga this quarter. Ohakune's median house price remained steady at \$191,000. Sale numbers dropped by 10% to 36. The average sale price rose to \$211,614. Taumarunui residential sale numbers fell by 23% to 52. The median house price fell by 17% to \$84,000 and the average sale price also fell to \$97,984. Overall the Taumarunui residential market appears to be bouncing back from the bottom of the cycle but the lower end of the market is still under pressure. The Te Kuiti residential median fell by \$11,500 or 9.33% to \$123,500. Sale numbers fell to 50, the average sale price falling to \$132,020. Otorohanga's median fell by \$5,000 to \$190,000 whilst sale numbers again rose considerably to 58. The average sale price fell to \$189,586. The national median house price by comparison rose by \$30,250 to \$442,250. The REINZ Monthly Housing Price Index rose 8.75% for the year.



The official cash rate rose 0.5% to 3.00%. Inflation has decreased to 1.5% and unemployment remained steady at 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