

General Economic Commentary, King Country, Year to June 2015

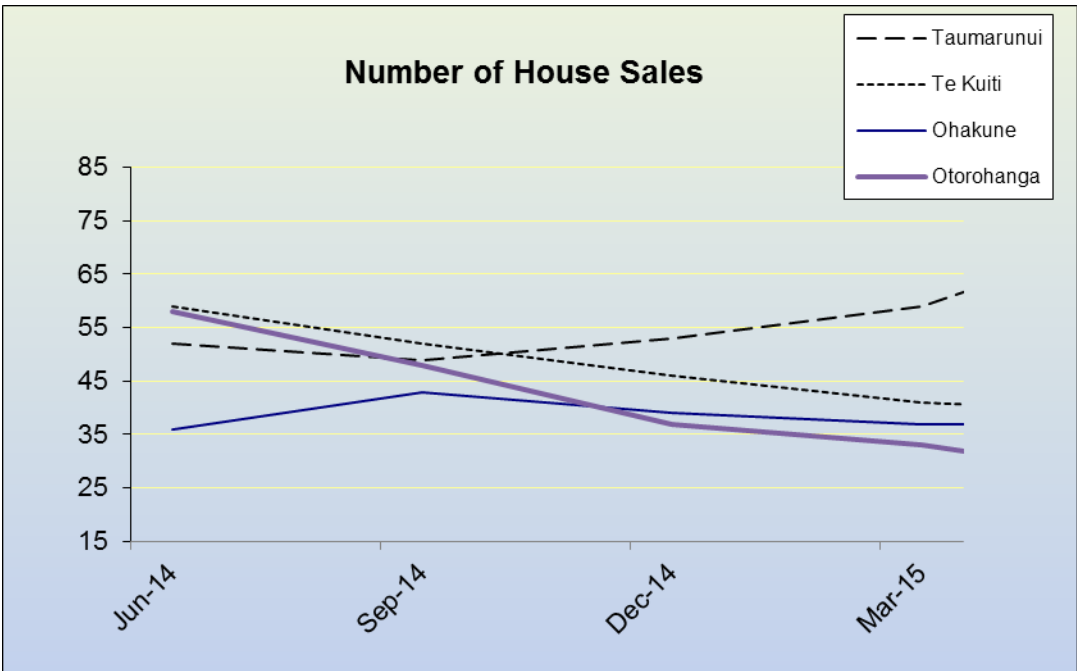
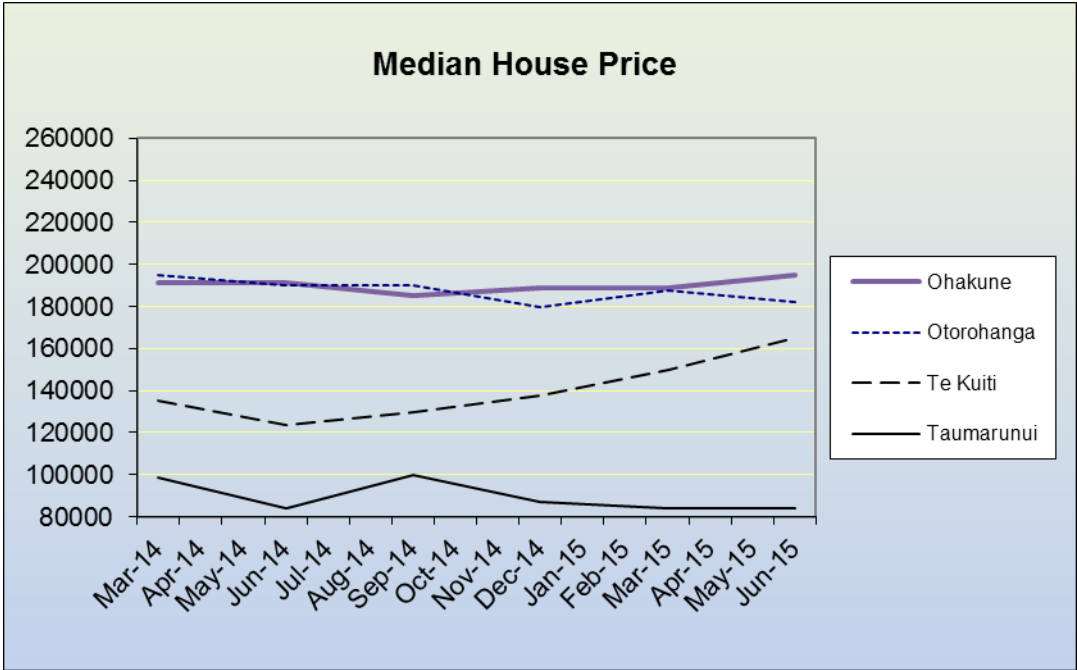
The rural property market remains strong but only 19 pastoral farms over 100ha sold in the last 12 months, 7 less than last quarter and 13 less than six months ago. The average size was 390ha, the median farm price increasing to \$3,120,000. Dividing the total of all sale prices by the total number of hectares equated to \$7,280/ha, the same value as last quarter. Land values increased 5% in December 2013 and a further 5% in the latter part of last year.

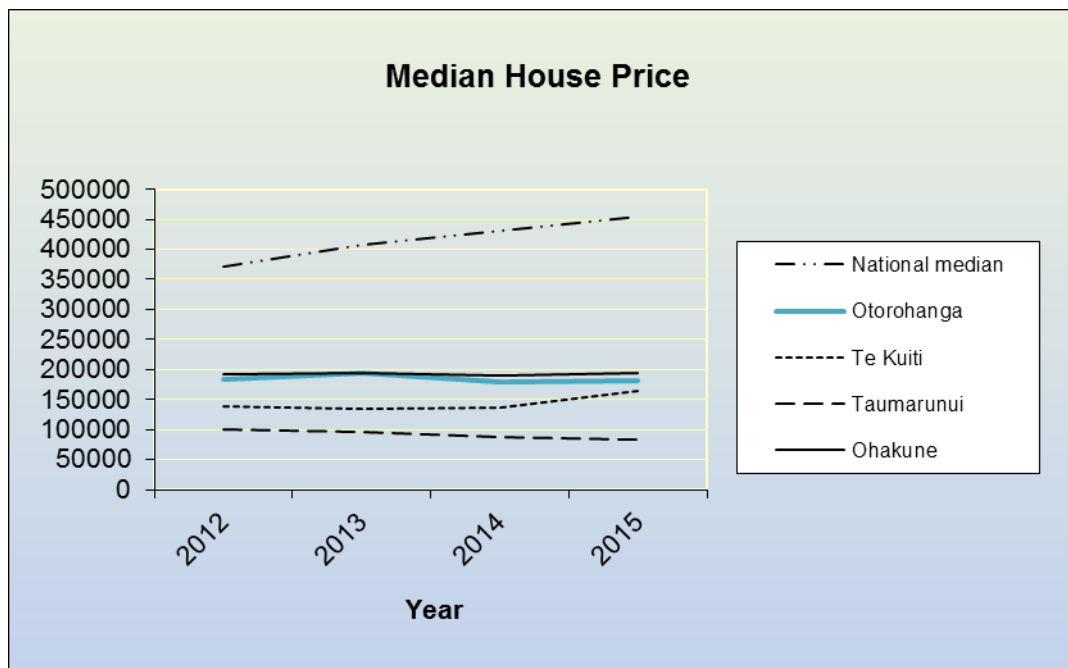
Only 4 dairy sales over 40ha were recorded, 4 less than last period and 10 less than the period before. The average size was 175.2ha, the median sale price rising by 20% to \$5,065,000. The average sale price per hectare fell by 30% to \$29,715.

The commercial vacancy rate in Maniapoto Street Otorohanga dropped to 7.04% over 71 tenancies, below the long term average of 9.11%. In Rora Street Te Kuiti, the vacancy rate remained steady at 19.40% over 67 tenancies, well above the long term average. In Hakiaha Street Taumarunui, the vacancy rate rose to 21.52% over 79 tenancies, still above the long term average of 16.23%.

13 smaller lifestyle blocks have sold over the last year in Taumarunui, with sale numbers up by 2. The average lifestyle price was \$311,962, the average size at 2.96ha, a 20% increase on a per hectare basis. The Te Kuiti lifestyle market had 22 lifestyle sales, an average sale price of \$319,227 and an average size of 1.99ha. This represents \$160,415/ha. In Otorohanga, \$390,646 was the average, the average size falling to 1.42ha. 36 sales were recorded, 13 more than last period.

With regards to residential sales, Ohakune takes top spot from Otorohanga this quarter. Ohakune's median house price rose by \$6,000 to \$195,000. Sale numbers remained steady at 37. The average sale price rose to \$212,993. Taumarunui residential sale numbers rose again to 75. The median house price remained steady at \$84,000 and the average sale price fell to \$100,513. The Te Kuiti residential median rose by another \$15,000 or 10% to \$165,000. Sale numbers increased to 39, the average sale price also rising to \$163,764. Otorohanga's median fell \$5,500 to \$182,000 whilst sale numbers dropped again to 26. The average sale price remained steady at \$180,894. The national median house price by comparison rose \$29,000 to \$455,000. The REINZ Monthly Housing Price Index rose 9.30% for the year.





The official cash rate remains at 3.50%. Inflation decreased yet again to 0.1% and unemployment rose slightly to 5.8%.

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, 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