

## General Economic Commentary, King Country, Year to June 2016

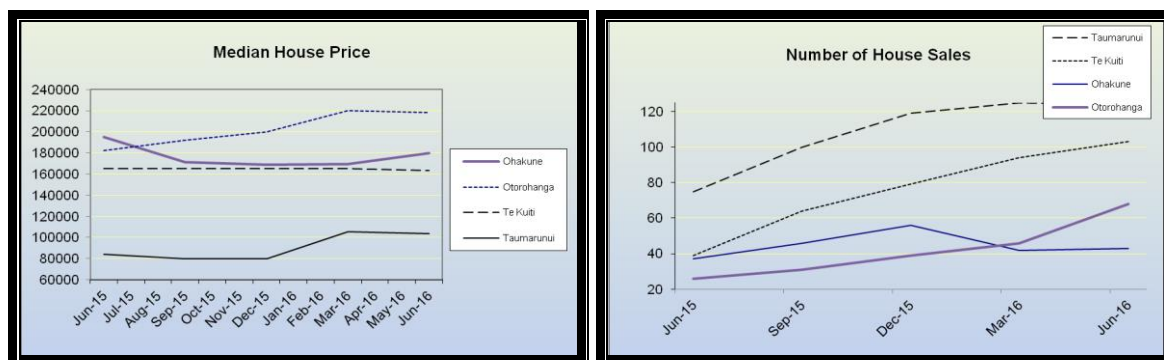
The rural property market witnessed an increase in activity with 23 pastoral farms over 100ha selling in the last 12 months, 35% more than last quarter. The average size was 888ha. The median farm price fell to \$2,250,000. Dividing the total of all sale prices by the total number of hectares equated to \$4,700/ha, a significant decrease on last quarter but influenced by three, very large sales. Removing those sales equated to \$5,077/ha, a 22% decrease on last quarter, the average size being 479ha.

8 dairy sales over 40ha were recorded, 1 less than last period. The average size was 173.9ha, the median sale price falling by 27.5% to \$2,750,000. The average sale price per hectare fell by 15% to \$24,900. The rural analysis above confirms the hypothesis that margin farming operations are the first to sell in tough economic times.

The commercial vacancy rate in Maniapoto Street Otorohanga remains at 2.67% over 75 tenancies, below the long term average of 8.09%. In Rora Street Te Kuiti, the vacancy rate fell to 17.81% over 73 tenancies, above the long term average of 16.34%. In Hakiha Street Taumarunui, the vacancy rate remains at 24.05% over 79 tenancies, well above the long term average of 17.31%.

15 smaller lifestyle blocks have sold over the last year in Taumarunui, with sale numbers down by 3. The average lifestyle price rose 7.0% to \$312,150, the average size at 2.67ha. The Te Kuiti lifestyle market had 19 lifestyle sales, 2 more than last period. The average sale price rose 2.1% to \$268,316 and the average size was 1.56ha. In Otorohanga, the average declined 5.3% to \$402,871 average, the average size declining to 1.67ha. 48 sales were recorded.

Ohakune's median house price rose by \$10,500 to \$180,000. Sale numbers remained steady at 43. The average sale price rose to \$197,581. Taumarunui residential sale numbers remained steady at 124. The median house price fell slightly to \$103,700 and the average sale price rose to \$112,000. The Te Kuiti residential median fell slightly to \$163,500. Sale numbers increased to 103, the average sale price steady at \$170,000. Otorohanga's median also decreased slightly to \$218,183 whilst sale numbers rose considerable to 68. The average sale price fell considerably to \$224,998.



The national median house price by comparison rose by \$30,000 to \$490,000. The REINZ Monthly Housing Price Index rose 12.0% for the year.

The official cash rate fell 0.25% to 2.25%. Inflation increased to 0.4% and unemployment rose to 5.7%.

*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](http://www.doylevaluations.co.nz)*