

General Economic Commentary, King Country, Year to March 2015

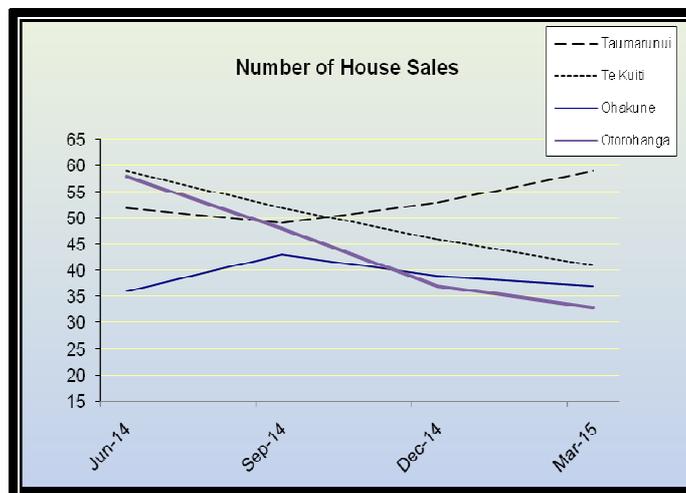
The rural property market remains strong but only 26 pastoral farms over 100ha sold in the last 12 months, 6 less than last quarter, the market still constrained by a shortage of listings. The average size was 337ha, the median farm price increasing by 5.9% to \$2,255,000. Dividing the total of all sale prices by the total number of hectares equated to \$7,230/ha, a 3.3% lift on last quarter. Land values increased 5% in December 2013 and a further 5% in the latter part of last year.

8 dairy sales over 40ha were recorded, 6 less than last period and 14 less than the period before. The average size was 142.23ha, the median sale price rising by 4.4% to \$4,205,000. The average sale price per hectare rose by 19.3% to \$42,495. The lower payout has had little effect on property values.

The commercial vacancy rate in Maniapoto Street Otorohanga dropped to 8.45% over 71 tenancies, slightly below the long term average. In Rora Street Te Kuiti, the vacancy rate rose slightly to 19.40% over 67 tenancies, the highest rate for some time and well above the long term average. In Hakiha Street Taumarunui, the vacancy rate has been amended to now include all properties from McDonalds to Beaurepairs. It remains approximately the same at 17.72% over 79 tenancies, still above the long term average.

11 smaller lifestyle blocks have sold over the last year in Taumarunui, with sale numbers down by 4. The average lifestyle price was \$325,000, the average size at 3.77ha, a 5.3% decrease on a per hectare basis. The Te Kuiti lifestyle market had 7 lifestyle sales, an average sale price of \$345,679 and an average size of 2.68a. This represents \$128,984/ha. In Otorohanga, \$417,163 was the average, the average size falling to 1.89ha. 23 sales were recorded, 1 less than last period.

With regards to residential sales, Ohakune again takes top spot from Otorohanga this quarter but the gap is closing. Ohakune's median house price remained steady at \$189,000. Sale numbers fell again to 37. The average sale price fell slightly to \$205,547. Taumarunui residential sale numbers rose again to 59. The median house price fell sharply to \$84,000 and the average sale price also fell to \$104,864. The Te Kuiti residential median rose by another \$12,500 or 9% to \$150,000. Sale numbers fell by another 12% to 33, the average sale price also rising to \$161,700. This Te Kuiti statistic belies the fact that there is downward pressure on property values due to a lack of buyers at present. It is anticipated that this median will decline in future. Otorohanga's median rose \$7,500 to \$187,500 whilst sale numbers dropped again to 33. The average sale price remained steady at \$180,727. The national median house price by comparison fell by \$4,000 to \$426,000. The REINZ Monthly Housing Price Index rose 7.50% for the year.



The official cash rate remains at 3.50%. Inflation decreased yet again to 0.8% and unemployment rose slightly 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