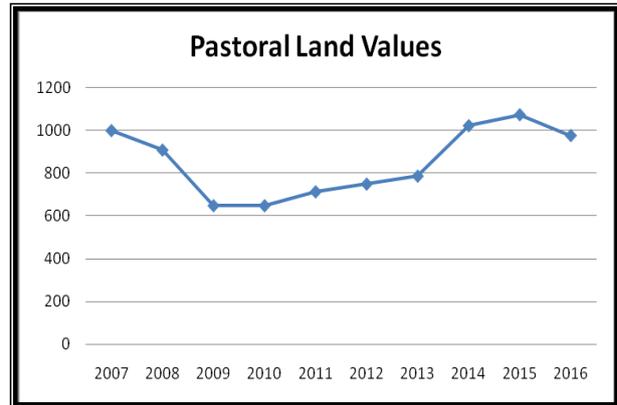


General Economic Commentary, King Country, Year to March 2016

The rural property market is slowing with only 17 pastoral farms over 100ha sold in the last 12 months, 6 less than last quarter. The average size was 388ha. The median farm price increased to \$2,425,000. Dividing the total of all sale prices by the total number of hectares equated to \$6,492/ha, a 5% decrease on last quarter. The following graph is based on empirical evidence, with 2007 as the base year (1,000).

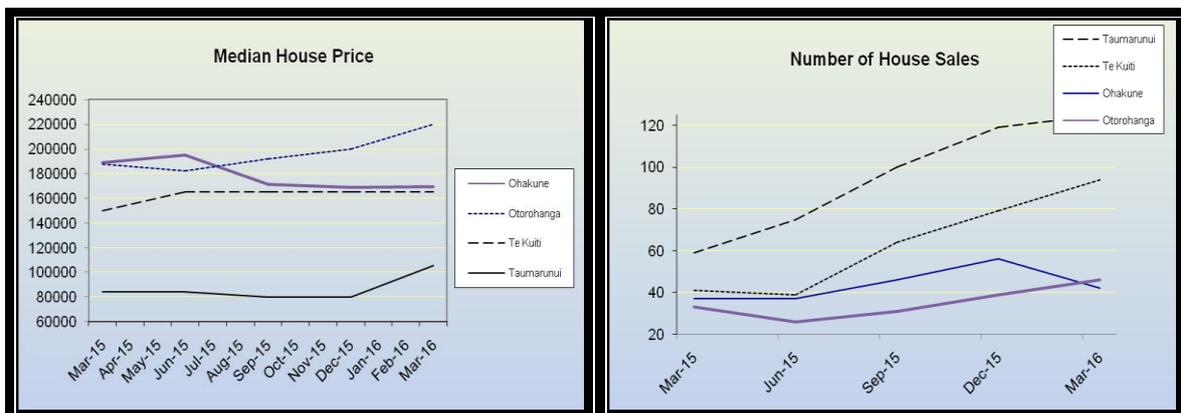


9 dairy sales over 40ha were recorded, 1 less than last period. The average size was 157.8ha, the median sale price rising by 15% to \$3,800,000. The average sale price per hectare rose slightly to \$29,300.

The commercial vacancy rate in Maniapoto Street Otorohanga dropped to 2.67% over 75 tenancies. In Rora Street Te Kuiti, the vacancy rate rose to 18.06% over 72 tenancies, above the long term average of 15.45%. In Hakiha Street Taumarunui, the vacancy rate rose to 24.05% over 79 tenancies, well above the long term average of 17.00%.

18 smaller lifestyle blocks have sold over the last year in Taumarunui, with sale numbers up by 1. The average lifestyle price rose to \$307,833, the average size at 2.62ha. The Te Kuiti lifestyle market had 17 lifestyle sales, 6 less than last period. The average sale price was \$262,647 and the average size was 1.59ha. In Otorohanga, \$425,021 was the average, the average size increasing to 1.87ha. 48 sales were recorded.

Ohakune's median house price rose by \$750 to \$169,500. Sale numbers fell to 42. The average sale price rose to \$187,553. Taumarunui residential sale numbers rose again to 125. The median house price rocketed to \$105,400 and the average sale price also rose to \$110,500. The Te Kuiti residential median remained steady at \$165,000. Sale numbers increased to 94, the average sale price steady at \$170,993. Otorohanga's median increased another \$20,000 to \$220,000 whilst sale numbers rose to 46. The average sale price increased considerably to \$232,348.



The national median house price by comparison fell by \$5,000 to \$460,000. The REINZ Monthly Housing Price Index rose 16.6% for the year.

The official cash rate fell 0.25% to 2.50%. Inflation increased to 0.1% and unemployment fell to 5.3%.

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