

## General Economic Commentary, King Country, Year to September 2015

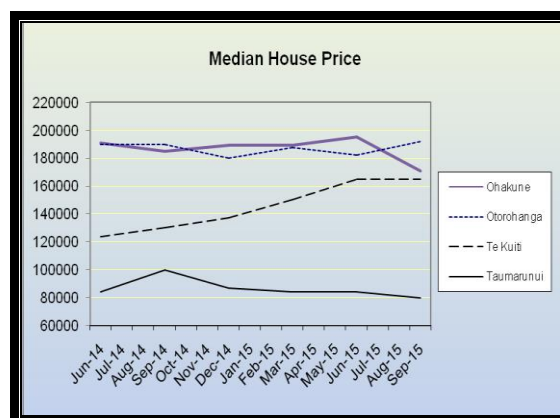
The rural property market remains strong with 24 pastoral farms over 100ha sold in the last 12 months, 5 more than last quarter. The average size was 402ha, a slight increase. The median farm price declined to \$2,050,000. Dividing the total of all sale prices by the total number of hectares equated to \$6,800/ha, a 7% decrease on last quarter.

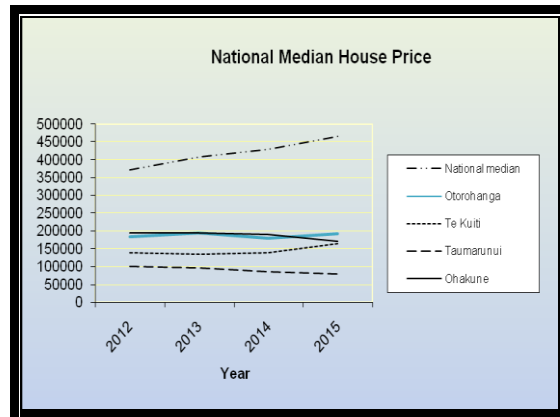
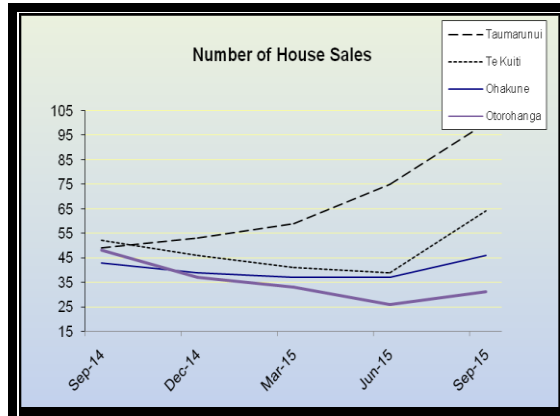
13 dairy sales over 40ha were recorded, 3 times that of last period. The average size was 155ha, the median sale price falling by 20% to \$4,025,000. The average sale price per hectare fell by 4% to \$28,540.

The commercial vacancy rate in Maniapoto Street Otorohanga dropped to 5.63% over 71 tenancies, below the long term average of 8.60%. In Rora Street Te Kuiti, the vacancy rate dropped to 17.91% over 67 tenancies, above the long term average of 15.22%. In Hakiaha Street Taumarunui, the vacancy rate dropped to 20.25% over 79 tenancies, still above the long term average of 16.44%.

15 smaller lifestyle blocks have sold over the last year in Taumarunui, with sale numbers up by 2. The average lifestyle price was \$295,600, the average size at 2.71ha, a 3.3% increase on a per hectare basis. The Te Kuiti lifestyle market had 18 lifestyle sales, with an average sale price of \$292,555 and an average size of 1.77ha. This represents \$164,820/ha, an increase of 2.7%. In Otorohanga, \$315,303 was the average, the average size rising to 1.63ha. This represents \$193,437/ha, a decline of 30%. 37 sales were recorded, one more than last period.

With regards to residential sales, Otorohanga takes back top spot from Ohakune this quarter. Ohakune's median house price fell by \$24,000 to \$171,000. Sale numbers rose to 46. The average sale price fell to \$189,331. Taumarunui residential sale numbers rose again to 100, the first three digit number since 2008. The median house price fell by \$4,000 to \$80,000 and the average sale price also fell to \$99,490. The Te Kuiti residential median remained steady at \$165,000. Sale numbers increased to 64, the average sale price also rising to \$169,970. Otorohanga's median rose \$10,000 to \$192,000 whilst sale numbers also rose to 31. The average sale price rose considerably to \$204,827. The national median house price by comparison rose by \$10,000 to \$465,000. The REINZ Monthly Housing Price Index rose 14.6% for the year.





The official cash rate fell 0.5% to 3.00%. Inflation increased to 0.3% and unemployment rose slightly to 5.9%.

*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)*