

## General Economic Commentary, King Country, Year to September 2014

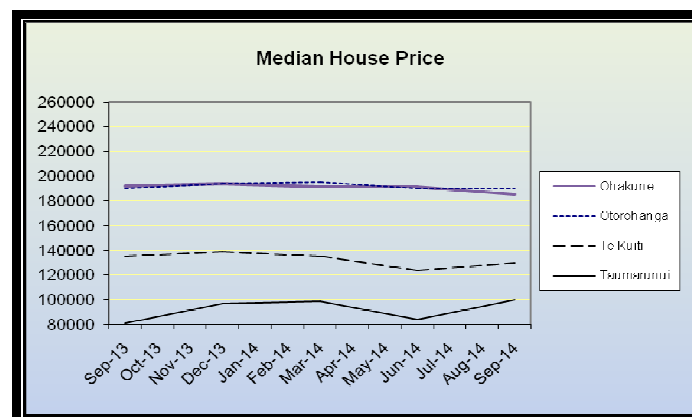
The rural property market remains strong with 31 pastoral farms over 100ha having sold over the last 12 months, the same number as last quarter, still constrained by a shortage of listings. The average size was 432ha, the median farm price at \$1,930,000. Dividing the total of all sale prices by the total number of hectares equated to \$6,443/ha, a 2.5% lift on last quarter. Land values increased 25% at the start of 2013 with a further 5% in December 2013. Prices have remained constant since.

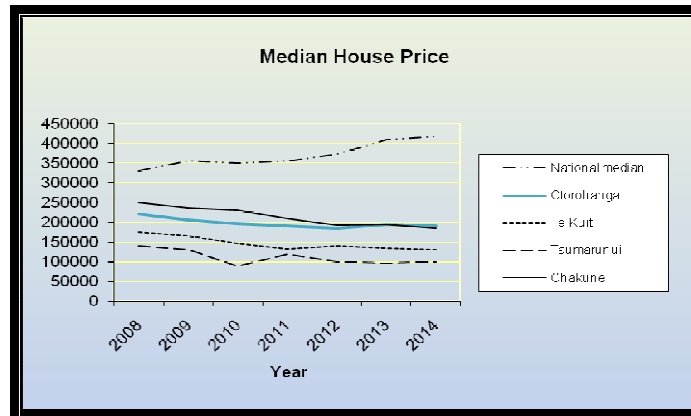
21 dairy sales over 40ha were recorded, almost double that of last period. The average size was 146.21ha, the median sale price rising by 7.5% to \$4,250,000. The average sale price per hectare also rose to \$33,330.

The commercial vacancy rate in Maniapoto Street Otorohanga dropped by 1.4% to 9.86% over 71 tenancies, slightly above the long term average. In Rora Street Te Kuiti, the vacancy rate rose again to 19.70% over 66 tenancies, the highest rate for some time and well above the long term average. In Hakiha Street Taumarunui, the vacancy rate dropped by 4.95% to 18.03% over 60 tenancies but is still above the long term average.

14 smaller lifestyle blocks have sold over the last year in Taumarunui, with sale numbers down by 1. The average lifestyle price was \$306,929, the average size at 3.80ha. The Te Kuiti lifestyle market cannot be reported upon due to staff shortages in the Waitomo District Council and a restricted flow of sales information. In Otorohanga, \$410,385 was the average, the average size rising to 2.40ha. 26 sales were recorded, 7 more than last period.

With regards to residential sales, Otorohanga takes top spot from Ohakune this quarter. Ohakune's median house price dropped by 3% to \$185,000 as supply continues to outstrip demand. Sale numbers rose by 19% to 43. The average sale price dropped to \$199,276. Taumarunui residential sale numbers fell again to 49. The median house price rose by 19% to \$100,000 and the average sale price also rose to \$114,469. Overall the Taumarunui residential market appears to be bouncing back from the bottom of the cycle. Similarly, the Te Kuiti residential median rose by \$6,500 or 5.25% to \$130,000. Sale numbers rose slightly to 52, the average sale price also rising to \$144,642. Otorohanga's median remained at \$190,000 whilst sale numbers dropped considerably to 48. The average sale price fell to \$184,115. The national median house price by comparison dropped by \$26,250 to \$416,000. The REINZ Monthly Housing Price Index rose 5.90% for the year.





The official cash rate rose 0.5% to 3.50%. Inflation has decreased to 1.6% and unemployment remained steady at 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)*