

General Economic Commentary, King Country, Year to December 2016

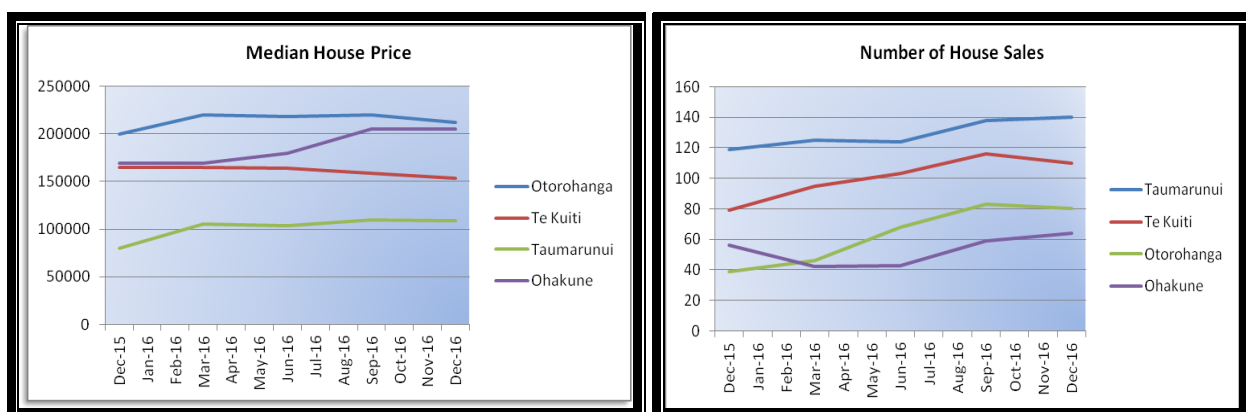
The rural property market witnessed a decrease in activity with 23 pastoral farms over 100ha selling in the last 12 months, 30% less than last quarter. The average size was 455.9ha. The median farm price fell to \$1,700,000. Dividing the total of all sale prices by the total number of hectares equated to \$5,098/ha, a 15% decrease on last quarter. The market appears muted at present.

12 dairy sales over 40ha were recorded, 20% less than last period. The average size was 152.56ha, the median sale price rising by 15% to \$3,450,000. The average sale price per hectare fell to \$20,961.

The commercial vacancy rate in Maniapoto Street Otorohanga rose to 6.67% over 75 tenancies, still below the long term average of 7.80% but important in that two banks have now left town. In Rora Street Te Kuiti, the vacancy rate rose to 20.55% over 73 tenancies, above the long term average of 16.57%. In Hakiha Street Taumarunui, the vacancy rate fell to 20.51% over 78 tenancies, still above the long term average of 17.74%.

21 smaller lifestyle blocks have sold over the last year in Taumarunui, with sale numbers down by 3. The average lifestyle price fell slightly to \$305,488, the average size at 2.35ha. The Te Kuiti lifestyle market had 25 lifestyle sales, 2 less than last period. The average sale price rose 7.3% to \$355,300 and the average size was 2.34ha. In Otorohanga, the average rose to \$440,953, the average size rising to 1.61ha. 50 sales were recorded.

Ohakune's median house price remained steady at \$205,000. Sale numbers rose to 64. The average sale price rose to \$220,709. Taumarunui residential sale numbers also rose to 140. The median house price fell by \$1,500 to \$108,500 and the average sale price also fell to \$118,380. The Te Kuiti residential median fell by \$5,250 to \$153,500. Sale numbers fell to 110, the average sale price falling to \$162,640. Otorohanga's median fell by \$8,500 to \$211,500 whilst sale numbers fell slightly to 80. The average sale price fell slightly to \$223,597.



The national median house price by comparison rose by \$10,000 to \$510,000. The official cash rate fell 0.25% to 1.75%. Inflation rose to 0.4% and unemployment remained steady at 4.9%.

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