

General Economic Commentary, King Country, Year to September 2016

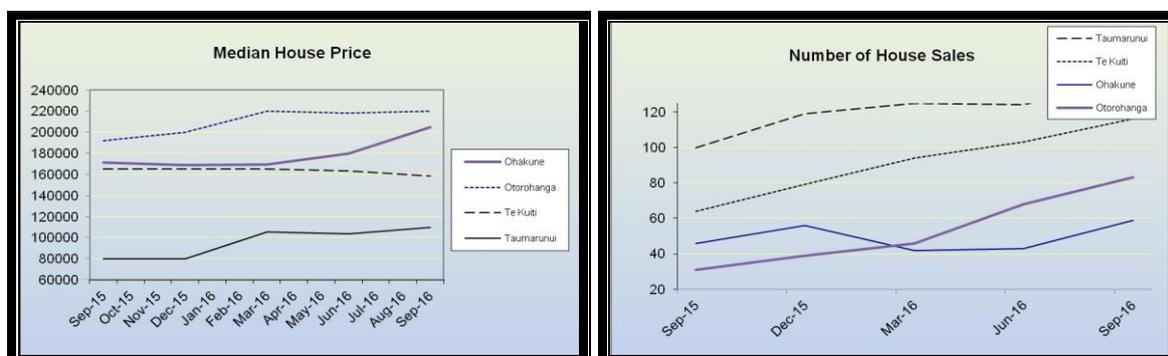
The rural property market witnessed an increase in activity with 32 pastoral farms over 100ha selling in the last 12 months, 39% more than last quarter. The average size was 458.5ha. The median farm price fell to \$2,000,000. Dividing the total of all sale prices by the total number of hectares equated to \$5,891/ha, a significant increase on last quarter. There has been a significant rise in land values of properties suitable for the production of manuka honey.

15 dairy sales over 40ha were recorded, twice as many as last period. The average size was 99.40ha, a 47% decrease, the median sale price rising by 30% to \$3,000,000. The average sale price per hectare rose by 30% to \$28,962. These statistics defy economic theory and it is noted that the average size decreased significantly between the periods. This could be due to smaller, neighbouring blocks coming on stream at higher per hectare rates due to their smaller size.

The commercial vacancy rate in Maniapoto Street Otorohanga remains at 2.67% over 75 tenancies, below the long term average of 7.85%. In Rora Street Te Kuiti, the vacancy rate remained at 17.81% over 73 tenancies, above the long term average of 16.40%. In Hakiha Street Taumarunui, the vacancy rate rose to 24.36% over 78 tenancies, well above the long term average of 17.62%.

24 smaller lifestyle blocks have sold over the last year in Taumarunui, with sale numbers up by 9. The average lifestyle price fell 2.0% to \$306,469, the average size at 2.52ha. The Te Kuiti lifestyle market had 27 lifestyle sales, 8 more than last period. The average sale price rose 23% to \$331,000 and the average size was 1.90ha. In Otorohanga, the average rose to \$409,617, the average size declining to 1.41ha. 53 sales were recorded.

Ohakune's median house price rose by \$25,000 to \$205,000. Sale numbers rose to 59. The average sale price rose to \$213,689. Taumarunui residential sale numbers also rose to 138. The median house price rose by \$6,300 to \$110,000 and the average sale price rose to \$120,756. The Te Kuiti residential median fell slightly to \$158,750. Sale numbers increased to 116, the average sale price falling to \$164,350. Otorohanga's median rose to \$220,000 whilst sale numbers rose considerable to 83. The average sale price remained stable at \$225,997.



The national median house price by comparison rose by \$10,000 to \$500,000. The REINZ Monthly Housing Price Index rose 16.0% for the year.

The official cash rate fell 0.25% to 2.00%. Inflation remained at 0.4% and unemployment rose to 5.1%.

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