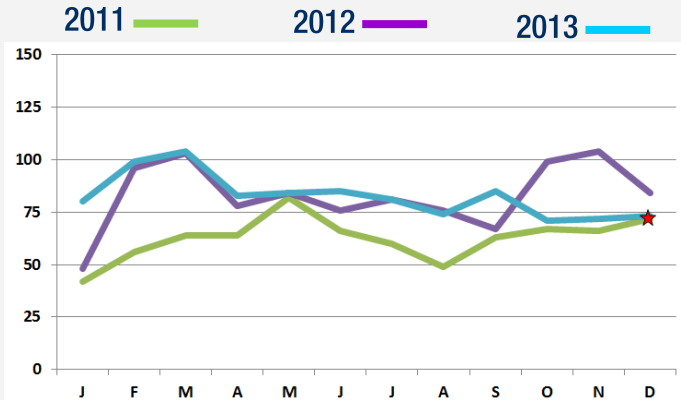


MARLBOROUGH

December Overview

Residential sales for Marlborough/Kaikoura remain steady with 73 in December compared to November's 72 sales. Section sales are up at 14 but this is mainly due to titles being released for the Boulevard Park on Taylor subdivision. The median sale price for December was \$329,000, a big increase on November's \$283,000 while the median number of days to sell has increased from 36 days in November to 49 days in December. The number of properties on the market for sale (both sections and homes) remain steady.

HOUSE SALES BY MONTH



Rateable Value vs Sale Price

We monitor the sale price of properties and make comparisons with their RV's. Many buyers take into account the rateable value when considering what price to offer for a property. For the month of December, on average, residential properties are selling at 5.48% above their rateable value and in the extreme 64.3% above rateable value and 18.75% below rateable value.

SALE PRICE TO RATEABLE VALUE RATIO

DECEMBER 2013

ABOVE RV

+64.3

RV AVERAGE

+5.48%

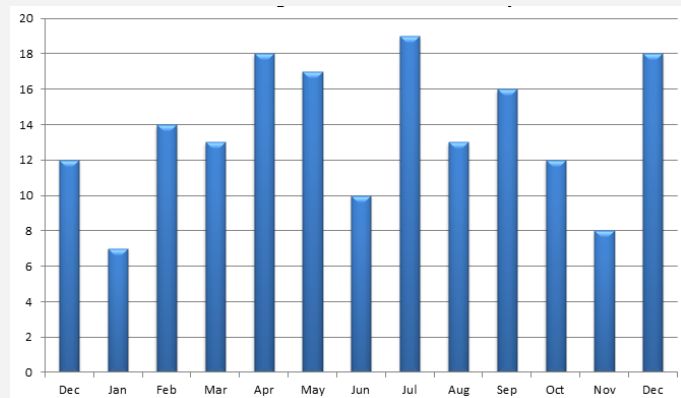
BELOW RV

-18.75

Commercial Update

There has been reasonable interest in office space, with some expansion of domestic business which is positive, although everyone is still looking for a good deal. OPEX costs can be a deal breaker. Some national tenants are looking to relocate to a building that has a minimum seismic rating of 67% New Building Standard but preferably a 100% NBS. At this stage domestic tenants do not seem to be concerned. Interesting to note; the main banks have advised that they will look to lend only on buildings greater than 67% or proposed upgrade to 67%. A potential seismic strengthening requirement for commercial buildings has already had a negative impact on price, with informed purchasers discounting for cost of potential works. Consequentially property owners may want to obtain their own seismic engineering reports and costing before going to the market.

NEW BUILDING CONSENTS ISSUED 2012/2013



Rural Roundup

Marlborough's rural property market was bigger than Texas last month, with close to 30 transactions worth over \$20 million. Lifestyle blocks have continued to be popular with a large range of blocks changing hands varying in size from your little hobby block of 1 hectare through to 70 hectare bush blocks. A couple of substantial grazing blocks have changed hands both in the Wairau Valley and in Awatere. The viticulture is a buzz with reports of record tonnages and pruning underway to get the crop levels down to under 20 tonne a hectare. The regions have only just started to dry off with the last of the green tinges departing the Wither Hills, which leads us to welcome the lovely westerly winds!!

Residential Sales by Price (Marl)

Under \$300,000	23
Under \$400,000	15
Under \$500,000	5
Under \$600,000	2
Over \$600,000	5

Rural Sales (Marl, Kaik, Pict)

Lifestyle Block	21
Grazing	3
Vineyard	1
Forestry	1

Sales Overview (Marl, Kaik, Pict)

1 Bedroom	2
2 Bedroom	19
3 Bedroom	30
4 Bedroom	15
5 Bedroom + 7	