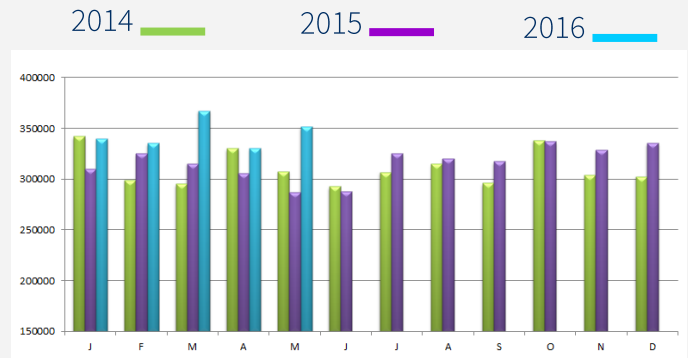


MARLBOROUGH

May Overview

- Activity in residential sales for Marlborough/Kaikoura is 125 sales compared to 106 sales in April.
- There were 33 section sales for May compared to 37 in April. These large numbers are a reflection of titles being issued for a number of new subdivisions in the region.
- The median sale price rose to \$351,501 compared to April's \$330,000.
- The median number of days to sell rose slightly in May to 29 days compared to April's 26 days.
- We are still very much in a sellers market with properties changing hands within a short period of time. Cash is king in order to get ahead of other purchasers.

MEDIAN SALE PRICE



Property Management Update

As happens every year at the start of winter, the demand for rental properties has slowed significantly but we expect this to pick up again in the next couple of months. This immediately puts pressure on weekly rent figures to pull them back to gain a good quality tenant and we are expecting that we will see a levelling of the average rent figures in the months to come. Interestingly, despite all the media hype and publicity around rent prices going up, the Ministry of Business, Innovation and Employment figures are only showing increases of \$10-20 per week on similar properties 12 months ago. These figures are based on bonds lodged during the period and therefore are possibly not a true reflection of the effect of rent increases on tenants.

The property management industry is in a period of intense change with Health and Safety requirements, Residential Tenancy Act amendments and a fast growing awareness of methamphetamine contamination. Our property management team is constantly updating processes to ensure our owners and tenants are protected. How this will affect rent prices in the future remains to be seen but we will continue to monitor the market and make adjustments as required. If you are thinking of purchasing an investment property our team would love to hear from you. Contact Lavina Diamanti on 03 577 8871 to discuss how we can help with this purchase.

SALE PRICE TO RATEABLE VALUE RATIO

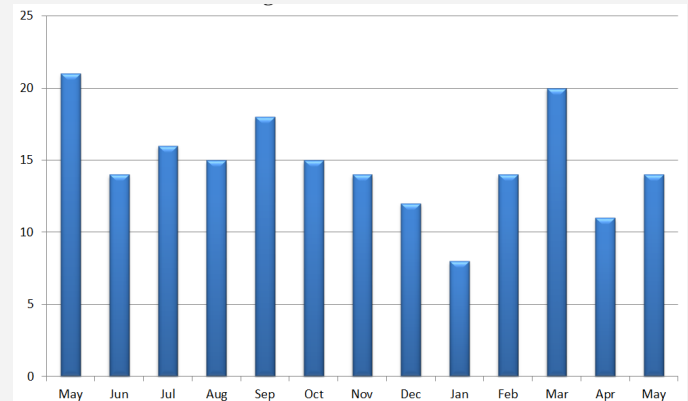
MAY 2016

BELOW
RV
-3.85%

RV AVERAGE
+19.05%

ABOVE
RV
+66.67%

NEW BUILDING CONSENTS ISSUED 2015/2016



Rural/Lifestyle Roundup

Trends in the viticulture industry continue to remain steady with planted land in high demand across the board with purchasers keen on both large blocks (that are preferably non-contracted) and lifestyle blocks. The interest in lifestyle blocks seems to predominately be motivated from out of town buyers but all are preferring flat land on the Wairau Plains.

Staying with the viticulture theme the Marlborough District Council is focussing heavily on a proposed world-class wine research centre for the region putting Marlborough on the map as leading wine research and creating highly paid and skilled jobs.

Rural and lifestyle property owners will be pleased to hear Chorus' Rural Broadband Initiative has been rolled out meaning faster broadband across the region. This has been a particularly tedious problem up until now but it seems that working from home far more time efficient.

Residential Sales (Marlborough)

Under \$300,000	29
Under \$400,000	31
Under \$500,000	19
Under \$600,000	5
Over \$600,000	13

Rural Sales (Marl, Kaik, Pict)

Lifestyle Block	16
Grazing	1
Forestry	2
Horticulture	3

Sales Overview (Marl, Kaik, Pict)

1 Bedroom	2
2 Bedroom	18
3 Bedroom	65
4 Bedroom	36
5 Bedroom + 4	