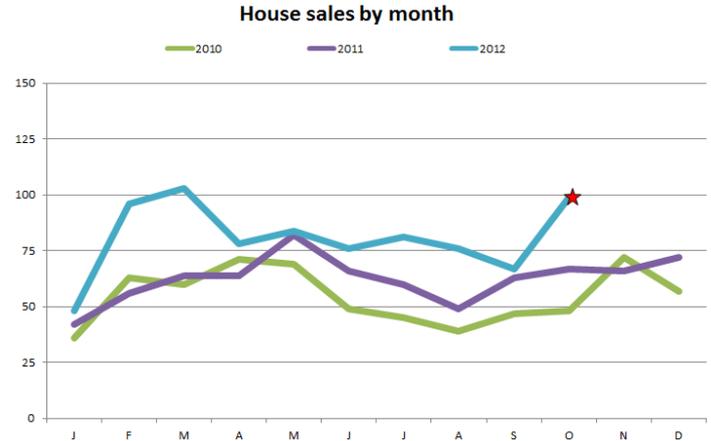
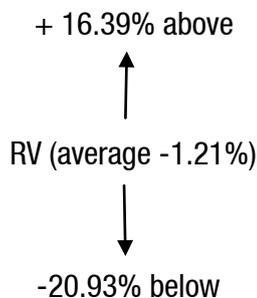


House sales looking good

As we predicted last month the pre-Christmas surge in residential sales hit with 99 homes changing hands, this is a positive increase on the declining numbers we were seeing previously. Nothing significant in the median days to sell increasing by 7 days, due to some old stock still sitting around. Further good news for the building industry with 13 section sales, and with good numbers of written contracts in the last two weeks, the news is all good. The good news continues with 8 sold stickers in the over \$500,000 price bracket, makes us very optimistic about the market heading into Christmas.



Sell Price to Rateable Value Ratio - October

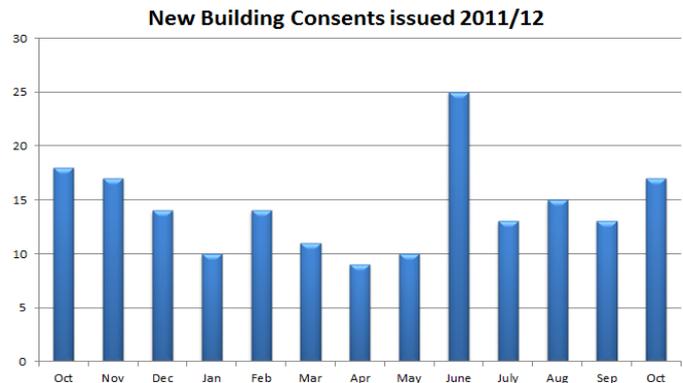


Sell Price to Rateable Value Ratio

If houses sell for rateable value it is just a coincidence. On average homes are selling at 1.21% below their rateable value. When you look across the spectrum of sales in October, as illustrated to the left, a property sold 16.39% above its Rateable Value and inversely another sold 20.93% below. That's a swing of close to 40% in house sale prices compared to their rateable value.

New building consents

The Marlborough District Council's October figures show that Council granted 17 new housing consents, an increase from last month and 11 new housing addition consents which was a slight decrease on last month. Three commercial consents were issued mainly for vineyard improvements. A total of 70 consents were issued for the month - more great news for builders.



Rural Roundup:

There was a decrease in the number of rural blocks sold in October compared to previous months. The most noticeable was just one block bigger than 40 hectares sold. This large block was 695 hectares and achieved current high country grazing/ forestry rates of \$3000 to \$5000 a hectare. The lifestyle hobby block was a popular seller with these making up the bulk of the sales ranging in size between 1 and 10 hectares, again proving that Council rateable value has little reference to market price. There were 4 properties selling over Rateable Value in some cases as much as 20% and others selling up to 25% under, similar to the residential market. The viticulture industry has seen a rapid rise in value with parties willing to now pay up to \$200,000 a hectare for desirable blocks, this is a substantial increase over the last 2 years with uncontracted blocks leading the charge as the trophy properties.

Residential Sales by Price: (Marl)

Under \$300,000	30
Under \$400,000	14
Under \$500,000	9
Under \$600,000	5
Over \$600,000	3

Rural Sales: (Marl/Kaikoura/Picton)

Horticulture:	1
Lifestyle Block:	8
Grazing:	3
Specialty:	1

Sales Overview: (Marl/Kaikoura/Picton)

1 Bedroom	1
2 Bedroom	19
3 Bedroom	57
4 Bedroom	18
5 Bedroom +	2