

MARLBOROUGH

June Overview

Activity in residential sales for Marlborough/Kaikoura rose to 92 sales in June compared to 80 in May. Section sales also jumped to 13 compared to 5 sales in May. The median sale price for June remained fairly steady at \$288,000 compared to May's \$287,000. The median number of days to sell is tracking upwards with 58 days compared to May's 41 days. The number of properties on the market continues to drop while demand is still very high. We are seeing the number of attendees at open homes on the rise, to both new and existing properties. While there is a shortage of stock across the board we are really struggling to find 3-4 bedroom homes in the \$300,000 price bracket for our buyers.

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 June on average, residential properties were selling at 2.96% above their rateable value and in the extreme 46.1% above rateable value and 32.4% below rateable value.

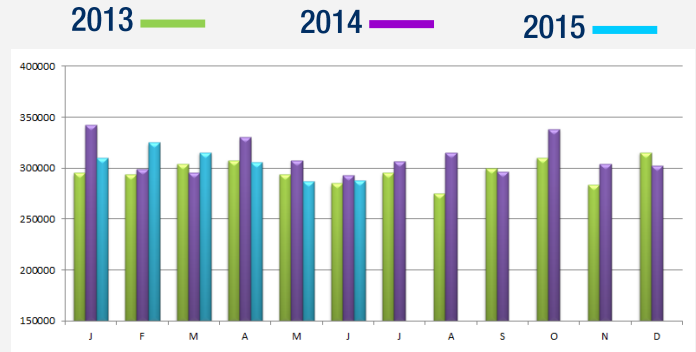
Commercial Update

Foot traffic in the CBD has gone down over 30% in the last 20 years, with a number of professional offices and businesses now operating outside the CBD and outside appropriate zoning. This has resulted in an abundance of local office space vacancies and previously unheard of before, three vacant prime retail spaces in prime Market Street location. There is some national and international enquiry but rentals wanted do not reflect those on offer. There is insufficient competition for space and many businesses now have a tighter margin. There is a good demand throughout the country for smaller commercial investment property ie \$1million and below. Please note many investors are well informed about the market and are wanting greater initial returns upon purchase. Cap rates five years ago for Blenheim CBD freehold sales were round the 7% and are now being offered at 8.5% to 9.5%.

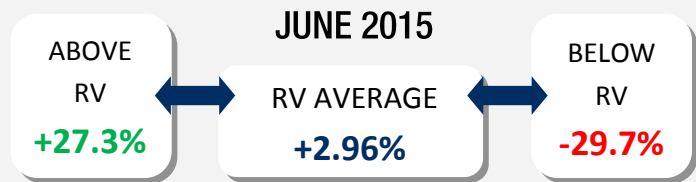
Mortgage Express Roundup - Peter Lewis

Earlier this year the Reserve Bank announced stricter lending restrictions for Auckland property investors, in an effort to slow down the heated property market. In areas outside of Auckland loan to value ratio (LVR) limits will be relaxed for first home buyers, while property investors in Auckland will need a 30% deposit from October 1. The soaring cost of house prices has many young adults priced out of the market. Finding creative ways to help children and grandchildren buy their own home, many parents and grandparents are considering using their own savings towards a mortgage deposit, acting as guarantor in a purchase, and even buying a second home together. If you're looking for property or insurance advice, get in touch me to talk about your options.

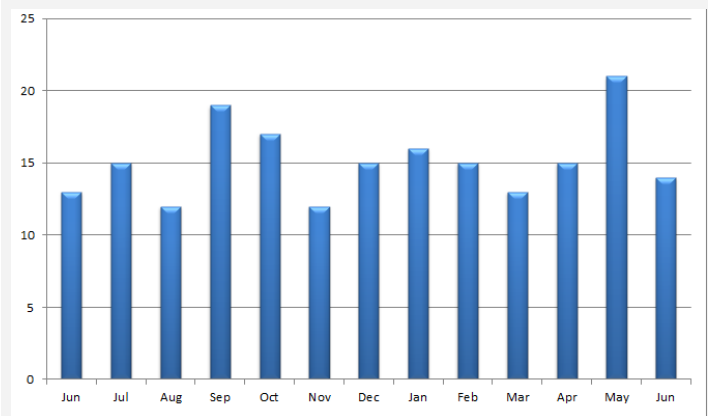
MEDIAN SALE PRICE



SALE PRICE TO RATEABLE VALUE RATIO



NEW BUILDING CONSENTS ISSUED 2014/2015



Residential Sales (Marlborough)

Under \$300,000	43
Under \$400,000	19
Under \$500,000	7
Under \$600,000	3
Over \$600,000	1

Rural Sales (Marl, Kaik, Pict)

Lifestyle Block	6
Horticulture	3
Grazing	2
Forestry	1
Finishing	1

Sales Overview (Marl, Kaik, Pict)

1 Bedroom	1
2 Bedroom	22
3 Bedroom	52
4 Bedroom	13
5 Bedroom + 4	