



## PROPERTY SALES AND AFFORDABILITY IMPROVING



The winter property market is putting in a strong performance this year with real estate sales recovering from a long slump.

The Real Estate Institute says the seasonally adjusted number of sales in May rose 2.6 percent compared to April, following a lift of 3 percent the month prior and nearly 4 percent in March.

Meanwhile, falling prices nationwide and historic low interest rates have put affordability at its best level since 2004, the Roost Home Loan Affordability report shows. The median house price in New Zealand has been declining, to \$350,000 in May compared to \$365,000 in March (though there is no change compared to May last year).

This is not to say prices are falling everywhere - in Auckland prices are trending upwards and buyers are paying well over valuation in popular areas with top schools. For instance, the median price in Ellerslie/Panmure has jumped nearly 20 percent in the last year to \$502,250.

Varying price trends become more understandable when you consider some markets in New Zealand are more desirable to buyers than others, due to the availability of higher-paying jobs and the draw of amenities such as top schools. Auckland is recovering from the recession faster than the provincial areas, while suffering a shortage of housing, causing prices to rise. Meanwhile, values in many rural areas are still falling, dragging down the national average.

Keith Niederer, LJ Hooker New Zealand General Manager, says improving sales activity is the key to the market's recovery, freeing equity that stimulates further trading.

"Buyers are paying a little more here and less there, but the important news is they are returning to the market in larger numbers than we have seen in a while. Since interest rates are so low and housing is more affordable overall, people realize it is a good time to buy.

Regionally sales have been strongest in the three months to May in Central Otago, up 33 percent, Auckland up nearly 13 percent and Nelson/Marlborough about 11 percent, a BNZ report says. Sales in Manawatu/Wanganui, Waikato and Bay of Plenty, Taranki, Otago and Southland also improved.

"The important news is that buyers are returning to the market in larger numbers than we have seen in a while. Since interest rates are low and housing overall has become more affordable, people realize it is a very good time to buy."

- Keith Niederer



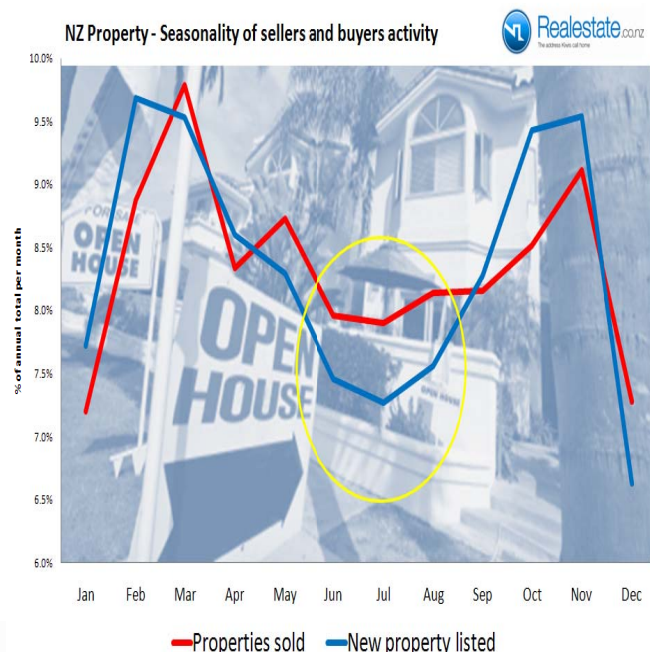
## HUNGRY BUYERS MAKE WINTER A GREAT TIME TO SELL



Most people wanting to shift homes wait until spring. However, research shows that in winter vendors benefit from an excess of buyers for the available stock.

This winter, it is truer than ever. Home sales have increased strongly over the last three months, leaving a dwindling inventory combined with a seasonal shortage of new listings. Buyers are starved for choice, and more likely to snap when a new home comes on the market.

The chart below from realestate.co.nz shows the proportion of a year's sales by month (red line) matched to new listings (blue line). In July, sales exceeded new listings, shown by red line hovering over the blue line. This means winter vendors have less competition - a formula that can lead to a better price. If you are planning to sell, consider giving it a go right now. It could work in your favour.



## FUNDING AND GRANTS AVAILABLE FOR A WARMER, HEALTHIER HOME

Want a warmer, drier home? It might be more affordable than you think.

Under the government's Warm Up New Zealand Heat Smart programme, you can get up to \$1,300 (or 33 percent) towards the cost of ceiling and under floor insulation if your house was built before 2000, and \$500 towards a clean heater if your home meets certain criteria (see [www.energywise.govt.nz](http://www.energywise.govt.nz) for details).

In Auckland, a new "Retrofit your Home" programme launches this month offering up to \$5,000 per property towards home insulation, ventilation and heating. The money is to be paid back to Auckland Council through rates over nine years. The programme is as a partnership between the council and the Energy Efficiency and Conservation Authority, which has made a pool of \$3 million available for homeowners.

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