



Winter 2013 Propertywise Market Report

Hi

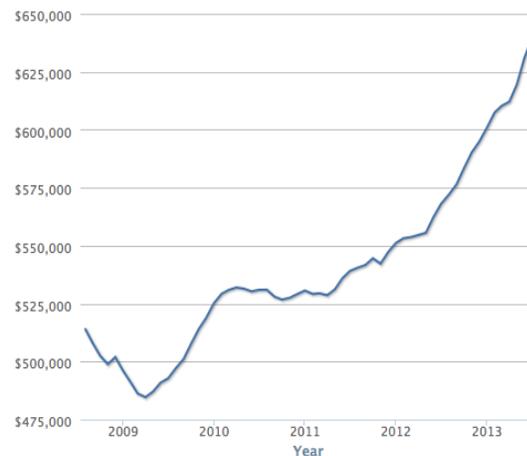
New Zealand

The latest monthly property value index shows that nationwide residential values increased further. Values increased 7.6% over the past year, with an increase of 2.8% over the past three months. Values are now up 6.2% over the previous market peak of late 2007. According to Kerry Stewart, QV Operations Manager, "Nationwide values continue to increase although only about half as quickly as they did in the years leading up to the 2007 market peak. Christchurch is also suffering from a shortage of stock leading to upward pressure on prices. The rest of the country generally isn't suffering from such a shortage so value increases are likely to remain modest".



Auckland - Values Increase

Kerry also indicates that “values across Auckland are still increasing, and over the past three months values have accelerated further. There is little sign that values will slow in Auckland in the immediate future. The number of properties for sale is continuing to drop while demand remains strong”. With net immigration numbers rising firmly and about 50% of migrants going to Auckland, prices are going to keep rising.



Supply - As Tight As It Has Ever Been

The number of weeks supply of listings in Auckland at the end of July stood at just 13.4 compared with 18.9 a year before and 25.1 a year before that. Supply is tight and getting tighter, with the target of building 13,000 houses a year unlikely to be met. While consent numbers have risen 58% in the June quarter compared with a year earlier, the annual total is still only 5,291. Auckland housing stock is still at an all time low and will only continue to get tighter.



Speculators And First Home Buyers

With buyers still searching for reasonably priced property, South and West Auckland are becoming more attractive. The lower end of the market here remains around \$300,000+, making it affordable for buyers. This is particularly driven by investors priced out of West Auckland. South Auckland has higher rental yields. Property speculators are also becoming more prominent, especially in Henderson, Massey, Otara, Otahuhu, Manurewa and parts of Manukau; and throughout the west investors and first home buyers appear to be upgrading.



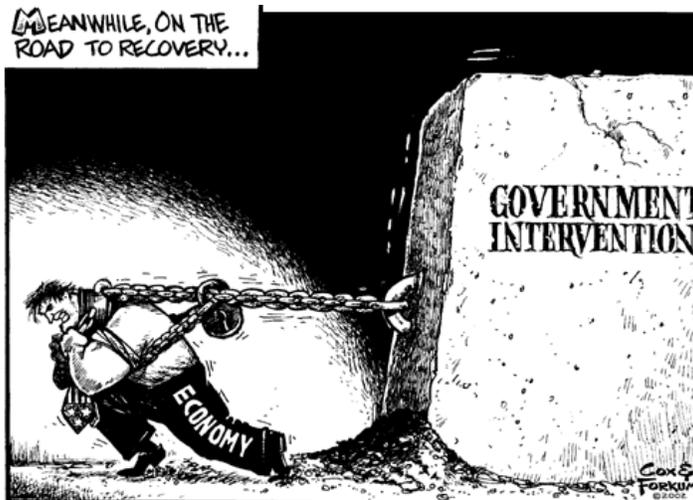
Interest - People Are Now Fixing



To fix or to float, that is the question. Of the total amount outstanding on New Zealand mortgages, 52.2% is now on fixed, versus 47.8% on floating. Just two months ago, the amount on floating was at 50.6%, compared to 49.4% fixed. Many people have decided to lock-in while the rates are low, something I recommended in my June Newsletter. A move by homeowners from floating mortgages to fixed will have the effect of slowing the impact of rising future interest rates, although I believe they will remain flat for several months to come.

Loan Value Ratios (LVRs) - Government Intervention

Economists have doubts as to whether possible government LVR limits will do much to dampen the housing market. I feel that if the government intervenes it would have a flattening out effect on the lower priced suburbs of South and West Auckland, and kill off home ownership for the lower socio-economic groups. In the lower priced areas, most first home buyers do not have a 20% deposit at the ready, or anything like it. So the high paying first home buyers will be removed, and investors looking for a sharp price and a high yield will win. This will mean more investors and less home ownership. Not a great model in a property ownership democracy, but the government feels it must do something to slow down the price freight train. While this could be a minor brake on the housing market, we don't expect a policy change like this to be a game changer.



Auckland Housing Accord

Accord a Dead Duck - Opposition parties have withdrawn their support for legislation the Government is trying to fast-track to enact its Auckland Housing Accord, aimed at providing 39,000 new houses in the Auckland region in the next three years. The Housing Accord and Special Housing Areas Bill achieved strong cross-party support when it went through its first reading in Parliament after the Budget in May, but now, following select committee hearings, opposition parties have withdrawn their support. A key sticking point has been a clause in the bill that allows central government to take over from local councils the process of designating areas for development and approving developments.



PUBLIC NOTICE
ON
HOUSING SHORTAGE

■ ■ ■

Due to the Lack of Housing Accommodation in This City

Notification is hereby given to families residing outside this City, that THIS MUNICIPALITY WILL NOT ASSUME ANY RESPONSIBILITY OR PROVIDE ANY ASSISTANCE IN LOCATING LIVING QUARTERS for those families contemplating moving to Toronto.

The City has exhausted every available means of finding accommodation for those families already in the City and is unable to cope with an additional number.

Propertywise Special Offer - Sell To Us, We Will Hand It Back



Agents - If you are an agent and have stock, please call us as we are cashed up and ready to buy immediately. Anything you offer us, we will hand it back for you to sell.

Private sellers - If you are a private seller, we offer you \$1,000.00 towards legal fees. Most of our offers are unconditional and we can settle within a week.

Have great winter and please call us anytime.

All the best



Will Watson
021 2444 164
09 817 9551

[forward to a friend](#)

Copyright © 2013 Propertywise, All rights reserved.

Our mailing address is:

Propertywise
PO Box 60462
Titirangi
AUCKLAND 0642

Phone: 021 2444 164

MailChimp

[unsubscribe from this list](#) | [update subscription preferences](#)