



"August 2014 Newsletter The Coalface Market Report"

Auckland

The Auckland region as a whole saw residential property values increase by 2.1 % over the past three months and 11.7% year on year. This is the first normal winter we have had since 2010. There have been reduced house sales and fewer attendees at open homes but the market has remained strong. I put this down to an environment where buyers need a 20% deposit. Although this did slow the market, Auckland is a juggernaut and will continue to power up.



The average value is now over \$720,000. I believe this will continue to grow and this time next year I expect to see it at \$800,000. Auckland is one of the top 10 biggest cities on the planet. For an international big city, it's still very cheap buying.

The trend is increasing as you can see from the diagram. I expect bigger capital increases from around late October early November when the election is over and the weather warms up. The fundamental driver of property increase is supply and demand. Supply is very low so expect capital growth to increase after election to mid 2015.



New Zealand

There has been a small increase of 7.6% in capital value across New Zealand. I would like to take Auckland out of the equation and see what the rest of the country is doing. I would expect a true reflection to be around 3-4%. Very small when compared to inflation and the Auckland juggernaut.



Immigration/Migration

As you can see from the image we are about to have 41,000 more people in NZ this year. This figure does not include internal growth figures. Most of the 41,000 new immigrants will be heading to Auckland and we are heading for the mother of all supply crises. As much as it's a crisis for the Auckland, it's



equally an opportunity for investors like me to buy into the market safely knowing that there will always be a buyer if you need to get out. I say bring on the immigration, it's free money into the country and most immigrants are hard working and motivated to create good things.

The Election



In around 20 days, we will have decided a on a new government for 3 years. Normally elections are a close run thing, this time around I believe National is a shoe, although I'm not saying I will vote for them. If they do get in, I expect more of the same politics of staying in middle and not rocking the boat too hard. Their recent election promise to give more deposit money for first time buyers was a shock to me. The issue with Auckland is supply. They should be putting money into infrastructure to help the council/developers to build more houses. They have missed the boat on this one but once again it plays into investors hands. More buyers in the market, more pressure on supply and up go prices. Expect higher Auckland houses prices if National get in.

Propertywise HAVE A HOUSE SHORTAGE

Currently we are CASHED UP and ready to BUY.

We can get a written offer to you within hours of your call. Most of our offers are unconditional and we settle fast if necessary. I look forward to hearing from you via txt, email or phone.

- We recently hit 6000 Facebook likes which is a result of on going great service in the market and continued buying and selling activity.
- We are "The Property Professional of the Year."



We would love to do business with you so please txt us, email or call us if you have any property with potential upside.

SPECIAL OFFER! If you sell a house to us, we will give it back to you to sell later once the value has been added

All the best

A handwritten signature in black ink, appearing to read 'W. D. Watson'.

Will Watson
Auckland Property Professional of the Year 13/14
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