

# Propertywise



## November 2013 Propertywise Market Report

Hi

### New Zealand

The latest monthly property value index shows that nationwide residential values have increased 8.9% over the past year, and 2.7% over the past three months. The average value now stands at \$457,000. This means they are now 10.4% above the previous market peak of late 2007. But folks, please remember these stats are two months behind the market, and the market has cooled, even in Auckland.



## Auckland



The Auckland market has increased 14.5% year on year, and values are 23.7% above the previous peak. The average value now stands at \$676,000.

Values across Auckland are continuing to increase well, up 13.6% above last year. Waitakere still leads the way with values up 18.4% over the past year, with North Shore and old Auckland City not far behind though, at 16.2% and 15.1% respectively. With stats like this you can

hardly blame the government for wanting to cool it down with LVR restrictions.

## LVR Restrictions at the Coal Face

With the stats I have quoted now two months behind the actual market, I would like to share my thoughts from the coal face. The LVR restrictions have worked from a Government point of view. We are currently seeing the first slow-down in house growth. Auckland is now balanced between a buyers and sellers market. Although I am not seeing a drop in Auckland house prices, I am seeing a drop in the level of interest. Open home numbers are down and auction clearance is down.



The LVR's restrictions will take time for everyone to re-adjust, but re-adjust they will. The Provinces have been hardest hit, which is why I choose to trade in Auckland. Auckland, the great juggernaut, is

experiencing a mild slow down, but no house price drops. Given Auckland's acute housing shortage, high record migration stats, and good employment growth, I believe we will see a sellers market return in Autumn. In the mean time, get out there buying, because next year is election year and I expect some easing in monetary policy. The huge price increases have stopped or slowed, so get out there now and start looking for bargains.

## Immigration Wave



I read recently that there are now 4.4 million people in New Zealand. If we said that each million represented a centimeter, New Zealand would be 4cm, or an inch and a half high. China has 1.4 billion people, which equates to the height of a four-storey building. This makes our population almost insignificant. A net immigration of 30,000 into New Zealand is only a tiny drop in the bucket of international immigration. I have traveled extensively throughout the world, and here's why I live in Aotearoa, and why we will continue to see more

people coming to our shores. Clean water from a tap. Clean air. Cheap housing compared to other International cities. The rule of law. Freedom of speech and travel. English speakers and an amazing education system. Add those together and we are going to be seeing more Chinese, Indians, Europeans and for me, an Australian living next door. Not only does immigration make life in New Zealand more diverse and interesting, it will drive your house prices higher and higher. Welcome to New Zealand.

## Propertywise Needs Stock - ASAP

**WE NEED STOCK.** Currently we are experiencing a shortage of stock. The fastest way to make contact is to email, text or phone me with any house details. I can then get back to you within a few hours with a question or an offer. Most of our offers are unconditional and we settle fast if necessary. I look forward to hearing from you.



All the best



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Note – stats come from QV online sources.

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