

Propertywise



Propertywise Newsletter April 2014 "From the coalface of the Auckland market"

Hi

Auckland - A New Record of \$697,454.00

The Average price in Auckland is set to hit the \$700,000.00 mark very soon. The Auckland market has increased 14.3% year on year, and values are 28% above the previous peak. Although great for investors, growth has slowed considerably with values increasing 0.9% in the past three months. When adjusted for inflation, values are up 12.5% over the past year and are 10.5% above the 2007 peak. I believe the market will see continued strong growth because of the huge numbers of immigrants coming to Auckland.

Auckland's average house-sale price reaches a record \$697,454

4:33 AM Friday Apr 11, 2014

Business Residential Property



The proportion of first-home buyers in the market has declined in most centres. Photo / APN

Urgent - Houses Needed



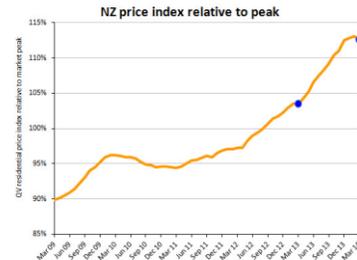
WE NEED STOCK. Currently we are experiencing a shortage of stock. The fastest way to make contact is to email me, text, or phone me with any house details. I can then get back to you within a few hours with a question or an offer. Most of our offers are unconditional and we settle fast if necessary.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

Will Watson, Mobile: 021 2444 164

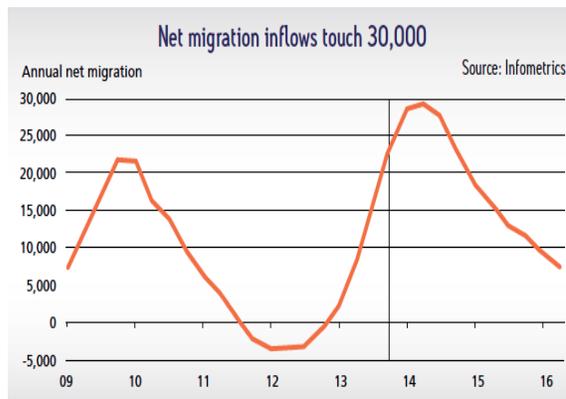
Email: will@property-wise.co.nz

New Zealand

The national median sale price rose 10% to a record \$440,000.00, and was up \$25,000.00 from February. The REINZ stratified housing price index, which smooths out peaks and troughs, rose 3.4 percent in March, and was up 9.2 percent on an annual basis.



Immigration - Major Swing Factor



High levels of net immigration into Auckland are the 'major swing factor' for housing activity and could 'significantly' bolster housing demand in the Auckland region this year.

This is according to Auckland City Council chief economist Geoff Cooper.

"...Net migration could prove to be the major swing factor for housing activity in 2014. There were 9785 additional net migrants in the year to February 2014 compared to the previous 12 months, which equates to around 3000 additional households (based

on average household size from the 2013 census) or half of the 6361 [new housing] consents issued over the same time period."

LVR Restriction - Where Have the First Home Buyers Gone?

The proportion of first home buyers in the market is continuing to drop in response to the Reserve Bank's 'speed limits' on high loan-to-value lending.



At the coalface of the property market, I now see the auction halls full of investors. The first home buyers are only able to watch and wait because many banks will withdraw their pre-approvals to first home buyers. That said, I have recently noticed a small increase in first home buyers' numbers due to an increased range of lenders now offering second tier loans, and family members offering equity to help loved ones get on the ladder.

Interest Rate Myth



The growing feeling among property investors is that the market will slow due to higher interest rates. This has historically not been the case. The biggest driver of property prices and/or any commodity is supply and demand. While property supply is tight in Auckland, property prices will hold up and/or go up. While banks are flush with money to lend, prices will hold up. Interest rates are a factor in holding prices back, but they alone will not stop the increasing prices. The excerpt below is from

an Olly Newlands article, which gives food for thought.

"Interest rates were well over 10% during the 1971-75 boom and house prices more than doubled despite that. Rates reached 20% plus for mortgages during the boom of 1981-87 and indeed carried on just as high for several years after the '87 share market crash. Even in recent times from 2001 –2007 rates were around the 10% mark and house prices still continued to rise."

Thanks for reading our 'at the coalface' April Propertywise newsletter. I look forward to hearing from you with any properties you may have available to sell. I can see value where others can not.

All the best



Will Watson
021 2444 164
09 817 9551

Note – stats come from QV online sources.

[forward to a friend](#)

Copyright © 2014 Propertywise, All rights reserved.

Our mailing address is:

Propertywise
PO Box 60462
Titirangi
AUCKLAND 0642

Phone: 021 2444 164



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