

# The PROPERTY REPORT

## THE NEW ZEALAND MARKET

The seasons are well and truly changing with the cold hard reality of winter upon us but in the real estate market, housing prices are holding steady. This is in spite of the potential tax and interest rate changes some buyers may be concerned about. With these two anticipated events in front of mind for many, there was no real reduction in residential property prices or the number of sales in May according to figures released by the Real Estate Institute of New Zealand (REINZ).

The median residential property price eased back to \$350,000 in May from \$356,000 in April and sales of 5,206 were only one down on the 5,207 residential properties sold in April even though winter is usually a quieter period for the real estate market.

While slightly down on the April figure and the March median of \$360,000, the May median is still 3.7 per cent up on the median price of \$337,500 in the same month in 2009, so the figures are not showing any significant fall in property values.

With tax changes and interest rates now settled, property investors are already talking about returning to the market to cater for the growing demand for domestic rentals. A recent survey showed property investors buy

houses for sound, long-term reasons, rather than speculation and quick gains. The large majority (95.6%) adopt a buy and hold strategy, however they are evenly split over whether they are trying to achieve capital gains or income. Slightly more (50.8%) are investing for income, while 47.6% are looking for capital gains.

Nationally the number of median days to sell increased from 40 to 43 but varied across the country from as high as 67 in Central Otago Lakes down to just 35 days in Southland. Median days to sell in the Hutt Valley increased from 39 to 42, but still came in under the nation median of 43.

The total value of residential sales, including sections for May was \$2.27 billion, an increase on the April total of \$2.24 billion. While changes in the median price vary across the country and there were falls in some areas. In 10 out of the 12 districts the increases in the median price ranged from 1 up to 10 per cent when compared with the same month last year.

While there has been some decline in turnover from the boom times of a couple years ago, during the past year nearly 67,000 homes were sold for a total of almost \$27.5 billion so the real estate market is still very healthy.

## Lower Hutt Sales Statistics

March 2010 – May 2010

SUBURBS	MEDIAN SALE PRICE	NUMBER OF SALES	VS LAST YEAR	MEDIAN DAYS TO SELL	VS LAST YEAR	MEDIAN SALE PRICE % CHANGE	
						1 YEAR	3 YEARS
Alicetown	\$409,000	13	↑	31	↑	6%	6%
Avalon	\$350,000	11	↓	36	↑	0%	1%
Belmont	\$487,500	9	↓	27	↓	12%	16%
Boulcott	\$573,000	7	→	23	↓	26%	17%
Central Hutt	\$407,000	25	↑	36	↑	-2%	-6%
Eastbourne & Bays	\$625,000	25	↑	56	↑	3%	-2%
Fairfield	\$401,500	10	↑	31	↓	4%	-5%
Harbourview	\$462,500	5	→	31	→	36%	1%
Kelson	\$432,500	14	↑	24	↓	27%	19%
Korokoro	\$402,500	5	↓	38	↓	-10%	19%
Manor Park*	-	-	-	-	-	-	-
Maungaraki	\$416,500	14	↑	51	↑	-3%	-6%
Moera	\$260,000	7	↑	42	↓	-25%	-9%
Naenae	\$273,750	26	↑	53	↓	14%	-6%
Normandale	\$398,000	9	↓	30	↓	-5%	5%
Park Ave	\$392,000	9	↑	36	↓	*	-17%
Petone	\$448,550	40	↑	31	↓	15%	6%
Stokes Valley	\$275,000	31	↓	58	↑	2%	-7%
Taita	\$240,000	15	→	33	↓	-4%	-8%
Tirohanga	\$555,000	9	↓	53	↓	19%	2%
Wainuiomata	\$220,000	46	↓	39	↓	-1%	-17%
Waiwhetu	\$330,000	15	→	34	↓	3%	-10%
Waterloo	\$390,000	23	↑	35	↑	-3%	-8%
Woburn	\$565,500	14	↓	32	↓	-22%	-21%

\*For accuracy purposes, suburbs with less than 5 sales in the period have been excluded from this analysis.

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## Hutt Valley Rental Statistics

Rental Returns for May 2010

	BEDROOMS	MEDIAN RENT	RENT RANGE LOWEST - HIGHEST	% CHANGE FROM MAY 09	NO. LET
Northern Lower Hutt	1	\$150	\$141 - \$186	0%	13
	2	\$280	\$257 - \$290	6%	26
	3	\$350	\$330 - \$375	2%	32
	4	n/a	n/a	n/a	0
Southern Lower Hutt	1	\$212	\$180 - \$242	18%	28
	2	\$310	\$260 - \$350	11%	42
	3	\$370	\$335 - \$450	-4%	35
	4	\$480	\$430 - \$530	-1%	15
Wainuiomata	1	n/a	n/a	n/a	0
	2	\$230	\$216 - \$246	-4%	5
	3	\$300	\$292 - \$310	0%	19
	4	n/a	n/a	n/a	0
Upper Hutt	1	\$180	\$161 - \$193	9%	7
	2	\$240	\$211 - \$250	9%	43
	3	\$340	\$300 - \$400	5%	34
	4	\$400	\$390 - \$488	-7%	5

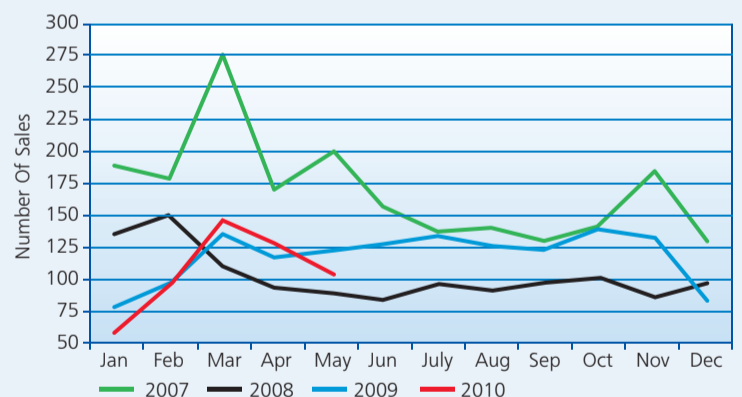
Median - the middle value when all of the data is placed in order of value.

Source - Sales Statistics: REINZ website and Professionals Hutt City Ltd MREINZ records.

These statistics are for residential dwellings and do not include sections.

Source - Rental Statistics: Tenancy Services Bond Centre. These statistics are derived from information gathered from bonds lodged at the Department of Building and Housing.

## Lower Hutt Residential Property Sales



## Regional Round Up

March 2010 – May 2010

OUR REGION	MEDIAN SALE PRICE	NUMBER OF SALES	VS LAST YEAR	MEDIAN DAYS TO SELL	VS LAST YEAR	MEDIAN SALE PRICE % CHANGE	
						1 YEAR	3 YEARS
Lower Hutt	\$360,000	383	↑	36	↓	7%	7%
Upper Hutt	\$319,500	159	↓	37	↓	3%	0%
Porirua	\$385,000	152	↓	48	↑	5%	1%
Wellington	\$466,750	804	↓	28	↓	4%	-2%
<b>MAIN CITIES</b>							
Auckland	\$525,250	2142	↓	34	↓	8%	5%
Hamilton	\$330,000	550	↓	42	↑	2%	-2%
Christchurch	\$322,750	1576	↓	30	↓	5%	-2%
Dunedin	\$245,000	548	↓	34	↓	4%	-3%

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