

# The PROPERTY REPORT

## THE BUTTERFLY EFFECT

Recovery in the housing market is in almost everyone's interest. The buying and selling of property has a stimulus ripple effect which feeds much more than the service sector.

Sure Real Estate agents, lawyers and banks are often at the prominent end of the cash flow which a sale starts but there is so much more that follows. If it is a new home being sold, architects, engineers, city councils and builders are quickly involved followed by plumbers, roofers, electricians, joiners and building suppliers. The painters, decorators, landscapers, window dressers and lighting specialists join the list as construction is almost completed. Then of course the new home needs a new stove, dishwasher, microwave, fridge, heat pump and other appliances and accessories all of which support jobs in the retail sector.

The new home is not complete without some new furniture and then there's the house warming party, which hopefully is not followed by the repairmen and carpet cleaning bill.

Surprisingly the list of those engaged and benefitting from a healthy real estate market is also significant for each existing home transaction too. Painting, gardening, storage, home staging, carpet layers and the water blasting sectors are often engaged as sellers seek to show off their home and get a better price. Printers, sign makers, advertising media, house inspection companies, photographers and the knowledgeable (free) father-in-laws are commissioned for help by sellers and buyers.

The mortgage broker, insurance agent, removal company and bin services are in there too. And as with the new home, the shift is not complete without

some new furniture or furnishings even if it is only a new painting, pot or vase.

Within a few months the new owner will have stamped their mark by removing a wall, doing up the bathroom or kitchen, painting something or again hosting a party.

With property sales supporting so many jobs and with each dollar spent in the process generating 15 cents GST, the Government won't let the market slow up too much. Even though it has tight budgets, this is election year. Don't count on them relying just on an export lead recovery.

Ideally there will be something 'significant' for first home buyers this year that will give them a very real possibility to purchase a home and stop paying out dead money every week.

New Zealanders shouldn't have to pay more than three times their annual household income to house themselves. Currently at 5.3 times, we are amongst the highest in the world. Higher household incomes and lower building costs would help more New Zealanders get onto the housing ladder. Don't be surprised if you see Government initiatives to improve the performance of urban planning and the residential construction sector.

Even if the Government doesn't introduce a kick start there will be recovery, it has always followed the current phase in the property cycle.

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## Lower Hutt Sales Statistics

October – December 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	\$449,820	10	→	28	↓	-7	7
Avalon	\$371,500	14	↓	25	↓	27	18
Belmont	\$425,000	9	↓	34	→	-18	9
Boulcott	\$480,000	10	↑	21	↑	12	39
Central Hutt	\$426,250	16	→	58	↑	-9	3
Eastbourne & Bays	\$625,000	23	↓	36	↑	2	-2
Fairfield	\$397,000	10	↑	33	↑	-12	-1
Harbourview*	\$490,000	3	–	–	–	–	–
Kelson	\$356,250	12	↑	42	↑	0	7
Korokoro	\$428,000	6	↑	38	↓	-1	6
Manor Park*	\$505,000	1	–	–	–	–	–
Maungaraki	\$400,000	9	↓	21	↓	-1	-3
Moera	\$320,000	2	↓	57	↑	12	5
Naenae	\$260,500	16	↓	45	↑	-7	-6
Normandale*	\$455,000	1	–	–	–	–	–
Park Ave	\$407,500	9	↓	38	↑	14	18
Petone	\$394,278	24	↓	36	↑	-10	-6
Stokes Valley	\$290,000	40	↓	50	↑	-2	0
Taita	\$248,500	9	↓	42	↑	-4	-4
Tirohanga*	\$536,500	4	–	–	–	–	–
Wainuiomata	\$235,000	44	↓	57	↑	2	-6
Waiwhetu	\$347,500	6	↓	38	↑	-6	-10
Waterloo	\$400,000	15	↓	35	↑	-5	-10
Woburn	\$557,000	17	↑	35	↓	-36	-8

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

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## Hutt Valley Rental Statistics

Rental Returns for December 2010

	BEDROOMS	MEDIAN RENT	RENT RANGE LOWEST - HIGHEST	% CHANGE FROM NOV 09	NO. LET
Northern Lower Hutt	1	n/a	n/a	n/a	0
	2	\$280	\$250 - \$302	5%	19
	3	\$330	\$290 - \$365	4%	18
	4	n/a	n/a	n/a	0
Southern Lower Hutt	1	\$200	\$185 - \$210	7%	11
	2	\$290	\$250 - \$325	-5%	36
	3	\$400	\$361 - \$457	-5%	19
	4	\$565	\$480 - \$610	13%	6
Wainuiomata	1	n/a	n/a	n/a	0
	2	\$235	\$227 - \$256	2%	9
	3	\$290	\$280 - \$300	2%	19
	4	n/a	n/a	n/a	0
Upper Hutt	1	\$130	\$121 - \$132	-16%	5
	2	\$230	\$210 - \$250	5%	16
	3	\$360	\$320 - \$375	9%	15
	4	\$465	\$400 - \$510	16%	6

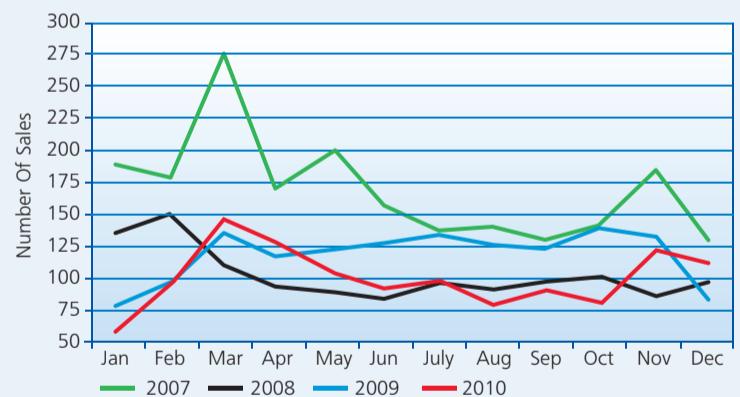
Median - the middle value when all of the data is placed in order of value.

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

October – December 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	\$353,750	310	↓	36	↑	0	11
Upper Hutt	\$343,000	167	↑	40	↑	4	2
Porirua	\$393,750	166	↑	49	↑	2	2
Wellington	\$485,500	732	↓	29	↑	-2	1
<b>MAIN CITIES</b>							
Auckland	\$512,750	1636	↓	32	↑	-2	5
Hamilton	\$325,000	477	↓	46	↑	-3	-3
Christchurch	\$330,000	1185	↓	36	↑	-1	-1
Dunedin	\$242,500	554	↓	32	↑	-3	-3

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