

# The PROPERTY REPORT

## Is Now the Right Time to Buy?

Over the past few months I've had several people ask me if they should consider selling their home and purchasing a new one in the current market. I always tell them the same answer: if you're selling and buying in the same market, generally you can't go wrong. I understand that no one wants to sell their home for less than they paid, but if the price of your home has gone down, chances are, all the others have gone down as well and your money will now go further! Let's look at some individual cases...

### TRADING UP

The Johnson's paid \$330,000 for their home a couple years back, but with the addition of a new family member, they are finding it's too cramped and need a bigger place. The home they first looked at several years back but couldn't afford was then selling for \$550,000, which was a difference of \$220,000. Let's say the market dropped by 10%. Their current home will sell for \$300,000 while the home they first wanted is selling for \$500,000. The difference is now only \$200,000 saving them \$20,000 and putting their dream home within reach.

### INVESTORS

Often, investors make the mistake of following the 'herd mentality', which states if everyone is doing it, it must be a good time. In actuality, it's the complete opposite! If they've caught the bandwagon and joined in the action, it usually means they've caught on too late. In the current market, less investors out looking for properties means there are some really good bargains to be had and less competition for each property.

### FIRST TIME BUYERS

Mike and Shelly were disappointed two years ago when house-hunting. They were frustrated with the lack of choice and every



time they liked a home enough to put in an offer they were always beaten by someone who had more money or a bigger deposit. So, they continued to rent and save up their deposit. Now when looking through the papers, they find there's a lot of choice and more in their price range as prices have gone down a bit. Their rent was just increased for the second time this year and they can't wait to buy their own home and stop paying someone else's mortgage.

So, as you can see, there's ample opportunity out there. If you have been waiting to buy a property, now's the time to act. While no one can predict what the market will do in the immediate future, history shows us that flat spots in the market are always followed by growth and that everyone says "I wish I had bought back then". Now is your chance, what are you doing about it?



John Ross  
Owner, Professionals Hutt City

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## Focus on ... Stokes Valley

April 2007 - March 2008

|                | MEDIAN SALE PRICE | NUMBER OF SALES | MEDIAN DAYS TO SELL |
|----------------|-------------------|-----------------|---------------------|
| April 2007     | \$308,500         | 18              | 24                  |
| May 2007       | \$296,900         | 22              | 30                  |
| June 2007      | \$325,000         | 22              | 18                  |
| July 2007      | \$307,753         | 14              | 48                  |
| August 2007    | \$296,000         | 15              | 28                  |
| September 2007 | \$290,000         | 17              | 24                  |
| October 2007   | \$286,000         | 12              | 52                  |
| November 2007  | \$311,250         | 14              | 39                  |
| December 2007  | \$230,000         | 8               | 49                  |
| January 2008   | \$271,000         | 17              | 56                  |
| February 2008  | \$312,500         | 22              | 36                  |
| March 2008     | \$271,500         | 7               | 25                  |



**Median** - the middle value when all of the data is placed in order of value. The median is a better indicator of value in the middle of the range than the average figure, as the average can be influenced by 1 or 2 extremely high or low values.

**Source** - REINZ website and Professionals Hutt City Ltd MREINZ records. These statistics are for residential dwellings and do not include sections.

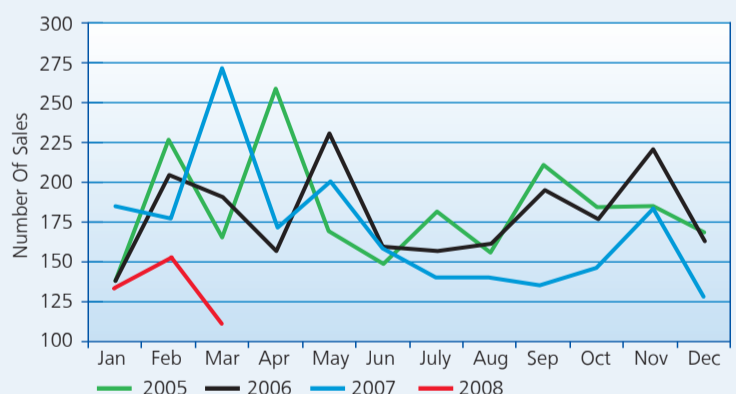
## Lower Hutt Statistics

January 2008 - March 2008

| SUBURBS           | MEDIAN SALE PRICE | NUMBER OF SALES | VS LAST YEAR | MEDIAN DAYS TO SELL | VS LAST YEAR | MEDIAN SALE % CHANGE 1 YEAR | 3 YEARS |
|-------------------|-------------------|-----------------|--------------|---------------------|--------------|-----------------------------|---------|
| Alicetown         | \$470,000         | 9               | ↓            | 36                  | ↑            | 23%                         | 46%     |
| Avalon            | \$410,000         | 14              | ↓            | 44                  | ↑            | 19%                         | 57%     |
| Belmont           | \$502,500         | 6               | ↓            | 87                  | ↑            | 12%                         | 63%     |
| Boulcott          | \$431,750         | 5               | ↓            | 33                  | ↑            | 9%                          | 38%     |
| Central Hutt      | \$476,300         | 18              | ↓            | 61                  | ↑            | 1%                          | 41%     |
| Eastbourne & Bays | \$630,000         | 18              | ↓            | 96                  | ↑            | 3%                          | 21%     |
| Fairfield         | \$422,500         | 6               | ↓            | 33                  | ↑            | 36%                         | 48%     |
| Harbourview*      | -                 | -               | -            | -                   | -            | -                           | -       |
| Kelson            | \$328,000         | 15              | ↓            | 43                  | ↑            | -4%                         | 36%     |
| Korokoro          | \$433,000         | 8               | ↓            | 24                  | ↑            | 18%                         | 52%     |
| Manor Park*       | -                 | -               | -            | -                   | -            | -                           | -       |
| Maungaraki        | \$410,000         | 21              | ↓            | 28                  | ↑            | 5%                          | 41%     |
| Moera             | \$315,125         | 6               | ↑            | 54                  | ↑            | *                           | 23%     |
| Naenae            | \$274,000         | 38              | ↓            | 33                  | ↑            | 7%                          | 45%     |
| Normandale        | \$384,500         | 10              | ↓            | 65                  | →            | 1%                          | 24%     |
| Park Ave*         | -                 | -               | -            | -                   | -            | -                           | -       |
| Petone            | \$445,000         | 21              | ↓            | 55                  | ↑            | 4%                          | 27%     |
| Stokes Valley     | \$295,000         | 47              | ↓            | 43                  | ↑            | 9%                          | 53%     |
| Taita             | \$268,000         | 19              | ↓            | 24                  | ↓            | 5%                          | 51%     |
| Tirohanga         | \$465,000         | 9               | ↑            | 76                  | ↑            | -17%                        | *       |
| Wainuiomata       | \$244,500         | 74              | ↓            | 45                  | ↑            | -6%                         | 69%     |
| Waiwhetu          | \$310,000         | 15              | ↓            | 66                  | ↑            | -14%                        | 8%      |
| Waterloo          | \$388,250         | 12              | ↓            | 48                  | ↑            | -9%                         | 36%     |
| Woburn            | \$507,500         | 20              | ↑            | 51                  | ↑            | -16%                        | 27%     |

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

### Lower Hutt Residential Property Sales



## Regional Round Up

January 2008 - March 2008

| OUR REGION | MEDIAN SALE PRICE | NUMBER OF SALES | VS LAST YEAR | MEDIAN DAYS TO SELL | VS LAST YEAR | MEDIAN SALE % CHANGE 1 YEAR | 3 YEARS |
|------------|-------------------|-----------------|--------------|---------------------|--------------|-----------------------------|---------|
| Lower Hutt | \$330,000         | 398             | ↓            | 47                  | ↑            | 2%                          | 35%     |
| Upper Hutt | \$330,000         | 216             | ↓            | 45                  | ↑            | 3%                          | 43%     |
| Porirua    | \$366,500         | 168             | ↓            | 43                  | ↑            | -1%                         | 31%     |
| Wellington | \$460,000         | 768             | ↓            | 31                  | ↑            | 0%                          | 28%     |

| MAIN CITIES  | MEDIAN SALE PRICE | NUMBER OF SALES | VS LAST YEAR | MEDIAN DAYS TO SELL | VS LAST YEAR | MEDIAN SALE % CHANGE 1 YEAR | 3 YEARS |
|--------------|-------------------|-----------------|--------------|---------------------|--------------|-----------------------------|---------|
| Auckland     | \$454,750         | 1,594           | ↓            | 39                  | ↑            | -3%                         | 13%     |
| Hamilton     | \$340,000         | 504             | ↓            | 51                  | ↑            | 3%                          | 37%     |
| Christchurch | \$327,000         | 1,677           | ↓            | 43                  | ↑            | 2%                          | 26%     |
| Dunedin      | \$250,000         | 597             | ↓            | 43                  | ↑            | 2%                          | 16%     |

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