

The PROPERTY REPORT

PROPERTY PRICES HAVE PULLED BACK

In the three years from 1990–1993, property prices in Lower Hutt and in most of New Zealand dropped. This came on the heels of a boom in property prices in the late 1980's. By 1996 property prices in Lower Hutt had fully recovered and for most of New Zealand, this had happened one or two years earlier. By the year 2000 and even earlier those who followed property markets were regretting that they had not bought up at large residential property during the down turn.

Now, 15 years on, property prices are 2.5 times the price you could have bought them for back in 1995. History in the last two decades has just repeated itself. In the early 1970's there was a property boom, come the late 1970's there was a slump, then in 1981 property prices doubled; overnight there was a change in sentiment and confidence towards property, and it seemed like nothing could slow it down.

There were people who sold their homes in 1980 intending to buy something more expensive, more upmarket, and who rented while they waited for the bargain opportunity. I saw people who had gotten comfortable in their rental home and taken their eye off the property market, who only seven or eight months later couldn't afford to buy back their own home, so much had the increase in property been.

That is understandable because back in those times we saw double digit inflation and everybody said that's why property has gone through the roof. Right through the last property boom we had

low inflation, so is inflation really to be blamed for property price increases?

I can't help but think that the world will see a period of higher inflation over the next decade than we have seen in the last, but whichever way it goes there is one thing that history teaches us, and that is that property prices will increase and start doing so without warning, and when they do, move very quickly.

Previous lessons have taught us that when you join the bandwagon when it has become that, you have left it too late. It is the early adapters that have the most to gain. There are some properties for sale right now which should make even the toughest buyer sit up.

Winter has been a very slow season for real estate in Lower Hutt and in New Zealand. There are some very good buys for sale right now; owners who just want to move on with their plans. You might say you want to wait for the next bargain - I know of at least ten very good buys with keen sellers that are on the market right now. Once they have been snatched up you cannot be assured that the next property coming on the market will be as motivated.

What are you waiting for?

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Hutt Valley Rental Statistics

Rental Returns for July 2010

	BEDROOMS	MEDIAN RENT	RENT RANGE LOWEST - HIGHEST	% CHANGE FROM JULY 09	NO. LET
Northern Lower Hutt	1	\$175	\$131 - \$193	3%	15
	2	\$277	\$245 - \$300	4.5%	28
	3	\$340	\$307 - \$382	3%	25
	4	\$400	\$386 - \$450	0%	13
Southern Lower Hutt	1	\$190	\$180 - \$225	-5%	26
	2	\$317	\$290 - \$350	12%	40
	3	\$380	\$350 - \$428	0%	43
	4	\$497	\$360 - \$627	10%	8
Wainuiomata	1	n/a	n/a	n/a	0
	2	\$227	\$212 - \$255	-1%	8
	3	\$300	\$285 - \$310	3.4%	18
	4	\$330	\$313 - \$341	0%	5
Upper Hutt	1	\$177	\$147 - \$180	7%	10
	2	\$230	\$210 - \$246	4.5%	25
	3	\$350	\$320 - \$380	6%	34
	4	n/a	n/a	n/a	0

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.

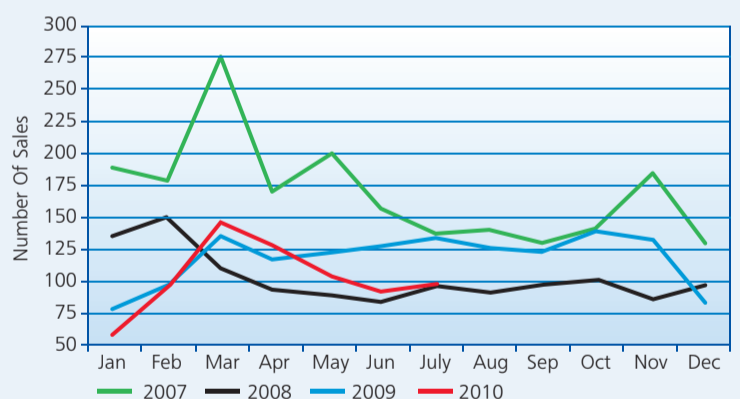
Lower Hutt Sales Statistics

May 2010 – July 2010

SUBURBS	MEDIAN SALE PRICE	NUMBER OF SALES	VS LAST YEAR	MEDIAN DAYS TO SELL	VS LAST YEAR	MEDIAN SALE PRICE % CHANGE 1 YEAR	% CHANGE 3 YEARS
Alicetown	\$447,500	10	↑	34	↑	*	4%
Avalon	\$342,500	8	↓	20	↑	0%	24%
Belmont	\$487,500	5	↓	23	↑	-11%	16%
Boulcott	\$420,000	5	↑	30	↑	*	-12%
Central Hutt	\$470,000	25	↑	58	↑	20%	0%
Eastbourne & Bays	\$567,500	20	↓	57	↑	7%	-20%
Fairfield*	-	-	-	-	-	-	-
Harbourview*	-	-	-	-	-	-	-
Kelson	\$390,000	13	↑	42	↑	6%	8%
Korokoro*	-	-	-	-	-	-	-
Manor Park*	-	-	-	-	-	-	-
Maungaraki	\$410,500	18	→	40	↑	6%	5%
Moera*	-	-	-	-	-	-	-
Naenae	\$287,250	18	↓	55	↑	14%	-1%
Normandale*	-	-	-	-	-	-	-
Park Ave	\$350,000	9	↑	47	↑	26%	-17%
Petone	\$413,500	40	↑	50	↑	3%	-6%
Stokes Valley	\$268,500	20	↓	52	↑	-4%	-15%
Taita	\$215,000	14	↓	48	↑	-5%	-22%
Tirohanga	\$470,500	5	↓	53	↓	6%	-4%
Wainuiomata	\$225,000	40	↓	64	↑	-2%	-16%
Waiwhetu	\$330,000	15	↓	55	↑	-10%	-15%
Waterloo	\$357,500	12	↓	46	↑	3%	-15%
Woburn	\$561,000	11	↓	39	↑	-25%	-1%

*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

May 2010 – July 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	% CHANGE 3 YEARS
Lower Hutt	\$360,000	305	↓	49	↑	8%	5%
Upper Hutt	\$315,000	131	→	49	↑	0%	-3%
Porirua	\$402,500	151	↓	46	↓	9%	10%
Wellington	\$470,000	616	↓	37	↑	0%	6%
MAIN CITIES							
Auckland	\$500,750	1,752	↓	34	↑	3%	1%
Hamilton	\$340,000	463	↓	43	↑	3%	-1%
Christchurch	\$330,000	1,423	↓	36	↑	6%	0%
Dunedin	\$245,000	457	↓	42	↑	7%	-1%

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