

# The PROPERTY REPORT

## READING THE MARKET

### One day, all the news is good, the next it is bad.

The patchy housing market has been hard for even the experts to interpret.

A slump in sales volumes in 2008 was understandable given that it was preceded by 15 golden years. In those years up until April 2008, Lower Hutt sales volumes had only dropped sub-100 six times, then we had six sub-100 months in a row. The market recovered in 2009 with volumes consistently sitting between 120-145 sales per month.

Sales volumes are followed by price changes and when Lower Hutt sales volumes hit 147 in March 2010, they mirrored an improvement seen across the national statistics - prices were starting to recover.

The Reserve Bank decided to slow the market down and increased interest rates. They achieved their objective and volumes for the rest of the year plummeted - 2010 ended with total sales volumes for the year lower than any records I have, going back to 1985.

It has been good news for buyers entering the market cashed-up. Investors, first home buyers and often those trading up have bought well and borrowed well, with the

Reserve Bank holding interest rates for much longer than first indicated.

Our new Capital Values came out in December confirming that the market has shifted down since they were last assessed three years ago. If the period September 2010 to November 2010 is any indicator, Lower Hutt values appear to be stabilising. However, this could be a premature conclusion as the volumes for that quarter are the second lowest on record.

The public at large still believe house prices will rise over the next 12 months. ASB Bank's quarterly survey shows a net 8% of those surveyed in October were expecting higher prices, although that is down from 19% three months earlier. Belying the lack of sales activity, a net 28% still thought it was a good time to buy a house, down only slightly from 29% three months earlier. According to realestate.co.nz, there was a 31% decrease in new property listings in December and if that continues, it will be better news for sellers.

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## Hutt Valley Rental Statistics

### Rental Returns for November 2010

	BEDROOMS	MEDIAN RENT	RENT RANGE LOWEST - HIGHEST	% CHANGE FROM OCT 09	NO. LET
Northern Lower Hutt	1	\$190	\$160 - \$227	31%	7
	2	\$270	\$238 - \$298	6%	23
	3	\$342	\$305 - \$355	7%	16
	4	\$350	\$293 - \$380	-5%	5
Southern Lower Hutt	1	\$190	\$151 - \$232	6%	13
	2	\$295	\$260 - \$345	0%	28
	3	\$407	\$380 - \$430	7%	22
	4	\$577	\$500 - \$747	15%	8
Wainuiomata	1	n/a	n/a	n/a	0
	2	\$225	\$220 - \$275	1%	6
	3	\$290	\$265 - \$307	-2%	11
	4	n/a	n/a	n/a	0
Upper Hutt	1	\$160	\$156 - \$192	0%	7
	2	\$240	\$220 - \$265	9%	16
	3	\$340	\$317 - \$365	0%	13
	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.

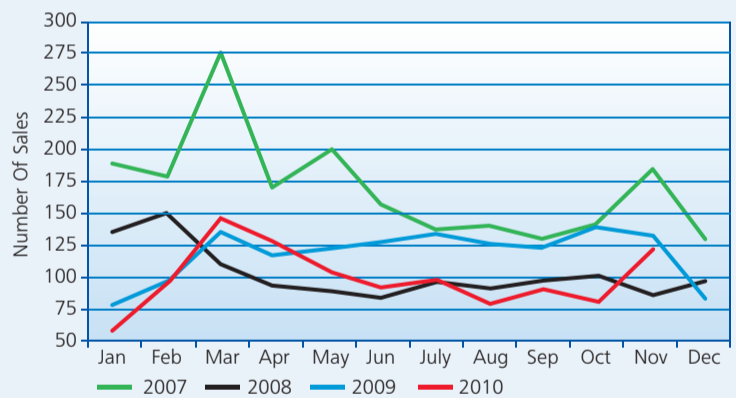
## Lower Hutt Sales Statistics

### September - November 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
Avalon	\$350,000	15	↓	50	↑	15%	11%
Belmont	\$430,000	7	↓	34	→	-1%	-5%
Boulcott	\$500,000	10	↓	27	↑	47%	47%
Central Hutt	\$421,250	16	↓	44	↑	-11%	-20%
Eastbourne & Bays	\$604,700	22	→	42	↑	-2%	-3%
Fairfield	\$411,500	10	↑	51	↑	-2%	2%
Harbourview	\$452,379	5	↑	16	↓	13%	65%
Kelson	\$342,750	10	↓	42	↑	5%	3%
Korokoro	\$423,000	5	↑	44	↓	-1%	5%
Maungaraki	\$392,500	12	↓	18	↓	2%	3%
Naenae	\$240,000	23	↓	51	↑	-9%	-16%
Park Ave	\$407,500	5	↓	62	↑	-3%	9%
Petone	\$400,000	27	↑	36	↑	-4%	-5%
Stokes Valley	\$300,000	33	↓	46	↑	2%	-1%
Taita	\$240,000	6	↓	50	↑	-10%	-9%
Wainuiomata	\$235,000	41	↓	58	↑	4%	-5%
Waiwhetu	\$385,000	9	↓	32	↑	3%	8%
Waterloo	\$397,000	13	↓	45	↑	-5%	-13%
Woburn	\$592,500	10	↓	40	↓	-6%	-5%

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

### Lower Hutt Residential Property Sales



## Regional Round Up

### September - November 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	\$355,000	289	↓	42	↑	4%	8%
Upper Hutt	\$355,000	136	↓	42	↑	6%	6%
Porirua	\$388,000	165	↑	48	↑	-2%	-3%
Wellington	\$479,250	692	↓	28	↑	-3%	1%
<b>MAIN CITIES</b>							
Auckland	\$520,000	1,782	↓	33	↑	0%	8%
Hamilton	\$330,000	448	↓	49	↑	0%	-6%
Christchurch	\$330,000	1003	↓	37	↑	0%	-1%
Dunedin	\$242,250	514	↓	34	↑	-6%	-3%

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**Professionals**

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