

# The PROPERTY REPORT

## Reserve Bank Demonizing Home Owners

Recent debates over the rising cost of home ownership and the difficulty of entering the market were brought to the forefront of national attention last week when Murray Cleland, President of the Real Estate Institute of New Zealand said, "The Reserve Bank has a choice; it can either continue to demonize home owners or it can put pressure on the government, both central and local, to rein in their expenditure. Having raised the OCR, at a cost to exporters, the productive sector and home buyers, we'd like to see the Reserve Bank focus on the contribution of a growing public sector."

John Ross of Professionals Hutt City agreed with this strong sentiment. "Why is the home buyer in New Zealand seen as the main target for trying to solve inflation? Why does the government continually chastise and threaten this group? Should we not be encouraging New Zealanders to own homes and take pride in what is often their single biggest asset as well as an investment? After all, the property sector provides work and income to all the trades - to retailers of furnishings and whiteware, to hardware manufacturers and suppliers, and to the professional sector - solicitors, architects, surveyors etc....."

Where has the pioneering spirit gone? Where has the courageous spirit which created suburbs like Wainuiomata, Maungaraki, Kelson or going back half a century, Naenae and Taita, gone? Why is this current generation not continuing to stretch itself to house the people? It is the lack of supply which is continuously pushing property prices up.

Anyone who currently owns a home, if they choose to take an inward focused attitude, should not really be complaining about the delays, the cost of building and huge land development costs. The bureaucratic process that we find so frustrating is also our friend. Look at what it does: it slows down supply to a snails pace which in turn gives those who are lucky enough to be on the treadmill, huge capital gains and thereby, an increase in equity.

Most people on the street can see that we should increase the supply. They want homes to be affordable for their children and grandchildren. It won't happen while we have this unbalanced attitude of providing for ecological preservation over sociological needs. "This attitude of protecting spiders to the detriment of providing for humans will continue to be a humbug to the Reserve Bank and to the next generation of home owners," says John Ross.

John Ross  
Professionals Hutt City



## Lower Hutt Statistics

January - March 2007

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	\$382,500	22	↑	23	↓	11%	16%
Avalon	\$345,000	25	↑	25	↓	20%	64%
Belmont	\$450,000	26	↑	25	↓	32%	86%
Boulcott	\$397,500	6	↓	33	↓	-2%	35%
Central Hutt	\$472,500	28	↑	36	→	4%	39%
Eastbourne & Bays	\$609,400	31	↑	38	↓	17%	30%
Fairfield	\$310,000	16	↑	23	→	5%	-10%
Harbourview	\$419,500	8	↑	44	↓	40%	76%
Kelson	\$343,000	26	↑	28	↑	15%	72%
Korokoro	\$368,250	14	↑	20	↓	-11%	39%
Manor Park*	-	-	-	-	-	-	-
Maungaraki	\$390,000	35	↑	19	→	11%	67%
Moera*	-	-	-	-	-	-	-
Naenae	\$257,000	44	↑	24	↑	10%	61%
Normandale	\$380,000	19	↑	65	↑	12%	31%
Park Ave	\$400,000	9	↑	24	↓	25%	61%
Petone	\$428,750	46	↑	30	↓	16%	51%
Stokes Valley	\$271,250	64	↑	21	↓	20%	72%
Taita	\$255,000	27	↓	33	↑	23%	62%
Tirohanga	\$562,500	8	↓	47	↓	47%	54%
Wainuiomata	\$259,000	125	↑	19	↑	33%	104%
Waiwhetu	\$360,000	19	↑	23	↓	26%	85%
Waterloo	\$426,000	26	↓	36	↑	25%	47%
Woburn	\$605,000	12	↓	30	↓	29%	46%

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

## did you know?

In March 1988 the average house price in New Zealand was \$107,478 and the Average house price in the Wellington Region was \$142,413

Source: REINZ Annual Residential Review 1988



## Focus on ... Stokes Valley

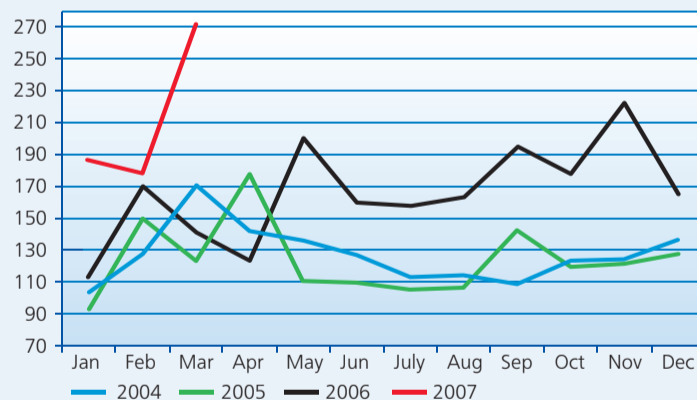
April 2006 - March 2007

	MEDIAN SALE PRICE	NUMBER OF SALES	MEDIAN DAYS TO SELL
April 2006	\$225,500	17	20
May 2006	\$246,250	30	32
June 2006	\$234,000	16	24
July 2006	\$255,000	25	24
August 2006	\$240,000	16	25
September 2006	\$242,000	30	23
October 2006	\$277,500	12	25
November 2006	\$259,500	20	17
December 2006	\$280,000	7	23
January 2007	\$252,000	23	30
February 2007	\$278,000	20	13
March 2007	\$284,000	21	21



**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 Residential Property Sales



## Regional Round Up

January - March 2007

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	\$325,500	642	↑	27	↑	19%	59%
Upper Hutt	\$320,000	314	↑	19	↓	19%	65%
Porirua	\$371,750	206	↓	28	↓	17%	49%
Wellington	\$460,500	1,101	↑	21	↓	15%	39%
<b>MAIN CITIES</b>							
Auckland	\$467,000	2,989	↑	30	↓	17%	31%
Hamilton	\$330,000	974	↑	28	↓	13%	65%
Christchurch	\$320,000	2,584	↑	26	↓	12%	45%
Dunedin	\$245,000	816	↑	28	↑	7%	45%

Red, enough said.



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