

# Street Smart Newsletter

December 2016



## Decline in number of sales nationwide

**Residential property sales have dropped nationwide and yet median prices have set new records in several regions, the latest REINZ data shows.**

In October, nationwide sales volumes were down on September by 9% and by 14% year-on-year. Once seasonally adjusted, sales fell by 2% from September to October – which was an indicator that sales were lower than what would be expected for this time of year.

Auckland sales dropped by 12% on September and by 16% year-on-year, while Waikato/Bay of Plenty saw a 25% decrease in sale year-on-year.

Alongside the fall in sales, the national median price fell by \$5,000 to \$510,000 in October. Once seasonally adjusted, this meant the national median price was down by 1% on September and up by just 1% year-on-year.

However, four regions – including Auckland – still hit record high median prices, despite the decline in sales.

Auckland's median price reached \$868,000 in October, as compared to \$825,000 in

September. Three other regions returned record median sale prices in October. They were Northland which hit \$399,000, Waikato/Bay of Plenty which rose to \$460,750 and Southland which equalled its record high of \$225,000 reached in January 2008.

REINZ spokesperson Bryan Thomson said that while Auckland experienced a lot of strength in the upper end of the market, the lower end appeared to be wavering due to the impact of LVRs.

The data suggested that the impact of the revised LVR rules is having more of an effect on lower-priced sales, as compared to higher priced sales, he said.

This is because there has been a surge in the percentage of sales over \$1million and a noticeable decline in the number of sales below \$400,000 as compared to 12 months ago.

Thomson said some of this change may be reflective of the overall uplift in prices over the past year as the market for higher-priced properties is continuing as normal.

“But the market for lower priced properties is becoming more difficult for both buyers and sellers.”

The REINZ data also shows the number of properties available for sale across all regions in New Zealand fell by 24% between October 2015 and October 2016.

Wellington has the fewest properties for sale with six weeks of supply, closely followed by Hawke's Bay with under 10 weeks supply, Otago and Nelson/Marlborough with 11 weeks of supply.

Thomson said there is some evidence that the normal spring “bounce” in the number of listings has so far been quite weak this year.

“One possible reason for this is that the revised rules could be making it harder for people to know whether to sell, as they wonder if there are buyers about, so they hold their properties back from the market.

“This could have the result that we're seeing, which is that supply falls but the demand is still there, so prices keep rising.”



## Season's Greetings

LJ Hooker would like to wish you & your family a safe & happy holiday season.



# Downsizing your home: The benefits of moving to a smaller house

Whichever way you look at it, downsizing your home will often be seen as leaving a chapter of your life behind, now visible in your happy (and somewhat nostalgic) memories. It's easy to feel overwhelmed by the prospect of selling up and shipping out to some new and unknown territory, but in hindsight it could be the best decision you'll ever make.

The most obvious reason is money. It's something all of us are conscious of, and something we're always trying to save. A bigger house obviously has more value, but general running costs, dreaded power bills, maintenance and furnishings are also larger.

Take into account not having a hefty mortgage hanging over your head. The average mortgage can account for a massive [30 per cent of](#) someone's gross annual income, but downsizing gives you the opportunity to get that under control. This could be by reducing your monthly expenditure, saving in interest on the term of your mortgage and freeing up your cash flow. You might even be faced with the chance to use the profit from the sale to buy your next home mortgage free.

Downsizing is normally associated with retirees whose chicks have flown the nest. They've found their once packed and busy home is now empty and quiet. Although you may have envisioned your home as one where everyone could reunite during holidays, it may not be feasible in the long run.

Think about how much easier it would be for you to enjoy your free time at your leisure without worrying about spending an entire day cleaning, washing, dusting and polishing – and that's just the inside. You also have to consider the time spent painting, watering, pruning and weeding the exterior, just to keep your home in a maintained shape. Downsizing to a house with fewer bedrooms, smaller living areas and a manageable garden will cut your housekeeping time. If you can't do this yourself you'd have to hire someone to do it for you, all of it coming at, of course, a significant additional cost.

With house prices continuing to soar, plus the growing trend of people becoming time poor, now may be a better time than ever to consider selling and downsizing. If nothing else has persuaded you, think about the dream lifestyle you've always wanted. Downsizing opens up more opportunities and financial benefits than you have thought of. And although you may feel sad coming to the end of a large and important chapter in your life, you may find that a new, exciting and life changing one is just over the page.



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**Rob Taylor**  
LJ Hooker Green Bay  
Ph: 021 840 015  
[www.robtorlor.co.nz](http://www.robtorlor.co.nz)

## On the path to a sale

What's the point of having a gorgeous interior if the exterior of your home fails to get buyers through the front door?

The below tips can help you make the most of your home's street appeal.

### Blast away!

Mould and mildew on exterior walls can make a house look derelict.

Water blasting can restore grey exteriors to their original white, injecting new life into its appearance.

### Front of house

It may seem obvious but there's no underestimating the impact of a freshly painted front fence. Make sure the letterbox is up to scratch, too. Without a fence, the planting in front gardens needs to be top-notch. Your plant selection should reflect the style of the architecture and be based on well-performing species.

### Make others green with envy

A well-kept and green garden is a buyer's dream. If your garden is suffering from neglect, spend an afternoon with the hedge clippers or lawn-mower. Weed out all those unwanted creepers growing in the cracks and crevices.

### Illuminate

People considering buying a property often drive by before they decide to venture indoors. Often they will drive past in the evening, after work. Outdoor lighting is a perfect way to bring a sense of warmth, comfort and security to your property at night.



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