

Street Smart Newsletter

November 2016



Oct - Nov 2016 monthly property market and economic update

This monthly report created by the CoreLogic NZ research team covers the main economic factors that influence the housing market and then looks at sales volumes, values and active buyer types in both the national and main centre housing

Some highlights of the October - November 2016 report include:

- Consumer confidence is rising as people feel more positive about the future of the broader economy, although their expectations for house price rises are less than they were last month.
- While the RBNZ may lower the OCR at their next announcement, it is likely that retail mortgage interest rates will not decrease further as the cost of offshore funding rises.
- Sales activity has slowed significantly from this time last year in Auckland, Hamilton and Tauranga, but has risen in the other main centres.
- Following the RBNZ's July LVR announcement we have seen a steady decline in market activity in Auckland, and a weaker than expected spring elsewhere. However in the latest week activity picked up dramatically so we will watch with interest to see if the spring lift just came late.
- Likewise, new listings have been very weak since the RBNZ announcement, but have picked up in the last two weeks. Although still relatively weak in Auckland, outside of Auckland they are almost back to normal spring levels.
- There are the first hints that investor activity may have been curbed slightly in Auckland, but it is still too early to be certain. It is also too early to see if value increases have slowed in response to the new lending restrictions.

For the full report visit <http://www.corelogic.co.nz/new-zealand-monthly-property-market-update/>



Is there an office in your home?

Are our work habits changing the way we use our homes?

Spare bedrooms were previously the space for out of town guests to stay while visiting. But nowadays, these surplus rooms are being utilised as functional offices, with pull-out sofas making way for desks, laptops and filing cabinets.

You would be shocked by the amount of employed persons regularly working from home in their main job or business. The reasons vary from escaping peak hour traffic and long daily commutes, quiet time to work from home in an effort to catch up, or regularly working from home to save on rent and overheads.

Whichever the reason, having a quiet space away to concentrate on work has given rise to the home office. In residential areas popular with white collar professionals, a home study or office can actually be a positive selling point.

Why not talk to your local LJ Hooker agent today to discuss the popularity of home offices in your area.



Does your house number mean anything?

🟡 If you're a superstitious type you may be interested to find out what your house number could mean.

Don't care for superstitions? Well if you're an investor – then knowing the numbers certain buyers love and hate could help you target the right market when you rent your property.

Selling up? If you're lucky number three, then your property could be worth more to the right buyer.

Working out your 'number'

To work out the numerological number of your house, all you need to do is add its numbers until you arrive at a single digit.

For example, if your house number is 66, then its numerological number is 3 ($6+6=12$; $1+2=3$). If you live at 34/7 add $3+4+7=14$; $1+4=5$.

What your house number means according to Sarah Yip (psychic, numerologist, palm reader).

#1 Pros: Promotes independence and great for people looking for a fresh start.

Cons: "You will be constantly busy. Often number one houses are seen up for rent as not everyone can cope with their fast pace, or in some cases, exposed location," Yip says."

#2 Pros: "Encourages intimacy, creativity and patience. Live here if you want peace and quiet."

Cons: You'll become too passive if you're shy or indecisive, Yip says.

#3 Pros: Ideal for gatherings, raising children and open communication. Three is a lucky number.

Cons: Not the cleanest house, or the best for discipline. Gossip can backfire in a number three house.

#4 Pros: Somewhere you can feel safe and secure; it encourages commitment.

Cons: Can make you more inflexible and conservative.

#5 Pros: Amazing for travellers, night owls, gypsies and forever-young types, Yip says.

Cons: "I see these houses up for rent more than any other house number – they are better for extroverts."

#6 Pros: Often beautiful, excellent for families, pets and home businesses. A nest.

Cons: You might worry about appearances living here. Gardens require more upkeep.

#7 Pros: Excellent for nature-lovers and those who need personal space. "These houses are often set back from the road or have plenty of tree cover," Yip says.

Cons: "Seven is the hermit energy, so don't live here if you hate being single."

#8 Pros: This is the money number in China and associated with good returns over the long-term.

Cons: "You can't cut corners in a number eight house. It is shaped like an infinity symbol showing what goes around comes around." You must look after this house and not scrimp on insurance, Yip warns.

#9 Pros: Everyone feels welcome making these homes great for international residents and/or mixed families.

Cons: Guests get so cosy that they leave things behind. "You'll need to have regular garage sales," Yip advises.

The Reserve Bank formal projections

The Reserve Bank will now issue formal projections of the future expected Official Cash Rate

One of the more quaint 'guessing games' in the New Zealand economic landscape is coming to an end.

The Reserve Bank says from now on it will be giving an explicit forecast of what it in future expects the Official Cash Rate to be.

Up till now our central bank has in its Monetary Policy Statements issued estimates of where it sees the 90-day bank bill rates being in the future. But these estimates are of course based on what the RBNZ sees as the likely future level of the OCR, which the central bank itself sets.

All that's happened in the past is that bank economists and the like look at the projections of the 90-day rates and subtract around say 10-15 basis points to arrive at what the RBNZ is hinting the future OCR will be.

But no more. From next month's MPS all the cards will be on the table.

It appears that a drop of the OCR to a historic low of 1.75% on November 10 appears virtually 'locked in'.



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