

White Light

Rodney North Market Report

Mixed messages still abound around the state of the domestic real estate market.

Many companies and groups, including Ray White, experienced their best January results in the last four years. Since 2007 there hasn't been such a good number of properties sold.

On the other hand, the latest ASB Bank Housing Confidence Survey reported that housing confidence actually fell over the quarter 1 November 2011 to 31 January 2012. In fact, the report stated that it was the third successive quarter that housing confidence had fallen.

Confused—who wouldn't be?

The reality is that while less people are feeling that now is a good time to buy, activity in the housing market is continuing across most regions and, it is expected to continue with a consistent increase in housing turnover, even though the market is being constrained by supply. In Auckland and Christchurch, in particular, demand for properties has been outstripping supply for some months and as a result, prices have appreciated quite strongly. In many cases, prices are exceeding the 'highs' of 2007. It is anticipated that house prices will increase at a modest rate across the rest of the nation, but this rate is not expected to be very high over 2012.

There are more and more positive reports coming out about the state of our domestic economy. In recent days it was announced that the unemployment rate has also dropped. Added to these was the report that the Greek government had signed-off on its proposed austerity measures in order to secure a further loan and this has eased global concerns—to a degree.

There is much to be thankful for here in New Zealand (apart from that it is a beautiful place to live) and the overall prognosis for our future is very positive, even though much of the forecast growth will be fairly slow.

Although it's not good news for investors that rely on bank deposit interest to supplement

their pension or other income, the stance of the Reserve Bank to remain resolute in its January review of the official cash rate, is good news for those who have mortgages or, are contemplating taking out a mortgage. With local economic data reassuring and inflation in check, the signs indicate that, at this stage, the financial market see no increase in OCR this year.

With the low interest rate outlook set to continue and some expectation that property prices will increase relatively modestly throughout 2012, it's certainly a good time for people to evaluate their property purchasing options regardless of whether they are an upgrader, first home buyer or property investor. Did you know that residential rental property remains the second most favoured investment for New Zealanders?

So, what has been happening to the local real estate market since our last report, in December last year?

The cautious optimism we wrote of then, still remains and has been borne out by the December and January results.

Residential sales for North Rodney for December 2011 numbered 32 which was up 28% on the 25 recorded for the same month in 2010. Rural and lifestyle sales were only 6 compared with 7 in 2010.

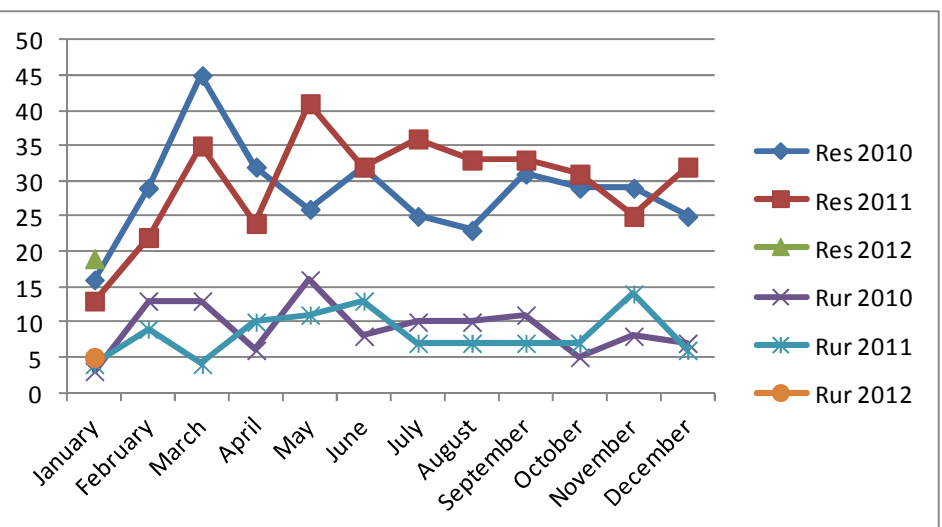
Omaha accounted for just under 19% of the sales transacted in December and Warkworth with 10, accounted for 31.25% of the total.

Following the 28 percent increase in residential sales over December, North Rodney experienced a further 32 percent increase over January. While this sounds impressive we must accept that when we are dealing with small numbers, it's not difficult for percentage differences to be high. January sales were 19 compared with the 13 recorded in 2011.

Rural sales remained reasonably static at 5, just one more than the 2011 result of 4.

Omaha recorded 21 percent of the residential sales with 4, Snells Beach 26 percent with 5 and Warkworth 37 percent with 7.

Interestingly enough, in recent weeks two local Registered Valuation practices put out newsletters which commented that, for the same reasons we have been commenting for the last four months, that there is no clear pattern or correlation between the CV (which is the rateable value of a property assessed by QVNZ) and market value. Both recommended that no reliance be placed on the CV (RV) for buying, selling or financing a property.



Disclaimer

N.B. Market statistics based on unconditional sales recorded with REINZ during the prescribed period. In preparing this document we have used our best endeavors to ensure the accuracy of all the information provided. We accept no liability or responsibility for any errors or inaccuracies and recommend that all recipients make their own enquiries to verify any information given.

Ray White

Residential sales for North Rodney— January 2012

RS = Residential Section X/L = Cross Lease

Property Address		Sale Price	Days on Market	Bedrooms	Land Area M ²	2011 CV	Sale Price Compared with Latest CV
Algies Bay	Albro Lane	236,000	334	RS	776	N/A	
Leigh	Hillside Cres	635,000	186	2	830	590,000	+7.6
	Lax Cres	720,000	32	RS	1,500	630,000	+14.3
Matakana	Buckleton Rd	1,700,000	56	5	809	1,400,000	+21.4
Omaha	Argo Rise	510,000	74	3	597	570,000	-10.5
	Broadlands Dr	475,000	49	3	602	660,000	-28.0
	Caroline Hts	725,000	68	4	556	830,000	-12.7
	Edith Pl	770,000	404	3	556	860,000	-10.5
	Kewai St	625,000	1346	RS	673	630,000	-0.8
	Leigh Rd	315,000	7	2	809	360,000	-12.5
	Mangatawhiri Rd	402,000	32	RS	780	380,000	+5.8
	Mangatawhiri Rd	490,000	968	RS	809	430,000	+14.0
	Omaha Dr	610,000	101	3	577	690,000	-11.6
	Point Wells Rd	295,000	7	RS	1,223	280,000	+5.4
	Thistle Tce	1,035,000	19	3	557	860,000	+20.3
Point Wells	Dunbar Rd	550,000	35	2	814	570,000	-3.5
	Harbour View Rd	930,000	116	2	1,543	940,000	-1.1
Puhai	Krippner Rd	230,000	3	RS		N/A	
Scotts Landing	Ridge Rd	260,000	190	RS	1,839	360,000	-27.8
Snells Beach	Dawson Rd	300,000	27	3	XL	305,000	-1.6
	Foster Cres	292,000	85	2	885	295,000	-1.0
	Kahurangi Pl	545,000	3	3	670	530,000	+2.8
	Kauri Cers	277,000	63	2	622	335,000	-17.3
	Muncaster Rd	193,000	185	RS	602	215,000	-10.2
	Rangimaarie Cres	270,000	560	2	812	280,000	-3.6
	Rawhiti Pl	283,000	172	2	334	340,000	-16.8
	Schooner Ave	575,000	0	3	468	N/A	
	Snells Beach	350,000	23	2	607	435,000	-19.5
	Tamatea Dr	630,000	82	3	648	740,000	-14.9
Warkworth	Bertram St	380,000	74	3	746	440,000	-13.6
	Bertram St	240,000	449	2	XL	205,000	+17.1
	Coquette St	420,000	22	3	627	455,000	-7.7
	David William Pl	410,000	2	3	468	370,000	+10.8
	David William Pl	459,000	5	3	618	400,000	+14.8
	Hauti Dr	295,000	136	3	875	295,000	=
	Hexham St	290,000	126	3	438	250,000	+16.0
	Hill St	525,000	78	3	1,265	510,000	+2.9
	Jade Rd	230,000	391			N/A	
	McKinney Rd	325,000	163	2	3,170	435,000	-25.3
	Melwood Dr	645,000	7	4	714	520,000	+24.0
	Pulham Rd	620,000	162	2	1,295	550,000	+12.7
	Southgate Rd	510,000	50	3	647	530,000	-3.8
	Walton Ave	350,000	33	3	XL	360,000	-2.8
	Whitaker Rd	282,500	402	4	865	300,000	-5.8
	Woodcocks Rd	330,000	0		1,130	280,000	+17.9
	Woodcocks Rd	255,000	112	2	833	265,000	-3.8
Wellsford	Centennial Park Rd	160,000	230	2	1,047	170,000	-5.9
	Davies Rd	264,000	47	3	1,041	230,000	+14.8
	Rodney St	270,000	165	3	1,017	245,000	+10.2
Whangateau	Leigh Rd	372,500	168	3	791	470,000	-20.7