

White Light

Rodney North Market Report

What a furore the new valuations have created around the region.

At the end of October, Auckland Council posted out to each property owner in the region a copy of the revaluation of their property or properties. The valuation is used by council for rating purposes and is purported to reflect the probable market price for a property as at the effective date of the valuation, in this case being July 1, 2011.

The revaluations were carried out with the assistance of Quotable Value (QV) and are a mass appraisal valuation of properties, which means that few properties are actually inspected, thus huge variances can often occur. Often, improvements that have been carried out are not included in the appraisal and this can have a significant bearing on the price a property might fetch on the market. This is the scenario occurring in Christchurch right now, where the government is assessing compensation based on the current CV of a property and not allowing for improvements that have been carried out since the last CV was assessed.

Since the last revaluations were carried out, for what is now the Rodney Ward of Auckland Council, there has been a global financial crisis around the world. There have been major shifts in most assets, including housing, in the post-global financial crisis and, whereas valuation exercises over the last few decades have normally seen property prices increase in value, this time we have seen some properties decrease in value.

Over 1500 homeowners, so far, are objecting to the latest revaluation. In Rodney, the previous revaluation was carried out in 2007 which was at the peak of the market, so it was inevitable that a degree of downward adjustment would have to occur considering how the real estate market has performed since that peak.

In our assessment the new CV's are far more indicative of the actual market values or properties, particularly in the Warkworth, Snells Beach/Algies Bay areas. Regular readers of **White Light** will recall comments

we have made over the last three years, regarding sales that were being made, and their sale price compared to the previous CV of 2007.

Never-the-less, there will be anomalies due to the mass valuation process, as explained earlier.

After the previous two revaluations in 2004 and 2007, we discovered many instances where the assessed CV's ranged from 60 percent below the 'current market value', at the time, to 60 percent above.

Owners wanting a more correct guide as to what the current market value of their property is worth should either pay for a valuation from a Registered Valuer, or ask a reliable real estate agent.

The definition of 'Market Value' obtained to PINZ standards 2006 is:

"The estimated amount for which a property should exchange on the date of valuation between a **willing buyer** and a **willing seller** in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

On the local front there has not been any significant change in the real estate market over the last month.

Numbers of residential sales have remained fairly constant over the last quarter dipping just slightly to 31 for October. This is consistent with the August and September

numbers of 33 and slightly up on the October 2010 figure of 29. October 2009, was quite different however, with 48 sales made—a number which eclipses the best month experienced so far in 2011 (March—45).

Rural/Lifestyle sales numbers have continued at just 7 per month since July, however this was better than the October 2010 result which had dipped to 5. As we have written in earlier newsletters, the rural and lifestyle sector of the market has been the worst affected over recent years and unfortunately there are no optimistic signs of this changing in the near future.

Omaha and Warkworth township have been the most consistent performers over the last year or so, with sales in Snells Beach lagging, however, the last three months have seen a significant shift with sales numbers in Snells Beach improving and outscoring other areas. The majority of these sales have been in the under \$400,000 bracket.

Of the twenty-six dwellings that have sold in the bay over the last 3 months, twenty of them (77 percent) have been for \$401,000, or under. Six (23 percent) have sold for under \$300,000. An interesting little table below shows the total number of sales of dwellings in Snells Beach for the same period for 2011, 2010, 2007 and 2006 and the numbers and percentages under \$300k and \$400k.

Aug/Sept/Oct	No. Sales	Under \$300k	%	Under 400k	%
2011	26	6	(23)	20	(77)
2010	20	3	(15)	14	(70)
2007	17	1	(6)	7	(41)
2006	21	2	(9.5)	10	(48)

The table illustrates the affect the global crisis and the recession within our domestic economy has had on prices within Snells Beach. On a market such as what we experienced during the early/mid 2000's one would have expected that the number of lower priced houses selling would have dropped, as prices rose, however the opposite has been the case here.

Another interesting little statistic is that six of the last twenty-six sales in Snells Beach, have been re-sales in the last 5 years and of the six, four have been for prices lower than their last sale price! Some people, at least, are accepting what the market is and are just getting on with their lives.

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.

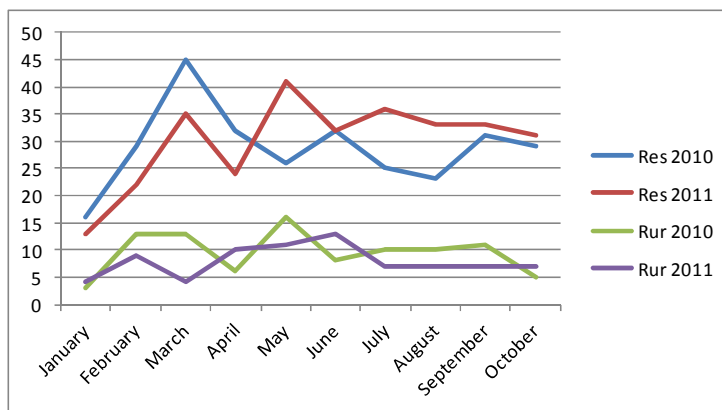
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Number of residential and rural sales 2010 and 2011



Residential sales for North Rodney— October 2011

RS = Residential Section X/L = Cross Lease

Property Address	Sale Price	Days on Market	Bed-rooms	Land Area M ²	2007 CV	2011 CV	Last Sale Price	Year
Algies Bay	Athol Pl	495,000	59	3	606		193,000	8/02
	Willjames Ave	690,000	46	4	1,208	560,000	145,000	6/04
	Willjames Ave	875,000	18	3	809	780,000	298,000	10/95
Kaipara	Kaipara Coast Hwy	155,000	809					
Leigh	Leigh Rd	405,000	921	4	921	540,000	465,000	12/05
Matakana	Riverglade Ln	605,000	43	3	1,174	590,000	565,000	3/11
	Whitmore Rd	910,000	36	3	1,503	790,000	400,000	4/09
Omaha	Dungarvon Pl	687,000	10	3	557	655,000	660,000	11/07
	Paraone Pl	880,000	71	4	551		N/A	
	Shamrock Crest	845,000	13	4	577	830,000	225,000	9/97
	The Southern Isle	2,256,000	33	3	807	2,350,000	2,300,000	5/06
Point Wells	Harbour View Rd	605,000	51	5	809	745,000	48,000	11/85
	Point Wells Rd	750,000	235	4	1,507	820,000	156,500	10/03
	Point Wells Rd	430,000	92	1	1,189	450,000	170,000	8/98
	Riverside Dr	750,000	60	4	1,191	1,025,000	385,000	12/97
Sandspit	Creek St	650,000	29	3	4,518		500,000	11/03
Snells Beach	Cornel Circle	310,000	160	2	1,125	300,000	137,500	2/96
	Ferndale Dr	305,000	149	3	809		174,000	12/01
	Hampton Mews	575,000	397	RS	8,063		N/A	
	Muncaster Rd	200,000	5	RS	598	225,000	N/A	
	Piccadilly Circus	810,000	38	4	509	445,000	500,000	5/09
	Rangimaarie Cres	400,000	39	2	809	295,000	475,000	4/07
	Tara Pl	425,000	2	3	673		256,000	12/97
	Tara Pl	472,500	67	5	668	495,000	176,000	5/97
Warkworth	Ashmore Cres	440,000	38	2	392		275,000	12/01
	Bertram St	500,000	199	3	809	425,000	225,000	5/03
	David William Pl	435,000	33	3	603	435,000	529,000	9/07
	Pulham Rd	250,000	47	2	809	330,000	150,000	10/03
Wellsford	Port Albert Rd	318,750	22	3	815	375,000	N/A	
	Rodney St	220,000	429	2	819	270,000	180,000	7/04
	Worker Rd	495,000	160	3	1,912		155,000	11/06

Rural sales for North Rodney— October 2011

Property Address	Sale Price	Days on Market	Area (Hectares)	Description	2007 CV	2011 CV	Last Sale Price	Year
Matakana	Leigh Rd	350,000	235	1.3010	Home	580,000		
	Omaha Valley Rd	1,400,000	8	26.0000	Bare grazing block		225,000	1,1950,000
Omaha	Schollum Rd	850,000	132	1.0540	4 bedroom home	905,000	282,000	5/03
Warkworth	West Coast Rd	730,000	117	8.4900		860,000	550,000	8/04
	Woodcocks Rd	680,000	123	1.70000	4 bedroom 320m ² iron & weatherboard home	685,000	385,000	10/06
Wellsford	Whangaripo Valley Rd	472,000	16	5.4440	4 bedroom home	500,000	415,000	6/05
	Wharfe Rd	600,000	0	56.1000				