

Spring 2017

Residential Real Estate | Property Management | Section Sales



Welcome



Welcome to our Spring Newsletter

We are seeing a number of mixed messages in the media about the current state of the residential housing market. It may be useful to understand what we are seeing at the coal face;

- Listings advertised in the Realtor are running at roughly the same level as this time last year.
- Demand for residential sections at our Prestons Park Development continue to exceed supply.
- Housing companies are reporting a significant lift in enquiry and build contracts.
- We are experiencing strong demand for well-priced and well-presented listings with many sales still occurring as a result of multiple offers.
- Traditional pre-election nervousness is not apparent to any great extent in the current market.

If you have been contemplating a shift, one of our consultants would be happy to discuss how you could benefit in the current market.

Regards,
Colin Lock
Managing Director

CHRISTCHURCH REAL ESTATE MARKET - NO REASON TO PANIC

Property markets are notoriously unpredictable, rivalled only maybe by the weather, or which party will win the forthcoming election. But the post-quake Christchurch property market over the past six years has confounded even the most switched-on realtor. Whole suburbs being wiped out has played havoc with normal supply and demand streams, so it's not remotely surprising that vendors and buyers alike have been in a state of confusion about the best time to make a move. But, despite damage, house prices have stayed high, even for 'As Is Where Is' properties unable to secure insurance.

But now, with more housing available, Canterbury is finally getting back to normal – or possibly a new normal – with a marked reduction in the frenetic activity we've become used to. But experts are quick to stress that there's no need to panic: there will always be reasons for selling and buying property. Those reasons are still driving activity – and banks are currently lending money at fantastic rates.

Steady Market

Christchurch has historically been quite a conservative and steady market, not given to the dramatic highs and lows of some of our North Island centres. So, this return to normality is unsurprising. It's important to remember though, that the Christchurch population is still on the increase, the commercial re-build is in full swing, and the need for homes will always exist, so our advice would be to relax and enjoy the first signs of Spring in the air.

Renters Calling The Shots At Last

Just as property sales are settling down, so too are rentals. The market reached an unprecedented high in the years immediately following the quakes as builders were drafted in for the rebuild. And, while this was great for landlords, it was frustrating for locals. In May this year, the median rent was \$361, down from \$431 in early 2015, so those who've been cashing in on the inflated population

and scarcity of rental properties are having to be realistic, tighten their belts and realise that tenants are in the driving seat now and can afford to be choosy. Again, there's no need for panic, or for investors to stop looking for good opportunities. It's just a case of bringing expectations back into line. It's actually good news for tenants, as the increased competition is forcing property owners to reassess presentation and safety standards – good news for anyone thinking of renting.

Methamphetamine – Better Outcomes For All

Much has been said about the increased production and use of methamphetamine and the effect it's been having on landlords and tenants alike. The Residential Tenancies Amendment Bill (No 2) introduced in May this year intends to address this. The Bill recognises that meth contamination of buildings has become a significant issue and needs clearer direction. While everyone wants buildings to be safe, there's little merit in leaving properties empty, so Standards New Zealand is working on achievable contamination thresholds, and the Bill will enable those to be legally recognised and enforceable before the Tenancy Tribunal.

The Bill ensures that landlords will now have easier access to affordable meth testing, and tenants will now be fully liable for any deliberate or criminal act. In addition, for every act of carelessness, tenants will be liable for the cost of their landlord's insurance excess up to a maximum of four weeks' rent. All in all, landlords will be compelled to have effective insurance, and tenants will have incentive to keep their properties in a good state. A win-win scenario.

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Pictures from our stand at the Star Home and Leisure Show 30 June - 2nd July 2017



Christchurch House Sales						
Suburb	Median Price April - June			Median Days on Market April - June		
	2016	2017	Variance	2016	2017	Variance
Belfast	\$442,500	\$417,500	-6%	53	69	31%
Bishopdale	\$432,000	\$442,000	2%	42	53	26%
Casebrook	\$465,000	\$446,000	-4%	39	51	31%
Edgware	\$373,000	\$400,000	7%	30	33	12%
Harewood	\$900,000	\$658,000	-27%	76	50	-35%
Mairehau	\$398,750	\$420,000	5%	32	44	38%
Northwood	\$663,500	\$677,000	2%	41	50	22%
Papanui	\$449,000	\$440,000	-2%	37	41	11%
Redwood	\$437,500	\$458,250	5%	37	45	20%
Richmond	\$325,000	\$389,750	20%	49	45	-8%
Shirley	\$411,000	\$430,050	5%	52	59	15%
St Albans	\$480,000	\$473,000	-1%	41	48	17%

Sourced from a variety of industry data sources

Contact us today

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