



A change of tide...

By ANZ chief economist Cameron Bagrie

The housing market is showing signs of stabilising after a sizable recovery with volumes and days to sell stable for three months. Limited listings, however, is underpinning prices. Migration continues to rise but so, of course, does the unemployment rate.

More time is expected in the dry-rock when it comes to employment. The economy may be regaining forward momentum again but this is not translating into increased labour demand yet. Employment growth fell 0.8 percent, with full time jobs down 0.5 percent and part time down 1.1 percent. The unemployment rate moved from six percent to 6.5 percent.

Housing credit growth rose 0.2 percent month-on-month - a soft read considering the rebound in the housing market, which suggests that those selling their houses are using those proceeds to pay down debt rather than leveraging up.

The highest annual total since August 2004 for net migration has been recorded - with an October net gain of 2,130 - taking the 12-month total to 18,560. October's gains were driven by higher arrivals and an ongoing drop in departures.

An ebbing tide is noted for house sales in October, as residential sales retraced 5.6 percent to levels experienced a few months earlier. The median number of days to sell remained at 34 days - which is a low level by historical standards. House prices continue to rise, with the median price up six percent from a year ago.

An onshore swell is developing with residential consents issued rose 3.3 percent in the month, while consents ex-apartments rose 2.8 percent. The pace of increases is not substantial, but is generally in line with what would be expected given the increase in house sales, low interest rates and the improvement in net migration.

Mortgage sales were left high and dry with the number of mortgagee sales hitting a new high - with 343 registered mortgagee sales in September. This reverses the fall in August and outstrips the previous high of 321 measured in July.

Some of the recent oomph in the real estate markets was missing in October, with sales retracing in many regions and days to sell settling, after dropping since February.

Mortgage lending remains soft with the latest mortgage approvals data suggesting the rising mortgage curve could be starting to impact on activity. Looking at the overall market we see a lot of mixed signals.

Certainly in some pockets the pricing remains competitive due to a lack of listings. But one reason for a lack of listings is that people simply don't want to take on more debt, hence the mixed picture.

A key indicator we are watching at present is credit growth - as long as it remains subdued we doubt the market is set to rip away.

Tara's Feature Listings

240 Blackbridge Road, Dairy Flat - www.bayleys.co.nz/201212799



Rare Opportunity - Lifestyle Do-Up

- Established property with large 1970's home in need of renovation
- Picturesque and gently contoured 4.97ha (approx, 12 acres) in a mixture of pasture and bush
- Large functional barn and yards with separate entrance
- Poly-house set up with Hydroponic system for the hobby farmer or small business opportunity

Smart buyers will recognize the potential - Realistic vendors are downsizing out of Auckland.

For Sale by Negotiation CV \$1,075,000

29a James Street, Glenfield - www.bayleys.co.nz/201219357



FIVE BEDROOMS ON A BUDGET - \$460,000

- Fabulous Investment, Current rental appraisal \$490 - 520/wk
- Spacious ground floor living opens to private courtyard and rear garden
- Single garage plus plenty of extra off street parking
- Use of fully maintained swimming pool
- Very handy location - close to everything!

homefront

Tara's Comment...

The countdown to Christmas is truly upon us, and if you are anything like me there are never enough hours in the day as it is - and this time of year seems to be even more chaotic! However, there is nothing like a good dose of Christmas Cheer. This is always such a great time of year and hopefully the spirit of Christmas will be with us all.



I hope you have enjoyed receiving my newsletter each month; and thank you for the opportunity to keep in touch. Please pass on my details to any friends, family or colleagues. I am always delighted to receive a referral and relish the chance to help out with the sale or purchase of property.



Courtesy of...

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