

Residential **views**

Coming out of limbo

From ANZ chief economist Cameron Bagrie



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Construction and real estate statistics lifted a little this month, but looking from a wider viewpoint, house prices have flat lined nationwide. A steady flow of immigrants means demand is continuing and net migration is on track to hit a record high. But the combination of rising interest rates, drops in affordability and Loan-to-Value Restrictions have the housing market in limbo.

There was a 3.5 percent increase in the number of building consents issued in June, which followed a drop in May and a sluggish April. The average floor area of these consents rose five percent in the June quarter and renovation activity increased - indicating a strengthening in residential construction towards the end of the year.

Regional data suggests the recent upturn in residential construction has been widespread, with nine out of 16 regions reporting a climb in consent issuance when compared to a year ago.

House sales volumes rose 4.6 percent in July but continue to show signs of weakening with a 1.2 percent decline compared to the same quarter last year.

The median days to sell dropped to 36.2 days, the lowest since April, with Auckland and Canterbury figures sitting below the national average.

Annual house price inflation slowed to 5.9 percent, the lowest since February 2013.

Mortgage lending to households increased 0.4 percent in the month of June, but the annual increase in the mortgage lending series eased to 5.2 percent, the lowest in 14 months.

July saw another strong net inflow of 4550 permanent and long term migrants. Annual inflows rose to 41,000, the highest since August 2003 and are on track to reach close to a record high of 50,000 by the end of the year.

The climb in net permanent and long term immigration has coincided with a sharp downturn in permanent and long term emigration to Australia, which eased to 7300, when compared to 30,000 a year ago.

The seasonally adjusted number of mortgage approvals dropped 6.2 percent in July, hitting a 33 month low for the series, and the value of mortgage approvals fell 5.2 percent to a four month low.

Early data for August suggests mortgage approvals are picking up. Drawing from weekly data this month, approvals look set to increase around 4.5 percent in the month, not enough to offset the fall recorded in July.

A seasonally adjusted 4.3 percent rise in concrete production in the June quarter confirms a broadening of the construction sector, led by Auckland with a 12 percent surge in production and Canterbury with a 6.9 percent increase.



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Beat the stress of moving house



Relocating to another city or town can be a daunting experience but for one reason or another, many of us choose to do it at some stage in our lives. While a fresh place to set down roots can be an exciting prospect, it is often noted that moving is one of the most stressful things we can endure in our life - third only to death of a loved one and divorce.

According to statistics from the NZ Realtors Network, moving to another region is most commonly influenced by age and economic influences. The under 20 age group relocate primarily for education, the 20 to 29-year-old move is more socially based and for 30 to 59-year-olds, it is mainly about employment and advancement as these are the primary earning years.

"We then find that those aged 60-plus are looking for environments where they want to spend their retirement - which is often focused on social engagement and ease of access," says Colleen Milne, general manager of the Network.

Of course when people are moving to a specific destination for employment, sometimes there isn't as much flexibility when it comes to choosing where to live. Milne says the first thing to help reduce the anxiety felt when relocating is to make time to visit the new town or city, and take your family with you, if possible.

"Check out transport options, get a feel for the community and if you have children, try to make it an adventure for them. The internet is also your best friend - do lots of research, use Google maps and read through the website of the local council."

Understanding the different neighbourhoods and suburbs can be one of the biggest challenges facing people who relocate. So it is important to have a clear view of what the local real estate is like, what the decile ratings of schools' are in different parts of the region and how close the amenities are that you need in your day to day life.

One alternative is choosing to rent first, instead of purchasing a home straight away - if that is an option you have available. Milne says it gives people a good opportunity to 'try before they buy' and get a feel for where to live, although she does note that a significant number do just want to move straight into a new house.

Source: *Stuff.co.nz*

Tara Menzies (BSc) - 'Selling locally - Supporting our community'

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