

Property On The Move

**MAY 2024
TO JUN 2024**

SEVEN REASONS WE'RE ALL SPENDING LESS (IT'S NOT ALL BAD)

(Tony Alexander -15 May 24 from OneRoof)

I run five surveys each month and recently all have recorded firm declines in sentiment about the economy and intentions of doing things like hiring people, buying houses and spending money. Why all of a sudden has the likes of my consumer spending plans reading gone from just a net 13% planning to buy fewer things in December to now a net 36%?

- 1) A new factor in play is a loss of confidence about the labour market. News about redundancies have made people wary of committing to the purchase of something large in case they won't be able to service the resulting debt.
- 2) The rise in people looking to take advantage of last year's house price gains by selling the home they live in or – and this is new – their long-held rental property. House prices are now easing on average 0.3% a month after earlier rising 0.8% a month and there is a new negative wealth effect in play.
- 3) Of greater importance that I'd like to note – is a fresh deterioration in the outlook for house building. With the number of consents issued for the construction of new houses and units falling rapidly, developers are struggling to get

MORE SOLD BY US



**5 LEN GARLICK
PLACE**
Pahurehure
JUST SOLD
4 bed, 2 bath



**40 PICKABERRY
AVE**
Karaka
JUST SOLD
5 bed, 3 bath

Cash Rate by 0.75% and said we would have a recession

- 7) Virtually all households are now being hit by soaring insurance and/or council rates bills meaning even older people with no mortgages are becoming worried about their weekly budgets and whether they can afford to stay in their house.

These specific worries may also be acting as a trigger for some older investors who have been holding their property to fund retirement to now actively plan on selling it.

Paying soaring rates on one's home and a rental asset at the same time is too painful for many. Most however will be selling their investment property at a price multiple a lot more above what they paid for it, so the current weakness in prices may not matter much to them.

But for investors looking to expand and first-home buyers looking for their first owned home, conditions are actually improving – as long as one is confident about retaining employment and has factored in higher home ownership ongoing expenses

RECENTLY SOLD BY US



**24B SOUTH
STREET**
Papakura
JUST SOLD
3 bed, 1 bath



**35 BARNHILL
CRESCENT**
Pahurehure
JUST SOLD
3 bed, 1 bath

enough presales to satisfy bank requirements and that means projects can't be started. And the debt raised to purchase and prepare the land which the units will sit on continues to grind down developers' cash balances. Liquidation ahead for many.

- 4) The way IRD are no longer being friendly and forgiving in the face of a need for community cohesion to fight a pandemic. They are reminding businesses they have to pass onto them the GST they have collected along with PAYE and KiwiSaver contributions. This new source of cash outflow is restricting finances for businesses, especially those in hospitality, construction and retailing.

- 5) The pandemic savings built up by households and businesses have probably all been used up. That is what analysts believe has recently happened in many countries. Again, cash flows and cash balances become a problem.

- 6) Only now have we entered the traditional period 18-24 months along from a monetary policy tightening when that tightening is expected to have its most devastating impact on inflation. In fact we are exactly 18 months on from November 2022 when the Reserve Bank raised the Official

CURRENT & NEW LISTINGS



3 GLOAMING PL
Conifer Grove
BY NEGOTIATION

3 bed 2 bath family friendly home with dble garage on generous 675m2 site.



3 BRYNBELA CT
Papakura
ASKING \$675,000

2 bed, internal access garage. Just move in and start living



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LOCAL REAL ESTATE SUBURB TRENDS

Month	Median	Average	Sold	Days	Highest\$	Lowest\$
KARAKA Incl Lakes & Harbourside						
Apr 23	\$950,000	\$1,104,286	7	57	\$1,900,000	\$730,000
APR 24	\$1,215,000	\$1,296,202	21	64	\$2,700,000	\$600,000
PAHUREHURE						
Apr 23	\$850,000	\$852,500	4	64	\$1,060,000	\$650,000
APR 24	\$988,900	\$1,042,133	6	75	\$1,650,000	\$640,000
PAPAKURA SUBURB						
Apr 23	\$745,000	\$772,767	30	51	\$2,450,000	\$443,000
APR 24	\$760,000	\$871,785	42	64	\$4,500,000	\$517,000
OPAHEKE						
Apr 23	\$838,000	\$806,200	5	25	\$1,002,000	\$450,000
APR 24	\$930,000	\$864,000	7	55	\$1,000,000	\$570,000
ROSEHILL Incl Parkhaven Estate						
Apr 23	\$791,171	\$846,836	4	27	\$1,035,000	\$770,000
APR 24	\$881,000	\$910,200	5	29	\$1,115,000	\$650,000
TAKANINI Incl Longford Park & Conifer Grove						
Apr 23	\$885,000	\$889,333	18	60	\$1,235,000	\$486,000
APR 24	\$800,000	\$1,005,279	17	59	\$3,321,000	\$440,000
WATTLE DOWNS						
Apr 23	\$1,115,000	\$1,085,600	5	95	\$1,185,000	\$910,000
APR 24	\$899,000	\$916,125	9	54	\$1,225,000	\$619,000
PAPAKURA WIDER DISTRICT						
Apr 23	\$802,342	\$873,469	69	50	\$3,650,000	\$443,000
APR 24	\$840,000	\$1,002,014	107	59	\$4,500,000	\$440,000

REINZ - APRIL 2024 PROPERTY REPORT

National Highlights

- The total number of properties sold decreased in April (-17.3%) compared to March 2024 for New Zealand from 6,721 to 5,559, and increased by 25.3% year-on-year, from 4,438 to 5,559.
- The national median sales price decreased by 1.3% compared with March 2024, from \$800,000 to \$790,000 and increased by 1.3% year-on-year, from \$780,000 to \$790,000.
- Median Days to Sell nationally reduced by 3 days year-on-year, down from 46 to 43 days.

Median House Prices

Within Auckland, six of seven TA's had positive year-on-year median price movements, with North Shore City the strongest at +8.8%, followed by Auckland City at +8.6%. In Auckland, the median price increased 6.1% year-on-year to \$1,050,000.

Days To Sell

Month-on-month, April 2024 had the highest median Days to Sell in Auckland since 2001

Owner-occupiers looking to upsize and first-home buyers remained the most prominent buyer groups across Auckland, with developer enquiries also increasing in South Auckland.

While some vendors who have been on the market for some time are adjusting their expectations, most vendors who have recently listed are hopeful of achieving their original price.

Open home attendance numbers varied across the region. Auction activity has increased in some areas, with most properties selling after the auction rather than in the auction room.

Market sentiment was influenced by factors such as interest rates, bank lending criteria, and vendor expectations.

Local agents remain cautiously optimistic that activity may lift later in the year, depending on changes in rental rules, tax incentives, and interest rates.

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CURRENT BANK LENDING RATES

Bank	Floating	1 year	2 year	5 year
ANZ	8.64%	7.14%	6.79%	7.34%
ASB	8.64%	7.14%	6.75%	6.39%
BNZ	8.69%	7.14%	6.79%	6.55%
Kiwbank	8.50%	6.99%	6.79%	6.55%
TSB	8.64%	6.99%	6.75%	6.59%
Westpac	8.64%	7.24%	6.75%	6.39%
Best Rate	7.49% Bank of China	6.10% WBS	5.70% WBS	6.19% SBS

Info from mortgage.com.au as at 16 May 2024. Red equals increased rate, Black equals the same rate, Green equals reduced rate (compared to last month). In no way is this display to be taken as an endorsement of any of these Banks

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