

# *A Year to Remember*

What an interesting year filled with drama – not necessarily with a connection to real estate. I'm sure you know what I mean. I would like to highlight a couple of issues that are important going forward – obviously market forces, and pertaining to those forces, the land price content and the effect on the market.

In the first instance, attention has been on the RMA Act and the effect on density of housing and utilisation of existing land. This is mainly in the context of the residential market. Both the major political parties are in agreement that there should be infill housing wherever possible in the urban situation. Whether the scrutiny of the RMA Act will have an effect on regional councils is a moot point. I've had recent correspondence with Waikato District Council on a certain area, and they are adamant that there will be no scaling down of the requirement for a minimum land size. This attitude is not reflecting public sentiment. In this day and age, 5000m<sup>2</sup> on quality soils – as subdivision invariably is – is a wasteful use of the resource. 2500m<sup>2</sup> is sufficient for croisé residential country living, and for those that require to run animals, one to two hectares is always in demand. Lifestyle section prices, especially relatively close to the city, have reached as high as around the \$1.2 million mark, for 5000m<sup>2</sup> to 8000m<sup>2</sup>. It's easy to see why this has the effect of raising the price bar for properties erected on these sites. The net effect of these prices is that the land price on any lifestyle sale is a major portion of the ultimate price, and doesn't always reflect the value of the buildings on the property.

Reflecting on recent sales that I've been involved in, the prices achieved have been at levels above market feedback from prospective purchasers attending open homes. You may think that this is just a natural reluctance on behalf of purchasers to divulge what they think the property is worth, however, among the sales we've had this year, we've had properties sell for as high as \$300,000 above market feedback, to as much as \$600,000 above market feedback. What can we credit for this? In one word – auction. In a market such as we've had, with escalating prices month by month, this is the only sales method that can reward the seller to such an extent, and achieve those sorts of results – competition is the name of the game.

In particular, Ali and I have been incredibly well supported by the loyalty of long-standing clients. Three of the properties we have sold this year have been from extra long-standing clients, having sold them into the property they sold this year – one in particular 21 years ago, and another 17 years ago. We are confident in believing that we do a highly professional job, but it is always nice to have confirmation and confidence from our clients.

Finally, as they say, it ain't over yet the golden run! Aucklanders are due to be let out, and I can assure you that we have dealt with many Aucklanders who have indicated that they will be leaving the city for good. I believe between now and the next three to four years, they will be infiltrating our market. They bring with them the value expectations based on the locality where they are presently residing – in other words, they cause an upward spiral in values.

After 28 years in the industry, I still derive great enjoyment providing a way for people to achieve their dreams. We wish you all the best for the coming year. Be kind to one another, it is most rewarding.

*Merry Christmas!*      *Murray Green & Alissar Boudreau*



**Murray Green & Alissar Boudreau**  
Rural/Lifestyle Consultants REAA  
**Mob** 0274 762 648  
**Email** murray@murraygreen.co.nz  
**www.murraygreen.co.nz**

