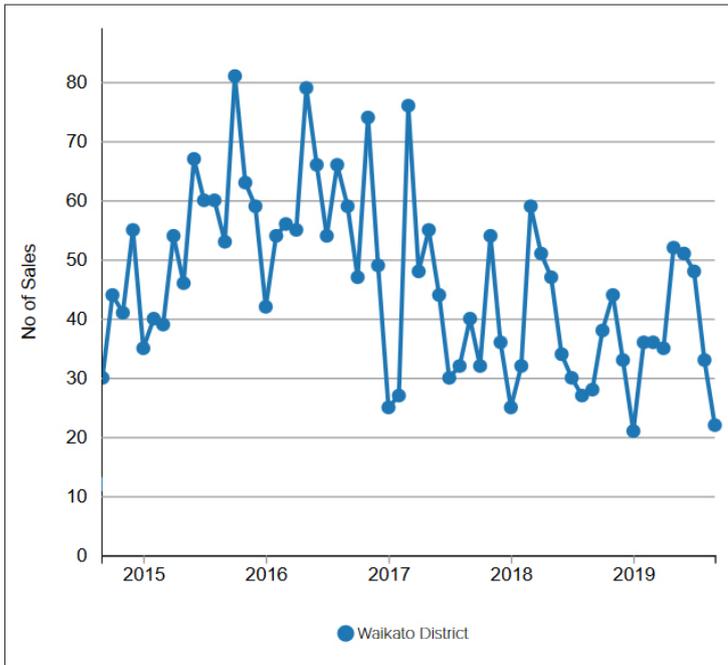


Better Times Ahead

Against all logic and reason, the lifestyle market this year is best described as quiet by the standards of years gone by, especially in terms of number of sales compared to the halcyon years of 2015-2016. Given the fact that interest rates have never been lower historically, it is difficult to understand the forces that have shaped the market this year. One explanation could possibly be that many lifestyle properties nowadays sit well over the million dollar mark, which normally means a purchasing age group of 40 upwards through to baby boomers – which obviously excludes the first home buyers, and represents only around 50% of the potential purchasing market. Closely following overseas markets has shown that there has certainly been some volatility in all forms of investment markets.



This graph generated from REINZ statistics shows a top number of sales occurring in 2015-2016 of 203 for the early spring 3-month period, compared to 103 in the last 3 months, for the Waikato District.

Further statistical research shows that the median price has been tracking downwards over the last 6 months.

At the lower end of the market, properties tend to be older and therefore require further investment to bring them up to modern standards and tastes. As the market matures, increasingly there are homes predating the 2000s, and if they have not had any updating, the market is quite ruthless in their perception of value.

Having said that, years of experience have taught me that cycles come and go, and already it has become noticeable that there is a pick-up in numbers attending open homes with the intent of ultimately purchasing, so we will call the winter period a period of indecision, especially since the lifestyle market usually follows the city market trends, which are becoming stronger by the week.

In reviewing the 10-year period 2009 to 2019, the median price in the Waikato District shows 100% increase in property values. Believe it or not, that is 10% on average per year, so the vagaries of value from year to year even out over time, which is perhaps the major reason why so many of my clients have spent many happy years in the properties they have purchased. Capital gain cannot be denied. I think we, who live in the country, enjoy the many pleasures associated with rural life.

If you need a steady hand on the wheel, myself and Ali are here to offer our combined 37 years of real estate experience to help you achieve your desired result. We're always here to help – give us a call, whatever your needs are.



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