

# Is There a Better Time?

We have been in a difficult market for close to 12 months now. While some financial commentators expect a further fall of between 5% and 10% on current values, the thinking people in our profession, and others at the coalface, believe that the market is bouncing along at the bottom, with a likely rise in values from 2010. It is worth noting that 2008 goes down as the lowest selling year for the real estate industry over the past 16 years – total sales volume showed a drop of 39% as compared to 2007, and 53% down on the peak year of 2003. A respected financial commentator believes that the New Zealand market has several factors in its favour. One being that we don't have an over supply of stock. In fact, indications are that, for the next 6 months, we'll be short of optimum levels. Secondly, given the plummeting dollar, we are far more likely to see an increase in overseas buyers made up of expat kiwis and international migrants and investors, which is great news for our business. Since Christmas, the number of inquiries regarding properties at the lower end of the scale has been noticeably higher.

Clearly, the lowering interest rates and the likelihood of even lower rates being offered within a short period of time has been a factor in this upswing in inquiries. We should keep in mind that once interest rates get down to a low level, historically, the rates do not stay at the low level for a long period. My advice would be, rather than hanging out for the possibility that property prices may fall further, take advantage of the loan rates being offered today.

Recovery in the market has always been led from the bottom end, and progressively filtered throughout the market. It is my expectation that the market will continue to show slow, but positive, signs of recovery this year, but it is unlikely to see any dramatic increase in values.

Remember to log on to my website, [www.murraygreen.co.nz](http://www.murraygreen.co.nz), for the latest listings, or to contact me for a free market appraisal today.

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