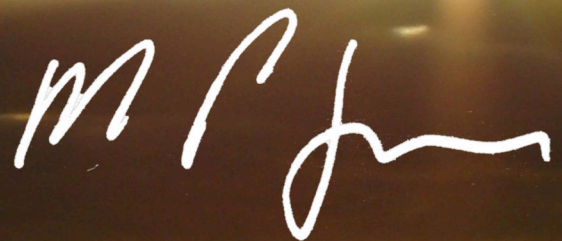# A Reason to be Optimistic

The market has settled close to the bottom of the present downward spiral. The natural inclination to be positive at this end of year hints at the possibility of prices firming. Interest rates coming down will aid this process. Some property owners have had difficulty overcoming the perception that they are losing money if the value of their property decreases. Only on rare occasions do owners remove themselves from the market. Therefore, the perception only lies in the eyes of the beholder, especially is they are going on to purchase (New Zealand is not immune to the worldwide property downturn). Historically, section prices were high, and building costs high. The reverse is now applying. Sections, even in the prestigious areas, are selling from $300,000 upwards, when previously they were in the high $300,000's. Slightly further out from the city, purchases around the mid $200,000's are now possible. The fall in the land price also affects the value of existing properties. The rule of thumb, for establishing value, at the moment, takes the value at the height of the price spike and deduct 15%. This will be approximately the current value, with some falling as much as 20%.

Sales HAVE taken place, especially in the last 6 to 8 weeks, where vendors have been prepared to accept that the market is operating at new levels. Almost without exception, these sales were marketed extensively with Lugton's premium marketing packages. Lugton's continue to succeed well in this difficult market with both forms of marketing. More of our clients are taking the opportunity to add to the promotion of their property in our weekly lift-out with colour adverts. They also recognize the level of assistance we are giving with website promotions and open homes.

At year's end, as we look forward to new beginnings and opportunities undiscovered, why not adopt George Bernard Shaw's philosophy:

The people who get on in this world are the people who get up
and look for the circumstances they want, and,
if they can't find them, make them.

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