

A Time To Be Positive

Christmas is almost upon us, and by that date, all the distractions of Rugby World Cup and elections will be behind us. Given the perilous state of some of the economies of the world, we should be grateful that New Zealand is in reasonable shape, given the continuing problems overseas. So given these factors, what has the market done in recent times?

Lifestyle sales, April through to July, were at buoyant levels. Since then, the World Cup has had the effect of distracting people, as has the election, and we have noted in the last couple of weeks that people have suddenly realised they are running out of time to put their property on the market or purchase before Christmas. These factors will, I am sure, ensure a buoyant start to the New Year.

In reviewing the year that has almost passed, as has been shown in the residential market of Hamilton City, first home buyers and lower price bracket purchasers have been prevalent in the marketplace, with strong inquiry reported from banking sources for pre-approved loans at these levels. At the upper end of the market spectrum, people have tended to be more conservative in their actions, and while there are a number of properties for sale over the million-dollar mark, sales have been slow. Section inquiry is starting to lift, which suggests that across the market we are slowly moving away from a flat market to a slightly rising market in terms of price and inquiry.

Numbers of viewings on the websites that we showcase properties on, such as Lugtons.co.nz, MurrayGreen.co.nz, RealEstate.co.nz and Trade Me, indicate that increasing use is made of these mediums. For example, we have a listing that has been in the marketplace for two weeks in the mid price bracket, and there have been over 500 hits on the Internet. We, at Lugton's, take particular care in the presentation of properties listed on the Internet. We have the services of a professional photographer, who also provides us with a 3D floor plan of the properties – this information is prepared at no cost to our vendors, and ensures that we are, I believe, seen in a good light in the marketplace.

A subject that I strongly recommend vendors address, if your current rateable value has been mailed to you in the last few days, is to make an impartial judgment on whether your rateable value represents a reasonable expectation of sale value for your property. Councils throughout the country have been lowering rateable values, especially the land content. These revaluations have, in some cases, caused banks to panic and review loans, because of the perceived loss of equity in the property. Practically all of the sales that we have been involved in, in the last twelve months, have sold way below the current RVs (not to be confused with the new proposed ones). These sales, relating to RVs, have ranged from -\$330,000 to +\$30,000. Homes that have been erected in the last five years appear to have RVs closer to market value than older homes, which have had no examination by councils as to worth over many years, with regular percentages increased – resulting in over valuing and higher rates being paid than necessary. I strongly urge you to ask the council to re-check your new rateable value if you have any doubt whatsoever as to its accuracy. In present market conditions, if your RV is a low one for instance, it will be difficult to achieve a sale well above the RV value, as purchasers do take into consideration, amongst many factors, rateable value as a guide while purchasing. Another factor to bear in mind is that politicians are talking about attaching various taxes to rateable values, such as EQC levies.

Even if you are not thinking of selling at the moment, you might like me to offer you an opinion as to your property's current worth relating to its rateable value – I'm just a phone call away.



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Murray Green

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17 years in this industry has given me the ability to handle the market conditions of today. If you're thinking of selling or need advice, make it happen – call me now.