



PROFESSIONALLY SPEAKING | OCTOBER EDITION

REINZ Wellington Region Analysis For August 2016

WELLINGTON REGION TRENDS

	MEDIAN PRICE			VOLUME SOLD		
	AUG 16	JUL 16	AUG 15	AUG 16	JUL 16	AUG 15
HUTT VALLEY	\$425,000	\$425,000	\$335,000	169	149	139
NORTHERN WELLINGTON	\$600,750	\$612,000	\$550,000	78	73	65
CENTRAL WELLINGTON	\$523,250	\$466,500	\$481,500	80	74	68
EASTERN WELLINGTON	\$750,000	\$708,000	\$510,600	39	32	30
WESTERN WELLINGTON	\$683,000	\$680,000	\$589,000	30	21	27
SOUTHERN WELLINGTON	\$629,000	\$575,000	\$530,500	38	32	30

The median price for the Wellington region rose \$58,450 (+15%) compared to August 2015. Prices rose 47% in Eastern Wellington, 27% in Hutt Valley and 19% in Southern Wellington. Compared to July the median price increased \$11,000 (+2%), with prices rising 12% in Central Wellington, 9% in Southern Wellington and 6% in Eastern Wellington. On a seasonally adjusted basis the median price rose 1%.

Compared to August 2015 sales volumes rose 14% across the region with sales rising 30% in Eastern Wellington, 27% in Southern Wellington and 22% in Hutt Valley. Compared to July sales volumes rose 7%, with sales rising 43% in Western Wellington, 22% in Eastern Wellington and 21% in Pukerua Bay/Tawa. On a seasonally adjusted basis sales rose 2% compared to July indicating that the rise in sales was stronger than normal.

The number of days to sell improved by three days in August, from 27 days in July to 24 days in August.

Compared to August 2015 the number of days to sell improved by 14 days. Over the past 10 years the median number of days to sell across the region in August has averaged 39 days. The Wellington region has the lowest level of properties available, with just seven weeks supply available.

REINZ Regional Director Euon Murrell noted that, "The Wellington market remains buoyant with a high level of buyer interest and a continued shortage of listings. The lack of choice is seeing more and more unconditional cash offers being made by buyers on properties."

GRAPH COMMENTARY

The trend in the median price is now improving, although the volume trend is now improving. The days to sell trend continues to rise with the overall trend for the Wellington region still improving.



Loan to Value Restrictions

The new loan to value ratio [LVR] will affect owner-occupiers as well as investors throughout the country, so it pays to understand the key points and the impact these LVR's could have on you.

It has recently been well publicised that further LVR's are being introduced by the Reserve Bank to counterbalance the apparent continuing rise in house prices and are due to take effect on 1 October 2016.

The Reserve Bank issued a consultation paper in relation to the proposed changes and once fully in effect will potentially have an impact on those wanting to invest in the property market.

One area of risk the Reserve Bank has identified is in the investor lending market. Low interest rates have buoyed investment in the property sector and this area does not appear to be slowing. The new LVR's are proposed to recognise this higher risk lending. The proposed new restrictions are summarised as follows:

1. A maximum of 5% of bank lending to residential property investors would be permitted with an LVR of greater than 60% [i.e. a deposit of less than 40%];
2. A maximum of 10% of lending to owner-occupiers would be permitted with an LVR greater than 80% [i.e. deposit of less than 20%]
3. Loans already exempt from current LVR restrictions would continue to be exempted

Importantly, many of the previous LVR's have only been targeted at Auckland given the concerns in the housing market in this area. These new restrictions will apply across New Zealand and are another attempt at balancing the housing sector.

Consultation on these restrictions closed on 10 August 2016. However, we are already seeing many banks adopting the principles of these restrictions. It appears if you are looking to invest in property these restrictions will likely already apply.



Wellington City 1 Fairview Crescent, Kelburn

TENDER

Kelburn 6 Bedroom investment

Buyer budget up from \$1,150,000. This early 1900s 6 bedroom home is currently rented for \$1,240 per week. This home is lovely as is or will respond well to some modernisation and sits on a fantastic site in Kelburn so close to the University and inner city. Upstairs is 4 bedrooms with open plan dining and kitchen plus great elevated views. Downstairs has a fully self contained 2 bedroom flat beautifully presented with rental income of at least \$500 per week.

- 170m2 approx
- \$1240 p/w rent
- Great views
- Wellington College zone
- Home and income



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For sale: Tender closing at 27 Buller St, 12pm Thur 29 Sept



Wellington City 55 Makara Road, Karori

TENDER | RV \$470,000

Sun-drenched Home

This is a super cute 3 bedroom 1940's weatherboard home perfect for small families, couples, singles or even for investors looking for good capital growth in an up and coming street and great suburb. If you are looking for an affordable home in Karori beautifully presented surrounded by native bush with good-sized bedrooms, open plan dining and polished floors then this home is a must see! Karori is a great place to live. It is very close to the city but very different with its bush views, native birdlife and walkways - and it has one of the best parks in Wellington.

- Elevated views
- Close to city
- Wellington College zoned
- 110sqm
- Woodburner
- Garage



redcoats.co.nz/RED17597

For sale: Tender closes at 27 Buller St, 12pm Wed 6th Oct

