

The Rent Shop Ltd

Newsletter

May 2011

Market Overview

BNZ economist, Tony Alexander, has published his first monthly overview of the New Zealand residential real estate market that is based on his views from a survey asking for feedback from over 10,000 licensed agents nationally.

He concluded that although, for the moment, low consumer confidence, a weak labour market, and a desire to save are restraining turnover, activity will improve as the economy's growth rate accelerates. Auckland is leading and will continue to lead this cycle in terms of turnover and prices.

I quote The Overview mission statement "To help Kiwi business – people and householders make informed decisions by discussing the economy in a language they can understand". The overview contains easy to read comments on: **Prices** – not much change happening at present; **Turnover** – Auckland starting to progress; **Days to sell** – all regions slower than average; **Consumer confidence** – generally weak currently; **Interest rates** – floating currently favourable but likely to rise by 2.5% over 2012; **Migration** – becoming less supportive, **Labour market** – underlying improvement, probably, **Construction** – worsening shortage has price implications.

I found it very interesting and informative – 8 pages in all but not heavy reading. The summary was brief and succinct, it read: "We believe we are at the start of a cyclical upturn in the housing market with Auckland leading due to a greater shortage of properties compared with population size than other parts of the country. As growth in the economy strengthens the labour market will bring new buyers, dispersed more widely throughout the country assisted by the boost to economic activity from higher farming incomes". Here is the link for full reading <http://tonyalexander.co.nz/bnz-reinz-survey/>.

The rental market review – strong and steady with the only exception being more expensive homes, that are presently coming vacant at a lower demand time, re-letting at lower rents.

Capital Growth

Contemplating or curious investors will be interested in reading our website page showing capital growth in suburbs of South Auckland over the past decade. Otahuhu has topped the percentage increase at 102.5% with Otara No.2 at 94.35%. View other suburbs on our website www.therentshop.co.nz.

We have noted there is a huge comprehensive precinct planned for Highbrook anchored by Goodman intending it to be the new hub of South Auckland. This is likely to support Otahuhu and Otara maintaining their performance in the next decade.

While growth has been flat lining for some time now it is always good to view a heart warming reminder of the reward from your long term position. By all accounts we are now turning off the cyclical low pointing to an excellent time to enter the market or extend your portfolio.

Please call me if we can be of assistance.

Cheers!

Warwick J James AREINZ - 09 253 9300 or 027 476 0255

Current Opportunities



- **Manurewa, Manukau**
- Two-bedroom home unit
- Garage. Private rear yard
- Solid brick & tile home
- Handy to shops & transport
- **For sale at \$259,000**



- **Manurewa, Manukau**
- Fully renovated family home
- Three bedrooms
- New kitchen, bathroom, carpet
- Double garage + extra parking
- **For sale at \$315,000**



- **Botany, Manukau**
- Two-bedroom apartment
- Handy to Botany Town Centre
- Restful views over parkland
- Swimming pool, tennis court and gym for residents use
- **For sale at \$349,000**



- **Clover Park, Manukau**
- Four-bedroom family home
- Professionally renovated
- New kitchen, bathroom, carpet
- Double garage + extra parking
- **For sale at \$359,000**

Contact our Investment Specialist:

Noel Avenell

Phone: (09) 476 1985 or (09) 253 9318

Mobile: 021 405 891

E-mail: noel@therentshop.co.nz



6/123 Ormiston Road
Botany Junction
Manukau, Auckland
New Zealand

P.O. Box 217003

Botany Junction,
Manukau 2164, Auckland
Phone: (09) 253 9190

www.therentshop.co.nz

Professionals
the rent shop ltd
licensed real estate agent

Find us on
Facebook