

# Market Happenings

Five months into the 2018 year. A year I would categorise as a normal market, i.e. not outrageously on fire or conversely, sticky, and I would expect this trend to continue on into the foreseeable future. Interest rates are still at a historically low level. The low rates have resulted in a spiral upwards in value of all classes of lifestyle real estate. For instance, section sales for sizes at or under a hectare, in areas outside of Hamilton surrounds, tend to be selling in the range \$350,000 to \$400,000 whereas in the Tamahere area for instance, up to \$550,000 is a normal price range these days, with exceptional sales up to high \$600,000s. Numerically, sales in the lower ranges predominate. Not surprising, given the cost of compliance and soil reports, all happening before building commences, and of course building costs have risen. Perhaps an indication of the need for a change in the planning regime is that close in to Hamilton City there is a shortage of sections coming on the market, resulting in the strong prices being paid for those that are available. Paying \$550,000 for a section means that \$1.2M to \$1.3M is going to be the starting price for those properties when they come on the market.

Starting at the \$500,000 mark, there were 110 sales in the Waikato county in the last 6 months, with \$1,575,000 being the top sale. Almost 50% of the sales were in excess of \$1M and with the exception of three, all were in the Tamahere area. To illustrate the strength of that market, there are currently in the general Tamahere area just under 30 properties for sale – a high number for this time of the year, indicating a maturing of the market, in that there is sufficient stock available at all periods of the year. Of particular note is the number of Aucklanders viewing and enquiring on property listings. Obviously they come from a higher value marketplace, which will be part of the reason why property prices in the Waikato have continued to rise steadily.

Having said that, with that number of properties on the market, they need to be presented perfectly and price expectations need to be realistic. We have had great success in the last 12 months offering our properties for sale By Negotiation in the first instance, and after exposure for a few weeks, with an asking price based on the market feedback gathered in that time.

As I approach my 25th year in real estate, I would like to reiterate my desire to utilise my experience for the benefit of all. If you need a steady hand on the wheel, myself and Ali are here to offer our combined 36 years of real estate experience to help you achieve your desired result. We represent Lugton's Real Estate, a company that has a commanding share of the marketplace, a company that makes your property stand out from the rest, in the many varied media means available today.



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