

Recovery Underway

In my last newsletter, we spoke of green shoots in relation to the economy. That demands an answer in terms of what has happened in the meantime. To this point in time, there has not been a full recovery across the board for all sectors of lifestyle property. There have been some good sales towards the upper end of the market, with prices described as "firm" on value. Purchasers are penalising vendors whose properties could be described as tired and needing updating. The paradox is that buyers are few and far between and some properties are still languishing in the market, even though the asking price, in most cases, is within negotiable range – a range which is somewhat wider than in a buoyant market.

Sections, early spring, were showing some signs of recovery in terms of sales numbers and price. This has not transmitted through into the present time – in fact, at the moment, there is lots of inquiry which has yet to translate into sales in the lower price bracket. The top bracket through to early \$400,000's has inquiry, but, upon follow-up, it appears most are really \$300,000 buyers wishing to obtain a bargain. Most vendors at the higher level appear to be comfortable to wait out the cycle until there is a rise in values. Building rates are competitive, making building a new home seem attractive, and continuing low interest rates are likely to be a driver in the market through into 2010. Expectations are for increases in the rates later in the new year.

Promotion

A recent innovation of Lugton's was to promote themselves in Hamilton in a publication and at seminars held both in the U.K. and South Africa to potential migrants. Substantial migrants attended all seminars with Gateway magazine handed to all attending. Gateway magazine is designed as a promotional focus on Hamilton, and all it has offer to migrants.

Real Estate Authority

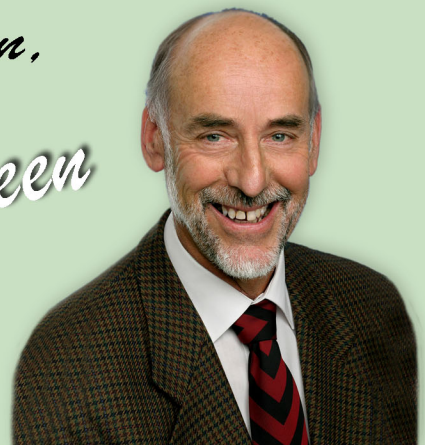
As of 17 November 2009, the Real Estate Authority came into being, bringing with it many changes to our industry. The main goal of the Real Estate Agents Act 2008 is to provide consumer protection and to raise industry standards in the performance of real estate work. The authority has at its disposal a range of measures, which include licensing and an independent and transparent complaints procedure, and a compulsory code of conduct.

As we sign off for the year, it would be fair to say that there is reason to be optimistic, looking to the New Year and beyond.



*Compliments of
the season,*

Murray Green



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