

# Shortage of Stock

In my previous newsletter, I commented that the lifestyle market was a much more settled market than the residential. The accompanying table bears this fact out, especially in relation to the average sale price, using the same criteria as previously, compared to the first quarter of the year – just a growth factor of 1.5% despite a significant increase in sales over a million. The sales over a million, using the rateable value as a yardstick, show across the board a 21% increase above rateable value – in fact, there was only one sale recorded below rateable value in the \$1M+ bracket. I believe the low interest rates have encouraged purchasers at the top end of the market to reposition themselves into the higher end market – a real sign of confidence.

Continuing the trend of confidence is the increase in total sales number of 22% above the first quarter. A result such as this could be expected and would be a normal occurrence, given that January is virtually a no-sale month, so the first quarter is really only a little bit more than a two-month return. Traditionally, there are always slightly more sales in the second quarter of the year, the other main selling period being the last quarter of the previous years.

I have just auctioned a property in the north end of the city, in a well sought-after country location – 5 minutes to Chartwell – and this property sold for \$951,000. The response to the marketing of this property was such that the auction was brought forward and we had six bidders in the room, resulting in a premium price for our vendors. In all my years in real estate, I have never seen so many families, in that particular

price bracket, looking to escape the city to the country, albeit close in, to offer their children the opportunity for pets along with excellent country schooling. Once again, purchasers' ability to afford this price level is a reflection of the interest rates of the moment. Another factor at play is the scarcity of listings, resulting in a huge interest factor and enquiry rate. In other words – a desperate shortage of stock at all levels. There never would be a better time for those wishing to change than right now.

Be in before the wind of change happens. Don't wait for the rainbow's end to cast its gold your way – ACT NOW.

If I may reiterate - if I (lifestyle) or my wife Lynn (residential) can help in any way with your real estate needs, please contact me as below. Just phone the office and if we are not available, Alissar our PA will look after your needs. After 23 years in real estate, we still enthusiastically look forward to helping our loyal clients and discovering and assisting new entrants to the market. All it takes is just a phone call.

Lifestyle Sales: 0-3 hectares, Waikato District		
	Jan – Mar 2016	Apr – Jun 2016
<b>Total Sales</b>	74	90 (+22%)
<b>\$0-\$500,000 bracket</b>	28	30
% of total sales	38%	33%
<b>\$500-\$1,000,000 bracket</b>	33	39
% of total sales	45%	44%
<b>\$1,000,000+ bracket</b>	13	21
% of total sales	17%	23%
<b>Average Sale Price</b>	\$715,805	\$726,555 (+1.5%)



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