

What's Happening

Covid times have influenced the market dramatically, with a retention of discretionary capital (and that's a subjective term) remaining in New Zealand, and being invested in the housing market. Obviously, this has had a dramatic upward effect in the value of properties. We see no change in the immediate future in the influence of Covid on the population and its habits, except for interest rates going up, and therefore it is unlikely that spare capital will leap offshore to any great extent in the meantime. A recent poll saw a large portion of the population predicting that house prices will not fall, therefore the present market buoyancy in terms of the lifestyle market will continue to prevail, i.e. shortage of listings, and out of town buyers making up a big segment of the purchasing market. Hamilton and the Waikato are definitely on the radar for purchasers who, if they are out-of-towners, perceive our market to be still affordable in relation to prices in Auckland.

Because there is no release of sections in the lifestyle market, there are no new builds taking place to the extent that they would influence market prices through a greater supply. Infill is the name of the game in the city, and eventually will have to come to the lifestyle market, in the sense that there is a need for a creation for more country living zones, such as Tamahere, which has closer infill than the normal lifestyle market. An increase in country living zones, and therefore an increase in available sections, will not require any increase in council services because in the main, fibre, power and roading are already there – although council may still demand development contributions for redistribution elsewhere in the community. Individual properties and developers at their cost would have to create whatever services are necessary on the new individual title. In my opinion, it is a luxury to have 5000m² as the minimum land size, which is Waikato County rule. That was always based on the premise that septic tank contamination could take place with smaller lots, and cause problems with ground water extraction. Modern sewerage disposal systems do not require large areas of land to distribute the effluent. I wouldn't recommend that everybody should exist entirely on rain water tank – perhaps a request for 2 large tanks per property and the ability to sink a well if extra water is required.

On another tack, our role is achieving the maximum price that the market is prepared to pay for a property at any given time. While this may cause discomfort for purchasers, the law demands that this is how we operate. On that note, a notable change in the real estate industry of today lies in the fact that marketing has become paramount to the sales process. Real estate agents used to have "sleeves" or quiet listings, with buyers in their back pocket – the Real Estate Institute now frowns upon these tactics as they do not ensure that the vendor receives the best possible price. In today's market, no sale should take place without full exposure to the market, such as newspaper advertising, online advertising on various websites, property videos, etc.

I have been operating for 27 years in the lifestyle marketplace and have seen many changes in the way the industry operates, but a constant requirement of my chosen career is still integrity and professionalism. We believe – that is myself and Ali, who has been working with me for 13 years – we bring these skills to the marketplace – and more.



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