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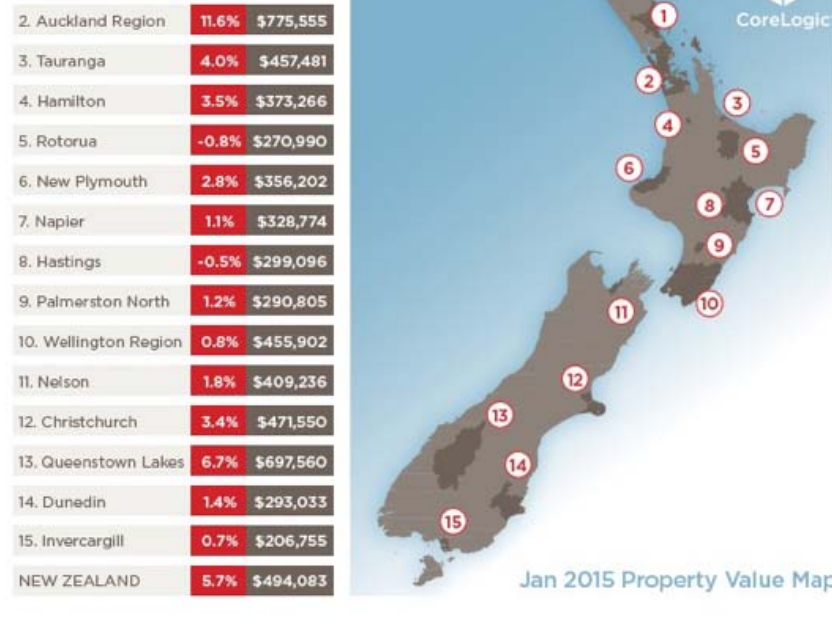


Good summer weather influences Residential Real Estate Market

The latest house price index data confirms nationwide values are now 5.7% above the same time last year, unsurprisingly much of this increase has been driven by Auckland. A month ago it appeared as if most of the other main centres were beginning to follow Auckland and starting to re-accelerate. However the latest month's index shows that acceleration has eased off in most areas outside of Auckland.

The increase in Auckland values can largely be attributed to high demand fuelled by strong net migration, falling interest rates and strengthening employment combined with an undersupply of available property.

This high demand and lack of supply isn't an issue outside Auckland, with even the Christchurch market, still fuelled by the rebuild, increasing at only 3.4% over the last 12 months.



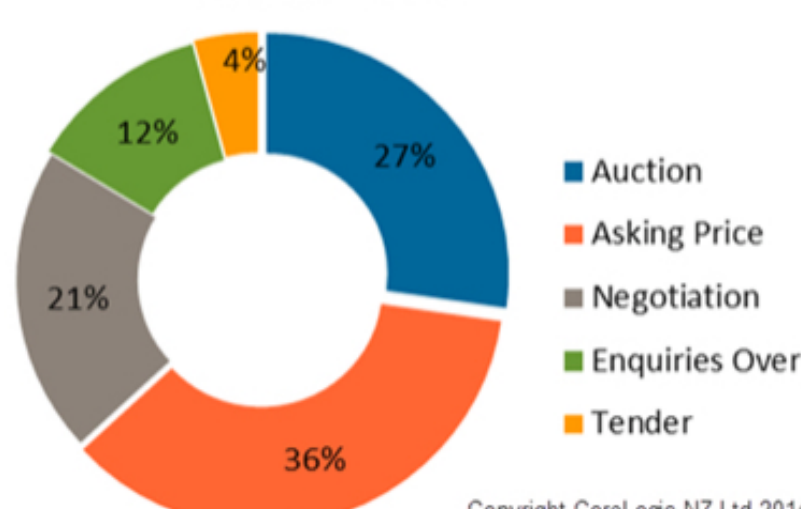
National News

Auction, negotiation, asking price or tender: It's a regional thing

For vendors, listing method can be a difficult decision. Listing methods have been reviewed both nationally and regionally over the previous year, and the results show clear regional differences.

Across the country, vendors prefer different methods of listing for selling property. The nationwide auction figure is 27% of total listings, with 'asking price' proving the most popular, accounting for 36%. 'Negotiation' stays relatively consistent at 20%, while 'enquiries over' improves in popularity: up to 12%.

Listing Method All NZ - 2014



Regionally listing methods are best summarised as follows:

In the **South Island**, our two major centres have distinctly different profiles as vendors in Christchurch are fans of auctions and negotiation, but less so of asking price or tender. Those in Dunedin shy away from the auction, in favour of asking price, with negotiation still the most popular and 'enquiries over' still a relatively popular listing method.

Across the **Wellington** region, there is a different dynamic, with auctions and asking price significantly diminishing in popularity. In their place are tender, enquiries over and negotiation, with tender especially preferred in the City – 35% of properties were first listed by this method.

Hamilton and **Tauranga** have similar profiles, with auctions still relatively popular at 18% and 24% respectively, but 'asking price' is far the preferred method in both centres, accounting for 70% and 62% of listings respectively.

The most widely acknowledged differential is the popularity of auctions in **Auckland**, with 54% of properties being first listed by this method.

Investment Property in the LVR world

There is no question that the advent of the LVR's [Loan to Value Ratio] has meant gaining financial assistance from your bank, for not only first home buyers but also those with aspirations to invest in property, is a lot more difficult. Some considerations and helpful hints follow, but you do need to take professional advice, for those wishing to enter the property investment market:

- Bank account conduct. Cash flow "is king" and a bank will look at how smart you have been in the management of your affairs. If you are considering borrowing in excess of 80% of a property value it is best to be seen to have credit cards paid off and likewise any personal loans and ensure you are not going into unarranged overdraft.
- Would your parents be prepared to use the security of their home as a deposit guarantee [ie limited to 20% of the debt]. There is a good chance your parents will not wish to guarantee your whole investment but a deposit guarantee may be palatable.
- If you are relying on flatmates and or boarders to provide for debt servicing, be aware that often banks will only consider 50% of a flatmates rent in its servicing calculations and may limit this to only 1 or 2 flatmates. If you own your own home and want to buy your first investment property to rent you need to consider your options to meet the cash flow expectations of your bank.
- Buying a property off the plans before construction starts can be easier to get over the 80% as you are exempt from the LVR restrictions. If you buy in a high growth area, you can buy with a low deposit and when it comes to settle the value has increased.

Getting the best price

Research of "happy vendors" reveals six common responses when asked what contributed to them achieving a "best price" for their property:

- Agent selection. Prominent brand and local market presence with sound reputation, honesty and achieving results.
- Price. Of greatest importance is the agent's ability to present factual evidence of recent comparable sales, similar properties on the market for sale, the average percentage difference between local asking prices and selling prices and the average time between the first marketing activity and offer and acceptance.
- Presentation. Spotlessly clean, clutter free and well-presented internal rooms together with well maintained gardens and lawns are essential to receiving "the highest possible price".
- Marketing. Happy sellers are impressed that their agent knows which local advertising media provides the majority of purchased enquiry. In NZ 97% of residential property purchaser enquiry comes from just three sources of which the internet delivers 84%.
- Feedback. Sellers want an Agent to provide regular updates on progress and preferably by phone / in person rather than by txt or email. Updates could follow every inspection, every advertisement and every new comparable sale, listing or price variation.
- Negotiation. The Agents ability to negotiate the final price and extract a best value for the vendor is essential.



A Barbeque recipe to savour

With 90+% of New Zealand grown lamb exported if you can get your hands on some lamb ribs, try the following tasty Barbeque solution:

Ingredients	Method
<p>Lamb</p> <ul style="list-style-type: none"> • 800g-1kg Quality Mark lamb ribs <p>Marinade</p> <ul style="list-style-type: none"> • ¼ cup oil • 2 tablespoons lemon juice • 3 cloves garlic, crushed • 1 ½ tablespoons tomato paste • 2 sticks fresh rosemary leaves, roughly chopped • ½ cup fresh thyme leaves, chopped • ½ cup fresh mint leaves, chopped • 1 tablespoon honey • 1 teaspoon paprika • Zest of 2 lemons • Pinch of chilli flakes <p>To serve</p> <ul style="list-style-type: none"> • Chopped fresh parsley • Sesame seeds 	<p>Lamb</p> <p>Mix all the marinade ingredients in a small bowl to combine. Place the lamb ribs in a resealable bag or plastic container and add the marinade, mixing well to coat then cover. Leave to marinate for at least an hour or overnight in the fridge.</p> <p>Remove the ribs from the fridge at least 30 minutes before cooking and season. Preheat a barbecue grill or frying pan to a medium-high heat. Add the ribs and cook until browned and crunchy on all sides - around 15-20 minutes. If you have single ribs they will only take about 10-15 minutes.</p> <p>To serve</p> <p>Arrange on a platter and sprinkle with fresh parsley and sesame seeds.</p>



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