



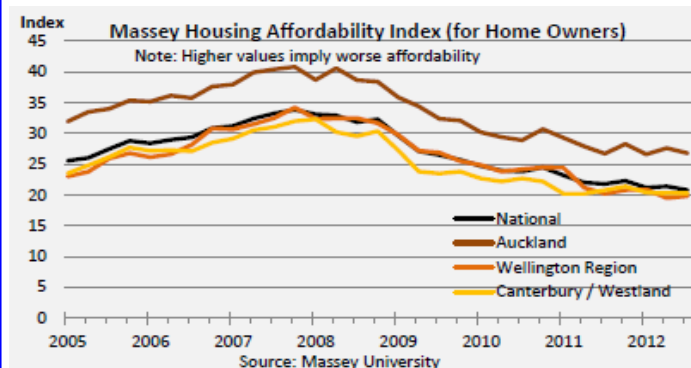
## From the desk of Debbie

On Page 2 of this month's Newsletter I've included a comparison of Napier median sell prices over the past 2 decades. The 3 figures show the median price in April 1993, then 10 years later, and finally another 10 years later (which was last month)

Some people ask if real estate is a good investment, and while we as real estate agents aren't qualified to advise on investments, we can show you the statistics and then leave you to draw your own conclusions

In April 1993 the median sell price in Napier was \$102,000. Twenty years later it had risen to \$320,000. Is that good, average or bad? Well, look at it this way: the past 5 or 6 years have been very flat in terms of sales volume and sale price, but despite that, the median sale price has increased by an average of just under 6% per annum every year over the 20 year period

If that rate continues for another 10 years I'll be telling you in April 2023 that the median now stands at \$560,000!



## Foreign Direct Investment myths put to bed

Think tank the **NZ Initiative**, has focused on NZ's international debt position and foreign direct investment regimes in a new report - *New Zealand's Global Links: Foreign Ownership and the Status of New Zealand's Net International Investment*. Among its findings:

- **NZers actually earn more than they spend.** National residential unit savings has been positive for the last 38 of the last 41 years
- **High debt is not the private sector's fault.** Private debt levels may be high, but they stem from the legacy of Govt policies between 1974 and mid-1980s
- **The future debt burden will depend on** internal competitiveness and the gap between NZ's growth rate and the yield in the debt
- **If NZers are to become tenants in their own country,** the landlord will probably be the Govt, not foreign investors. Of the 28.7m hectares in NZ, the report estimates 1m are owned by foreigners, and the Department of Conservation alone manages 8.5m
- **Offshore investment is a two-way street.** NZ is not a 'takeover' target by foreign investors. In fact, the OECD regards NZ's regime for screening inwards investment as one of the most restrictive in the world.



<http://nzinitiative.org.nz/Research/Foreign+Direct+Investment.html>

## Sale Price vs List Price

When it comes time to sell, do we expect to get our asking price? The graph to the right shows all NZ residential sales data for 2012, and from the graph it's clear that there's a much higher number of properties that sell for less than what they list for. In fact 76.2% of properties sold for less than the listing price, 6.2% sold for exactly the listing price and 17.6% sold for more. Generally, those that sell for less than the asking price do so for between 2% and 8% below but around 25% of the properties sold for prices that were 8% or more below the listing price.

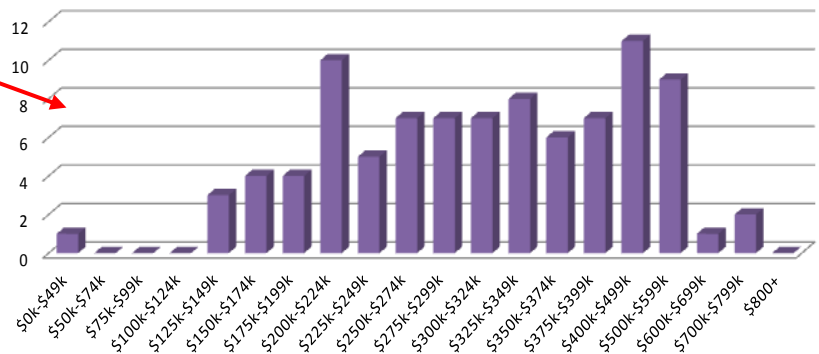


# Real estate with Debbie White

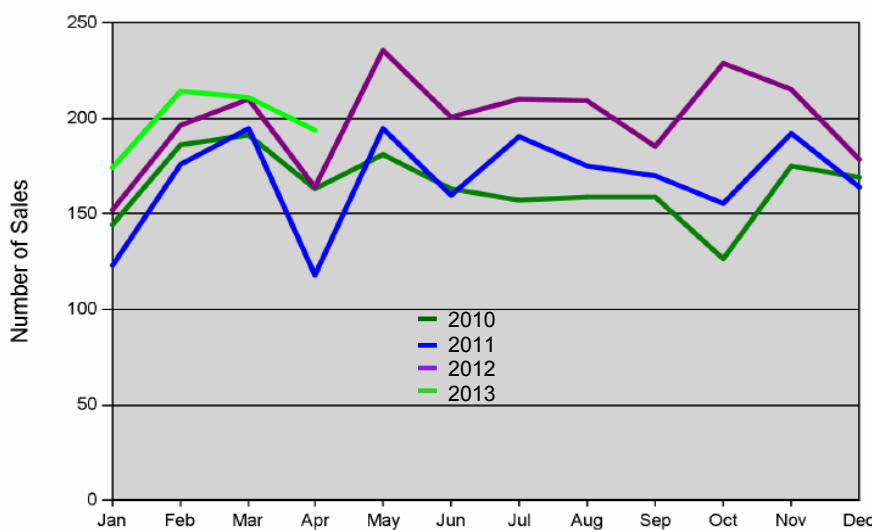
## Napier Sales - April 2013

Number of Sales	<b>92</b>
Number of Apartments	1
Number of Sections	3
Value of Sales	\$30,498,982
Median Days to Sell	41
Median List Price	\$289,000
Median Sell Price	\$320,000
Median Valuation	\$320,000

## Sales by Price Band - April 2013



Number of Sales for Dwellings in Hawkes Bay



## Changes to Residential Insurance

The Insurance Council of New Zealand warns that major changes to home insurance policies will put the onus on homeowners to get their valuations correct.

Insurance companies are about to introduce a sum-insured method to calculate the cost of house insurance, rather than the cover per square meter formula which is currently used.



The changes will mean that the homeowner will be insured for the actual cost of rebuilding the house, so you'll work out what it would cost to rebuild your home, tell your insurance company, and that will be the sum that will apply if your house burnt down or flooded.

<http://icnz.org.nz/for-consumers/domestic-insurance/calculate-area-of-house-for-insurance/>

## How Much Has Napier's Median Sell Price Changed?

- \* In April 2013 the median sale price was \$320,000
- \* In April 2003 that figure was \$174,000
- \* In April 1993 it was \$102,000

12 Brompton Drive

2/30 Herrick Street

515 Marine Parade

29 Beaufort Place

**THESE HOMES WERE SOLD BY ME IN APRIL. HELP! I HAVE GENUINE BUYERS WAITING!**

**SOLD!**  
**SOLD!**  
**SOLD!**  
**SOLD!**

## Commentary

The Hawkes Bay region is seeing a gradual rise in sales volumes, however, listings remain in short supply, which is limiting buyer choice. The number of buyers is steadily increasing, although this is not yet translating into prices with the price trend continuing to weaken. The trend in the median price has moved to easing, with the trends for sales volume and days to sell remaining sideways. Overall the trend for the region is now easing

Interested in receiving an appraisal of your property?  
Call to make a time please!

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