



Welcome to the Spring 2014!!!

my News

We're excited to announce The Guardhouse has done its dash and we are looking to expand into new premises! The move happens later this year, and you will all be advised of the shift.

My Valuer is a proud supporter of the HB MTB Club, and recently contributed to the construction of Escalator, which leads to Grand Traverse. If you haven't been out there yet...get out there...the tracks are great for all levels of riding ability.

The transformation of My Valuer from a start-up in 2010 doing mostly residential, to being a major provider of valuation services across all sectors has meant specialist niches being developed within the business. Andrew White and Paul Bibby are focused on the **commercial** and **industrial** sectors, with Paul also being a specialist in the **motel** sector. While Andrew Chambers is building our **primary sector** platform, servicing an array of clientele in all areas.

my Residential

This can hardly be described as a thriving market at the current time, though it hasn't all over been entirely bad either.

While we seem to say the same thing time and again, the adage is that good property is selling well.

We have seen evidence of multiple offer situations occurring, particularly where properties have already been renovated/refurbished.

The lack of first home buyers in the market has impacted the cycle of transactions through the various price sectors. Whilst the banks are saying they have money to lend, there appears to be a disinterest from first home buyers to enter into the market. This has impacted on the volume of sales considerably.

my Lifestyle

Lifestyle property purchasers are focused on locations within a short commuting distance to the main centres and offering unique features such as views. Land values have stabilised as the supply of vacant sites has tightened and building activity has increased. Lifestyle sales in the Napier and Hastings District areas have ranged in price from \$185,000 to \$4,006,000 reflecting a median sale price of \$650,000.

my Rural

The primary property sector has experienced a lift in sales in 2014. Ten larger grazing units have sold in the greater Hawkes Bay District year. The bulk of the farm sales are within a range of \$475 to \$542 per stock unit. Two properties have sold in excess of this - a 252 hectare property in the Kereru district analysed at \$1,130 per stock unit and a large 795 ha unit in Tutira analysed at \$880 per stock unit. This property was on the market for approximately one week and comprises a moderate to steeper hill country property with numerous buildings and was reputed to have high levels of fertility.

The horticultural property market has also shown a modest lift in sales volumes with productive land and trees showing a lift in capital values from an average of around \$65,000 per hectare (2011/2012) to \$75,000 - \$80,000 per hectare for some of the recent sales. A number of established vineyards have been purchased for redevelopment into pip fruit and stone fruit.

There has been a modest lift sales volumes of tradition vineyards. The recent sales indicate a lift in capital values in relation to the recent sales. Two properties within the Gimlet Gravels region have sold well recent-

BOUNCE

ly, reinforcing the desirability of this locality for vineyards.

The overall outlook for the primary sector seems positive with a predicted lift in farm gate returns for most traditional farming operations for the 2014/2015 year.

my Commercial/Industrial

Hawkes Bay's commercial/Industrial sector has seen an increased level of interest from out of town investors, particularly those coming out of the competitive Auckland market. Many of the Auckland investors in the industrial sector are looking for the A-grade properties providing 8-8.5% net yield returns. A contrast to 12 months ago when yields were certainly leaner in this sector.

Recent sales include:

Halls Transport selling for \$2,060,000 plus GST on a 8.79% yield, with 12 year WALT.

G&H Training (below) selling for \$1,550,000 on passing yield of 8.39%, with 6 year WALT.



PGG Wrightson on Omahu Road (below) selling for \$820,000 reflecting inherent development opportunity with adjoining 1,000 square metre site, and reflecting a net yield of 7.65%.



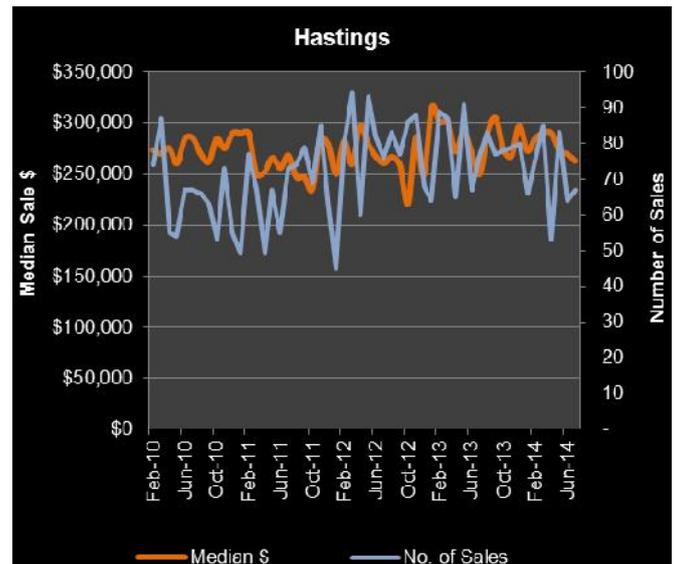
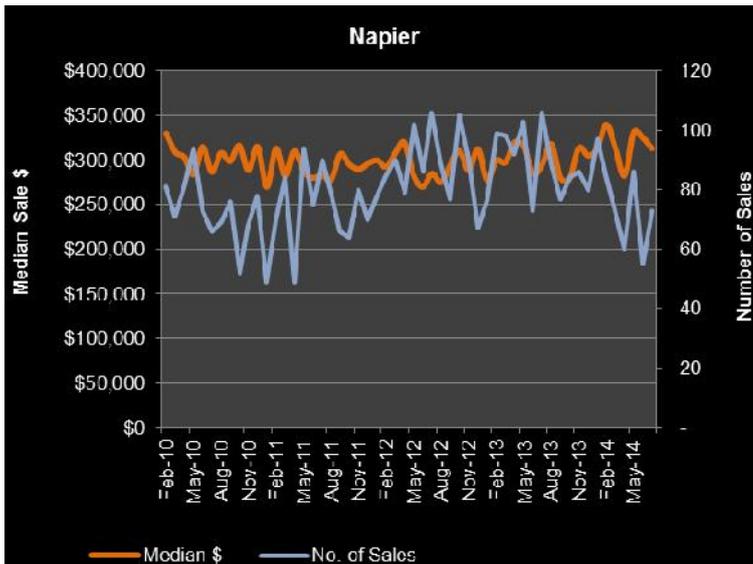
Total Food Equipment sold in June for \$1,300,000 reflecting a net yield of 8.54% on a 5-year unexpired lease term.

my Performers

Napier			
July-14			
Suburb	Dwellings Sold	Median \$	Days to sell
Taradale	17	\$365,000	42
Onekawa	10	\$281,000	29
Marewa	8	\$302,500	159
Tamatea	8	\$293,000	34
Napier South	7	\$245,000	35

Hastings			
July-14			
Suburb	Dwellings Sold	Median \$	Days to Sell
Havelock North	16	\$516,250	67
Raureka	9	\$205,000	17
Flaxmere	8	\$140,500	36
Hastings Central	7	\$230,000	42
Frimley	6	\$484,500	44

my Research: Median Sale Price relative to Number of Sales

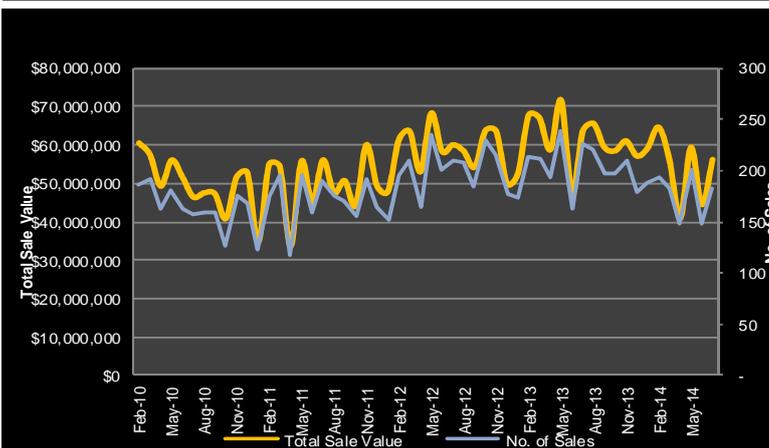


Napier - The graph shows a significant decline in sales activity since January 2014; a blip occurring in May when sales volumes increased 30% from a low of 60 in April. The overall decline in sales volume being a reflection of less lower end properties selling culminating in an increase in the median sale price.

Hastings - The same May increase in sales volumes occurred in Hastings, 36% up on the previous month. This blip was short lived, with sales back down to 64 and 67 sales per month respectively for June and July.

Hawkes Bay Region - Sales activity across Hawkes Bay dropped 25% in June; rising 18% again in July. The up and down nature of the market reflects a lack of buyers in the entry level housing market. Our personal observation is that every couple of months there is a clearing of housing stock, resulting in a lift in activity, followed then by a couple of months of housing stock being built up again.

my Total Value of House Sales in HB



my Outlook

The LVR restriction implemented in October 2013 needs to be lifted if we are to see any change in the market place. Property affordability is capped by our low average wage, and lack of general wage growth in the local economy. Buyers can only afford to buy to a certain level, so the market was never going to get overpriced.

My Valuer thinking property since the 70's

COMMERCIAL - INDUSTRIAL - RESIDENTIAL - LIFESTYLE—RURAL

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