



Welcome to the Winter 2013 Bounce!

We are seeing an active market in Hawkes Bay, both in the domestic and commercial sectors. The biggest factor seems to be Auckland. The Reserve Bank is trying to curtail a price boom, but it seems to be chasing the markets tail! Lets watch what happens there.

my News

Andrew Chambers has joined the My Valuer team. Andrew, or Tank as most will know him, is a very experienced and well respected Valuer in Hawkes Bay. The other Andrew in the office worked with Tank for a number of years, and says it is great to have the old team back together again. In fact My Valuer now has an incredibly strong team that can compliment all facets of property, from residential to commercial, and into the lifestyle and rural sectors. Andrew brings with him a strong knowledge of the rural market, with experience in pastoral, horticultural, viticulture and other rural areas. Andrew has already adapted very well to My Valuers strong and "have fun" philosophies, and our comprehensive information systems.

my Residential

The market is showing some strength on the back of overall eco-

nomie, business and consumer confidence. Some pressure is coming on middle price bracket buyers, particularly from property investors who started re-entering the market at a slow pace in 2011; and have been more active in 2012-2013.

Market volatility has reduced significantly in the first half of 2013. Most suburbs in Hawkes Bay experiencing a less than 10% median price movement so far this year.

The volume of sales have been relatively strong through the first half of 2013, though recent June activity saw a decline after a very active May in both main Hawkes Bay centres. Napier was consistent in the number of sales during the February to May period, recording over 90 sales for each of these months. Although Hastings saw lower sales volume, it still showed relative consistency during the same period, except for April which was particularly quiet, though surged in May, recording 91 sales, this being the highest number of sales for the 12 month period.

my Lifestyle

The Hawkes Bay lifestyle market is at "normal" levels, with some 30 sales recorded for the Hastings District and rural Napier areas in the first half of 2013.

Recent sales indicate lifestyle purchasers are looking for properties of 4 to 10 hectares, and accommodating later model dwellings, i.e 1990's onwards. Purchasers seem focused on locations that are on the Heretaunga Plains or within a short commuting distance to the main centres. Properties in more remote localities and those with older improvements and deferred maintenance tend not to be as well sort after at the current time. These properties have experienced some downward price adjustments. The more popular localities appear to be fringe Havelock North, fringe Tairāhema, Maraekakaho, Maraetotara and Puketapu.

The majority of the sales have been in the mid-range price bracket \$450,000 to \$700,000 with very few sales in excess of one million dollars this year. There were a number of sales in excess of this level late last year and it could well be a case of prospective vendors waiting until the spring before contemplating marketing their properties.

Sales of more outlying lifestyle properties have been rare in 2013 as purchasers continue to be picky about

the type of properties they are interested in. This could also be said about vacant lifestyle sites with only three having been sold within the past six months.

The value of these sites has eased as the demand for these properties has lessened. Vacant sites in these outlying areas have seen downward adjustment in prices. However, the oversupply of sites that was apparent in 2012 has eased somewhat, and we are seeing prices stabilising. This is particularly so within some of the farm park localities.

my Commercial/Industrial

The investment market continues to sway towards those properties offering strong underlying value propositions. The positive sentiment reflects favourable yields compared with other forms of alternative investment, and particularly second tier investment property. Desirable lease covenants, location, modern buildings that meet the NBS standard, and an attractive cash flow profile are the greatest attributes attracting key local investors into the sector.

Napier has seen some strong yields achieved, some as low as 6.28% for a proposed single tenancy retail property, and 7.12% for a multi-tenanted retail property, both in Napier's CBD.

Pet Essentials on Southland Road, Hastings, sold in May; reflecting an 8.13% yield on a new 6-year lease for a modern showroom building. Other key commercial sales in Hawkes Bay reflect stronger confidence in the commercial/industrial sectors on the back of sustained low interest rates.

Napier central business district continues to be transformed by a number large re-developments in Hastings Street. We will continue to monitor the changing dynamics of this area closely, and particularly the effect that these will have on the pedestrian flow through the central city. The property Institute of News Zealand's bi-annual pedestrian count is due for release in late 2013.

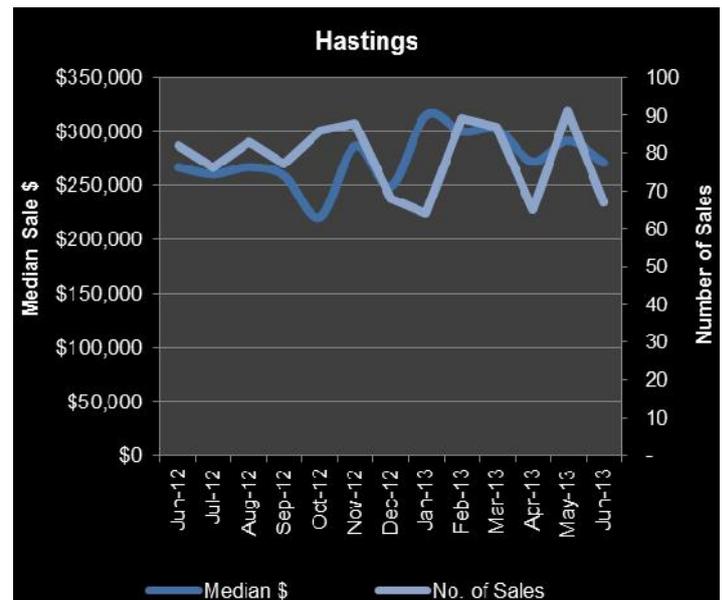
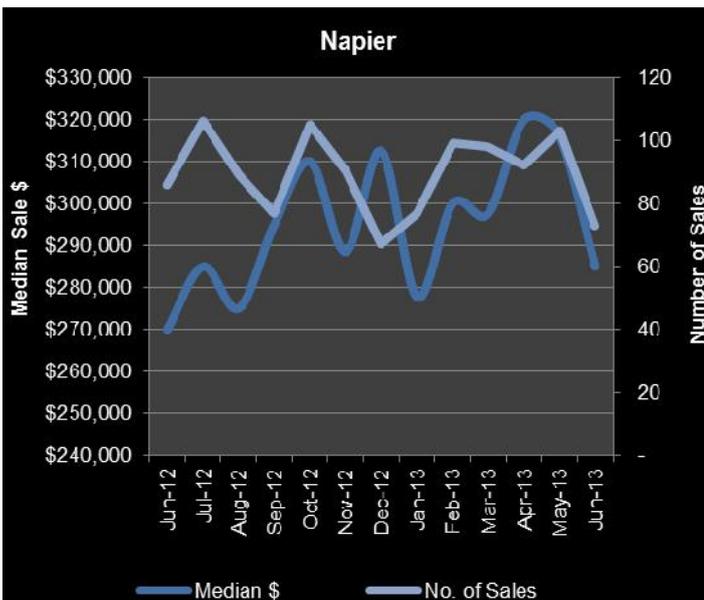
The second tier investment sector for both commercial and industrial property is particularly soft at present, with pressure on older stock with design obsolescence. New industrial buildings with good stud heights are achieving very good rental rates, rentals being mostly based on return on cost of development. Larger business such as ABB and Goughs are examples of business that have relocated to new design builds that meet their specific design requirements rather than taking up existing space.

my Performers

Napier			
June-13			
Suburb	Dwellings Sold	Median \$	Days to sell
Taradale	21	\$293,000	44
Onekawa	10	\$282,000	44
Pirimai	8	\$257,500	70
Marewa	8	\$240,750	22
Greenmeadows	7	\$330,000	57

Hastings			
June-13			
Suburb	Dwellings Sold	Median \$	Days to Sell
Havelock North	18	\$398,750	58
Akina	11	\$254,000	69
Parkvale	8	\$301,500	32
Flaxmere	7	\$198,000	31
Mayfair	6	\$241,500	17

my Research: Median Sale Price relative to Number of Sales

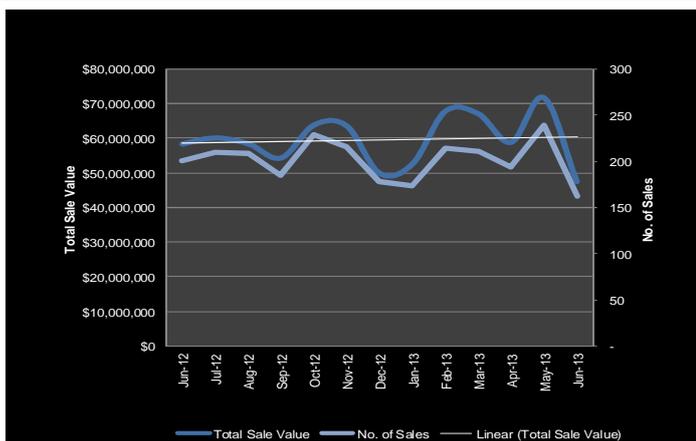


Napier - The graph shows a significant decline in sales activity during the mid summer period, though recovered to more consistent level during late summer and Autumn. The graph also shows how increased demand during this period resulted in a spike in the median sale price in property across Napier. The median sale price in Napier for the 12 month period to June has increased to \$296,000; an increase of 1% for the period. The median sale price has fluctuated between \$270,000 and \$320,000 during the 12 month period.

Hastings - The median sale price in Hastings for the 12 month period to June has increased to \$271,000; an increase of 1.4% for the period. The median sale price has fluctuated between \$200,000 and \$315,000 during the 12 month period. Sales volumes have trended downward during the year, showing a slight lift in May.

Hawkes Bay Region - strong sales activity through most of the first part of 2013, however a significant drop in sales occurred in June.

my Total Value of House Sales in HB



my Outlook

There is recovery in most market sectors, and we watch with interest to see how price pressures in the Auckland and Christchurch markets flow into the smaller provincial areas.

Number of properties for sale on Trade Me (Aug 2013):

Napier: 613 properties
Hastings: 561 properties

My Valuer leading the way

COMMERCIAL - INDUSTRIAL - RESIDENTIAL - LIFESTYLE—RURAL

E-mail: info@myvaluer.net.nz
Ph: 06-835-3350