



## my Residential

### Overview

There has been a noticeable improvement in confidence levels in 2012 with increased sale volumes in both Napier and Hastings. The gap between vendor's and purchasers expectations appears to have closed and the market is currently well balanced; though purchasers are showing they are well informed about the market they are buying in, and cautious.

There has been a late rush of property owners taking advantage of the Hawkes Bay Regional Councils incentives to freehold their leasehold properties, however time is running out as the final day for settlement expires 30 June 2012.

Mortgage interest rates remain at record lows and some of the major banks have recently reduced their fix rates further as the market builds in a predicted cut in the official cash rate when it is reviewed in June. Reduced rates should help sustain activity levels over the coming winter months.

We remain exposed to global market and events within the volatile European economies, particularly Greece.

### Napier

The median sale price in Napier increased to the highest level since February 2010. Sales volumes have increased steadily since December 2011 up to 90 sales in March before reducing to 79 sales in April. The April result was slightly misleading due to the occurrence of Easter and ANZAC day resulting in three shortened working weeks.

### Hastings

The Hastings market has followed a similar trend to Napier. March was a particularly active month with 94 recorded sales, reducing to 60 sales in April. Over that period the median sale price increased to \$297,500, up significantly from the previous month.

Hawkes Bay region as a whole recorded a median sale price of \$296,000 in April 2012 which is a record for the region, surpassing the previous high of \$292,500 recorded in November 2008.

## my Commercial/Industrial

Commercial property development is showing positive signs of activity in Hawkes Bay, especially in Hastings where large format business relocations have occurred as a result of the development of The Park Megacentre. In central Napier the redevelopment of the new Farmers building is under way, with demolition of the existing buildings having been completed. We will watch both

locations with interest to see how the dynamics of the respective CBDs are effected by these developments.

It is positive to see new industrial building development in Whakatu as a result of established Hawkes Bay businesses outgrowing their existing premises.

The commercial market has been particularly active over the past six months with a number of high end sales recorded.

### Recent sales:

- 106 Emerson Street (Hartleys) Involves a unit title retail shop located within the main retail street of Napier. Sold for \$875,000 plus GST, reflecting a net yield of 7.47%.
- 294 Gloucester Street (multiple shops) A block of three retail tenancies in Taradale. Sold for \$1,400,000 plus GST, reflecting a net yield on passing rents of 5.44%.
- 2 Riddell Street A substantial warehouse situated upon a 10,800 square metre site in Ahuriri. Sold for \$3,060,000 plus GST, reflecting a net yield of 10.33%. The lower yield reflecting locality and rental demand influences.
- Power Building, Heretaunga Street Sold in March 2012 for \$2,450,000 plus GST. This property involves multiple large scale buildings occupying a high profile corner site within the central Hastings business district.
- D'zine Furniture, Hastings A unit title showroom building occupying a high profile position in Hastings. Sold in March 2012 \$1,065,000 plus GST, reflecting a net yield of 8.20%.

## my Rent

A two tier market has evolved in the industrial sector, with older industrial space becoming more difficult to lease; and new space attracting very good rental rates; developers looking for up to \$135 per square metre for high specification industrial space with 7.0 stud heights before proceeding with the build.

Demand for modern office space has picked up; with a continuing emphasis for businesses to relocate out of the CBD's; or businesses demanding landlords upgrade existing premises and facilities to a more modern professional standard.



**Welcome** to the Autumn 2012 Bounce; the weather has settled, general confidence is up and Andrews hair is growing back - thankfully- after being shaved off for child cancer in March.

Hawkes Bay had a very positive start to the 2012 year, with a very active first quarter in both the residential and commercial sectors. Some very notable sales have occurred, and new developments in the Napier, Hastings and in between are a boost to our economy.



## my Performers

Suburb	March-12			March-11			% Change
	Dwellings Sold	Median \$ Sept-11	Days to sell	Dwellings sold	Median \$ Aug-10	Days to sell	
Taradale	19	\$351,000	32	22	\$287,500	51	18.1%
Greenmeadows	9	\$360,000	42	7	\$340,000	29	5.6%
Onekawa	6	\$224,500	89	10	\$255,750	50	-13.9%
Tamatea	6	\$259,750	100	6	\$267,500	48	-3.0%
Napier South	6	\$255,500	83	9	\$210,000	38	17.8%

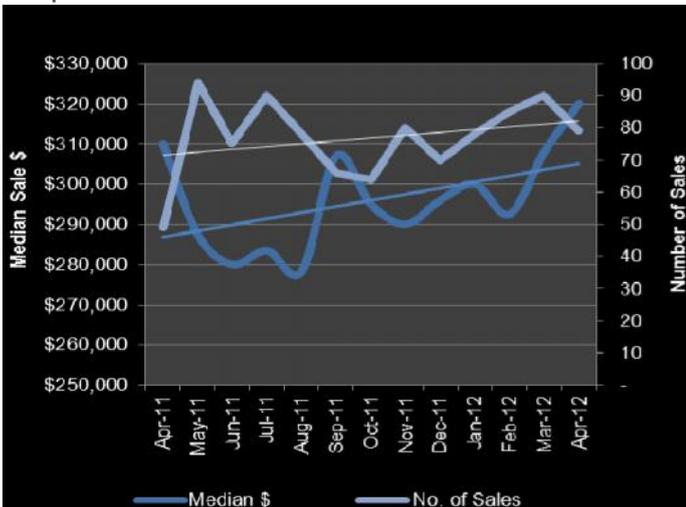
Taradale continues to be the most active suburb in Napier with 19 sales recorded in March. The median sale price increased 18.1% when compared to the corresponding period in March 2011. The median sale price has fluctuated in the suburbs of Onekawa and Tamatea, based on a relatively low number of sales. The reduced median price is a result of more sales within lower price bracket. Napier South recorded a strong result in April 2012 increasing 17.8%.

Suburb	March-12			March-11			% Change
	Dwellings Sold	Median \$ Sept-11	Days to Sell	Dwellings sold	Median \$ Aug-10	Days to Sell	
Havelock North	31	\$370,000	42	18	\$408,500	37	-10.4%
Flaxmere	13	\$175,000	42	9	\$163,000	27	6.9%
Mayfair	8	\$227,250	29	7	\$240,000	24	-5.6%
Parkvale	8	\$269,000	107	6	\$222,500	55	17.3%
Hastings Cen	8	\$318,450	27	6	\$231,500	83	27.3%

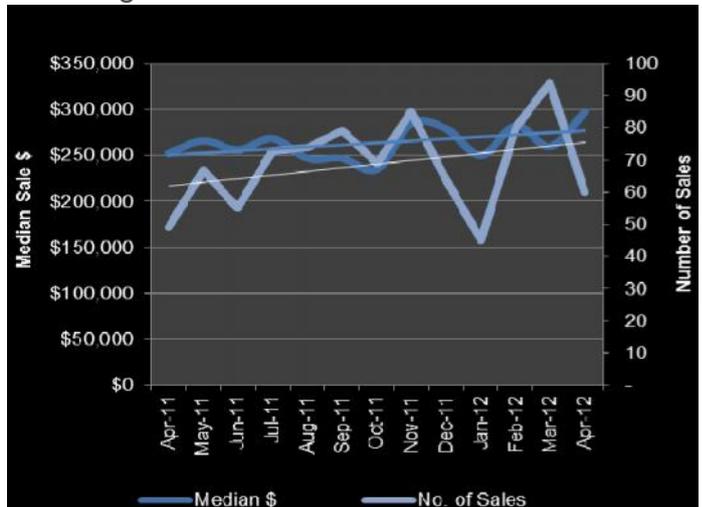
A significant lift in sales activity in Havelock North over the period, particularly within the lower priced western sector, resulting in a 10.4% reduction in the median sale price. Sales volume and prices are up in Flaxmere, reflecting improved investor confidence in the suburb. The suburbs of Raureka and Mayfair are indicative of a general improvement in the Hastings market.

## my Research: Median Sale Price relative to Number of Sales

### Napier

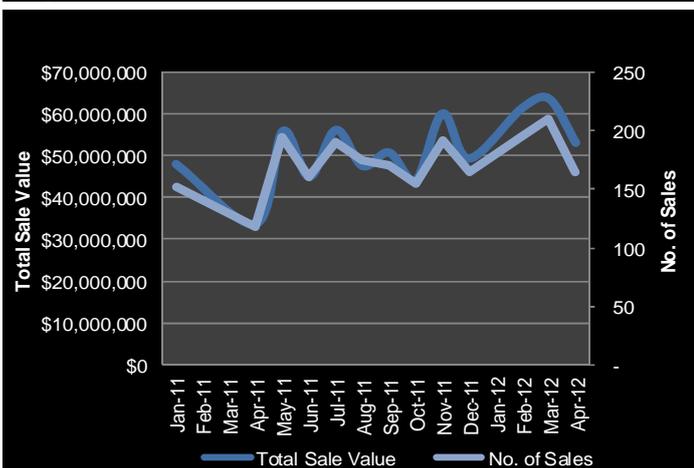


### Hastings



Napier - The number of sales had been steadily improving between December and March before dipping in April, partly due to public and school holidays. The median sale price has increased markedly over the past two months.  
Hastings - Sales activity has fluctuated more in Hastings with a noticeable drop in sales in January, rebounding in March, then a slight decline in April. The median sale price has been steadily trending upwards over the past twelve months.

## my Total Value of House Sales in HB



## my Outlook

A cautious recovery in the Hawkes Bay property market is underway. Recent interest rate cuts could stimulate the market further over the winter months, provided there are no major shocks out of Europe.

Number of properties for sale on Trade Me (May):

Napier: 832 properties

Hastings: 722 properties

## my Plug!

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