



# Talking Real Estate with Steve Slicker

Hi folks,

Last week I sold a property by mortgagee auction in Riverstone, my first experience of a mortgagee sale in New Zealand. Recently there has been a surge in such sales around the country, indeed a few years ago with prices rising it seemed a great idea to buy a few investment properties, after all the rent will pay the mortgage, then later you can enjoy the capital gain. It seemed a good idea at the time.

But the current recession is bringing things home to roost for many who speculated on property in the years leading up to 2007. Unprecedented numbers of mortgagee sales are the result of New Zealanders who over-extended themselves during the property boom by buying multiple investment properties, according to new figures.

The data, released last week by Terralink International, showed 247 registered mortgagee sales in May, compared to 88 for the same time last year. The numbers of mortgagee sales in May is on a par with the previous month, but the number is still at a level unseen in the 15 years these figures have been recorded and already early predictions for June show the level will reach a new record.

Many New Zealanders took advantage of the property boom by buying a number of properties, but now that times are tough servicing multiple mortgages is becoming impossible for increasing numbers of New Zealanders. Those being hardest hit by mortgagee sales were individuals and corporate property investors. Of the total mortgagee sales, 81 per cent of them were for individuals or companies, who owned more than one property.

In contrast, only 19 per cent were for properties owned by an individual who had only one property. That would be what we would think of as the family home. The North Island accounted for 75 per cent of the mortgagee sales with 44 per cent in Auckland alone. However, parts of the South Island had been hit hard in May, with Otago experiencing a 60 per cent increase and Canterbury a 42 per cent increase on the previous month's mortgagee sales.

Changing tack to a happier topic, I would like to thank my vendors who nominated me for an award in this years Upper Hutt Business Awards, I was proud and humbled to be a finalist and can only convey my thanks through this medium as I have no way of finding out who you are. Many thanks again.

If you are thinking of selling or moving, please contact me on the numbers below or via my website [www.steveslicker.com](http://www.steveslicker.com).

Kind regards,

Steve Slicker

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