



Talking Real Estate with Steve Slicker

Hi folks,

Today I would like to discuss the property market as a whole rather than focus solely on Upper Hutt, it is apparent that there is some positive feeling back in the property market after what feels like a very long period of negativity, this is based on my own (local) experience, and conversations with agents in Auckland after my recent break there and also what has been reported in national media over the last few weeks. With 4 consecutive months of declines in new listings, the residential property market seems to have turned a corner. Whilst there is no expectation of a resurgent boom in the market, what is likely to be seen is more of a cautious pace of activity maintained over the winter as buyer demand is challenged by pockets of real shortages of listings.

Certainly anecdotal comments from around the industry speak to the challenge of finding sufficient vendors in today's market to meet the demand of buyers. There is a sense of sellers having reorganised their situation from a finance perspective last year when they may have considered selling and upgrading; whereas now they are preferring to sit out this stage of the market in the hope that pricing may come back.

The number of new listings coming onto the market continues to decline with just 9,561 added in June, This is the 4th consecutive month showing a decline from a summer peak in February when 12,164 listings were brought to the market, compare this June's figure to June last year when there was 12,648 new listings added to the market, 24% down in a year!

So what are the reasons for this? There are a number of things I can think of, here are 4 of them. Many people will be feeling that "we can ride this out" ie they may feel that we are well through the slump phase and we can hold out for the recovery. On the other hand there is a perception that the market is so terrible, I won't get what I want, I would rather stay put etc, etc so those people may hit the market as they begin to notice that the supply/demand balance has moved back into the sellers favour. There are many potential sellers who have now decided that they will wait until Spring/Summer then sell their homes. (This could prove to be a mistake if the market is flooded with new listings and by then interest rates may have increased well above rates available today and maybe unemployment will increase) There are also a group of owners who simply can't sell as their house is worth less than the mortgage compounded by break fees if they do sell. If they can make their repayments they would rather ride it out and steer well clear of the bank.

If you are thinking of selling or moving, please contact me on the numbers below or via my website www.steveslicker.com .

Kind regards,

Steve Slicker

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