



Talking Real Estate with Steve Slicker

Hi all, for the last time this year I'm going to address the changing property market. As you will know I've not been shy about discussing where we are going and why. I hope this helps explain a little more why I'm moving positively into 2008.

It's now widely accepted that the property market in NZ has slowed down.

There's been a lot of speculation in recent months about our property bubble, when it will burst and how loud the bang?

The media has been true to form with sensational headlines describing a housing 'slump' or 'crash' while the Chief Economists try to temper the media's excitement saying it's a market 'correction'.

The questions now are, how slow will it go and where will it go?

We may not know the answer for many, many months but there are some known factors that may give perspective.

Ongoing media commentary about 'property slumps' will contribute to sales and house price inflation falling – the self fulfilling prophecy phenomenon.

The Banks know this, which is why their Chief Economists will continue to be conservative with their predictions.

Despite the slowdown, the Reserve Bank is still expected to increase the Official Cash Rate because of rampant inflation.

The property market commonly slows in the run up to an election - people hold off making big financial decisions until the make-up of the new government is known.

It's almost election year but it's likely to be a full 12 months before we know who will govern.

Mortgagee sales and hard working kiwi families losing homes makes for great headlines but poor polling in an election year, so the government will be working to ensure there's no bubble blow-out before November.

With these factors in mind I'm still extremely positive about Real Estate, people always have to move, whether it's a growing family, downsizing, relocation or separation there will always be a need for homes. I would like you to think about me if you are planning a move for whatever reason.

Kind regards,

Steve Slicker

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